

ANNEX NO. 5 TO CONDITIONS OF THE AUCTION

Part of Land Plot Lease Agreement

_____ No. _____
(date) (number)

Municipal enterprise “Šiaulių Oro Uostas”, legal entity code 145907544, registered office address Lakūnų St. 4, 77103 Šiauliai (hereinafter referred to as the **Lessor**), represented by Aurelija Kuezada, Director,

and [the details of the successful bidder] (hereinafter “the **Lessee**”), represented by [name, surname, position],

hereinafter referred to in the Agreement as the “Lessor” and the “Lessee” together are referred to as “the **Parties**” and individually as the “Party”, taking into account that:

- The State owns the land plot of the area of 26,2460 ha, cadastral no. 2901/0017:10, unique number 4400-3221-8923, at the address Aviacijos St. 5, Šiauliai (hereinafter referred to as the **Land Plot**), which is owned by the **Lessor** under the law of trust in the property;
- The Lessee is recognized as the winner of the lease of part [number of Part of Land Plot] of the Land Plot at the auction held on [day and month] in 2020 pursuant to the Auction Terms for Part D of the Land Plot (hereinafter - the **Conditions of Auction**), approved by the Lessor’s Director, Order No [number] of [day and month] 2020.

has entered into this agreement on the lease of part [number of Part of Land Plot] of the Land Plot (the hereinafter – the **Agreement**), subject to the following conditions:

1. SUBJECT MATTER AND OBJECT OF THE AGREEMENT

- 1.1. The Lessor, for a fee, grants the Lessee the right to temporarily manage and use, and the Lessee leases from the Lessor part of the Land Plot [the area of Part of Land Plot in hectares and in words], marked by a letter [letter] (hereafter – Part of the Land Plot) (the plan of Part of Land Plot is enclosed as **Annex No 1 to the Agreement**) located on the Land Plot of the area of 26,2460 ha, cadastral No. 2901/0017:10, unique number 4400-3221-8923, on Aviacijos St. 5, Šiauliai, required for the construction and operation of the structures referred to in clause 3.1 of the Agreement for their direct purpose, registered in the Real Estate Cadastre, and for carrying out the activities specified in clause 3.1 of the Agreement. The Lessee undertakes to pay the lease fee and other charges as set forth in the Agreement and to comply with the other terms of the Agreement.
- 1.2. The main particulars of Land Plot, including the leased Part of Land Plot, obtained from the Central Database of the Real Estate Register on the day of conclusion of the Agreement, are provided in **Annex No. 2 to the Agreement**.

2. TERM OF LEASE

- 2.1. The term of the Lease of Part of the Land Plot shall be **50 (fifty) years** (hereinafter – the **Term of Lease**), counting from the date of signing the transfer-acceptance act of Part of Land Plot.

3. PURPOSE OF LEASE AND TERMS OF USE OF PART OF LAND PLOT

- 3.1. Part of Land Plot is leased exclusively for the construction and operation of the following structures of the Lessee:

- 3.1.1. For the construction, installation and operation of the Lessee-owned building (s) (hereinafter the **Building** and/or **Buildings**), as well as for the construction and operation of the engineering structures required for the Building (s) (hereinafter - the Building and engineering structures are referred to as the **Lessee's Infrastructure**), for purposes related to airport operations only, pursuant to economic activities specified in clause 3.1.2. of the Agreement. The buildings may also be equipped with warehousing, administrative and utility (ancillary) premises, but the area of these premises (except warehousing) may not exceed half of the area of the Building (s).

- 3.1.2. The Lessee, in the structure and on Part of Land Plot, will be entitled to perform all or one/several of the following activities related to the airport activities according to the classification of economic activities (NACE Rev. 2) (hereinafter referred to as activities specified in clause item 3.1.2 - **Activities**):

- 3.1.2.1. Passenger air transport activities (51.10);
- 3.1.2.2. Freight air transport activities (51.21);
- 3.1.2.3. Warehousing and storage activities (52.10);
- 3.1.2.4. Service activities incidental to air transportation (52.23);
- 3.1.2.5. Cargo handling activities (52.24);
- 3.1.2.6. Other transportation support activities (52.29);
- 3.1.2.7. Other passenger land transport activities n.e.c. (49.39);
- 3.1.2.8. Renting and leasing of air transport and equipment (77.35)
- 3.1.2.9. Repair and maintenance activities of aircraft and spacecraft (33.16);
- 3.1.2.10. Repair of electronic and optical equipment (33.13).

- 3.2. The Lessee must use Part of Land Plot in accordance with its principal purpose of land use, use only for the construction, operation and performance of the Lessee's infrastructure. Violation of the provisions of this clause of the Agreement shall be considered as a material breach of the Agreement whereby the Lessor shall have the right unilaterally to initiate termination of this Agreement without recourse to the courts and to claim compensation for losses established in the Agreement.

- 3.3. In performing the Agreement, the Lessee undertakes:

- 3.3.1. to use Part of Land Plot only for the Activities specified in clause 3.1 of the Agreement;
- 3.3.2. not to allow to use Part of Land Plot to any third parties, except with the prior written consent of the Lessor;
- 3.3.3. to obtain, at its own expense, the necessary permits for the construction of Buildings and performance of the Activities in Part of Land Plot;
- 3.3.4. to arrange for the protection and proper maintenance of Part of Land Plot, the Lessee's infrastructure and the Lessee's property located therein, at its own expense, including but not limited to:
 - 3.3.4.1. to ensure the cleanliness and order of Part of Land Plot and its infrastructure (including temporary structures and facilities, if they are legally built by the Lessee in accordance with the terms of the Agreement with the Lessor's prior consent), their aesthetic appearance, equip the required amount of garbage boxes, covered containers to help prevent bulk or windborne objects from entering the aerodrome, in all seasons, to collect daily mechanical garbage from the surface of Part of Land Plot and empty the litter boxes placed on Part of Land Plot, provide a continuous rainwater grate cleaning, ensure the timely emptying of the containers on Part of Land Plot so that they are not overloaded;
 - 3.3.4.2. to perform regular mechanical cleaning of the coverings of the surface of Part of Land Plot during the warm season, but at least once a month, during the cold season with more than 50 mm (fifty millimetres) of dry snow or 30 mm (thirty millimetres) of wet snow, to perform regular snow removal. The Lessee must ensure snow removal from Part of Land Plot. The Lessee is prohibited from storing snow on Part of Land Plot, that is, no more than 5 cubic meters (five cubic meters) of snow on any site of Part of Land Plot.
 - 3.3.4.3. to provide a regular care for the lawn and other green areas on Part of Land Plot by mowing, pruning and watering them in a timely manner, by collecting and removing fallen leaves, branches, grass and other plant debris. The Lessee must ensure that the height of the lawn (grass) in Part of Land Plot does not exceed 10 cm (ten centimetres) at any time of the year;
 - 3.3.4.4. to ensure control of wildlife within Part of Land Plot, that is, not to feed, shelter or provide other refuge to animals, to ensure that wild animals cannot feed on litterbins and/or containers within Part of Land Plot, and to immediately remove dead animal bodies (or their remains) from Part of Land Plot, to inform the Lessor immediately about the appearance of animal nests, caves, etc. on Part of Land Plot;
 - 3.3.4.5. to provide proper and timely maintenance and repair of the Lessee's infrastructure within Part of Land Plot (including, but not limited to, Buildings, parking lots, fences, roads, passages, and other engineering facilities); to ensure the removal of any obstructions from the roads within Part of Land Plot and the permeability and penetration of roads and passages within Part of Land Plot intended for other users of the Land Plot;
 - 3.3.4.6. to ensure that the vehicles and machinery necessary for the performance of the Activities on Part of Land Plot are not parked on green lawn or ground;
 - 3.3.4.7. to ensure that vehicles belonging to the Lessee's employees or customers and other vehicles or machinery that are not directly related to the performance of the Activities are not parked and/or left on Part of Land Plot;

- 3.3.4.8. to ensure compliance with environmental and fire safety requirements in Part of Land Plot;
- 3.3.4.9. to take all other actions necessary to ensure that the Lessee's infrastructure and the remaining space of the leased Part of the Land Plot and the green areas therein do not endanger the Lessee's employees and other persons or their property and do not interfere with other users of the Land Plot (or its parts);
- 3.3.4.10. In case of the Lessee's failure or improper performance of any of the obligations specified in clause 3.3.4 of the Agreement, the Lessor, having warned the Lessee about improper performance of the Agreement, shall have the right (at the expense of the Lessee) without prior permission of the court or other institution or person to give prior written notice to the Lessee to perform the respective work, if the Lessee fails to correct the breach of the Agreement (i.e. does not perform the actions provided for in this clause) or fails to take effective action to correct the breach within 2 (two) business days of receipt of the relevant written notice from the Lessor. The Lessee undertakes to create conditions and not to hinder the Lessor in performing the works (actions) for the Lessee provided for in this clause. The Lessee undertakes to reimburse the Lessor for the costs incurred in performing the actions for which the Lessee is responsible under the Agreement, but not later than within 5 (five) business days after the date on which the Lessee was submitted the relevant Lessor's invoice covering the Lessor's costs incurred in performing the Activities and the documents proving the amount of the expenses indicated on the invoice;
- 3.3.5. to coordinate in advance with the Lessor the installation of any signboards, advertisements, stands or other visual aids on Part of Land Plot or on the Buildings or equipment located on it. The Parties agree that the Lessor shall submit to the Lessee the consent for the installation of the measures provided for in this clause or a reasoned refusal within 14 (fourteen) calendar days from the receipt of the request;
- 3.3.6. to pay the fees for the utilities provided in Part of Land Plot (within the terms specified in the service agreements with the service providers) (the Lessee must provide the Lessor with copies of the service agreements with reference to this clause);
- 3.3.7. to comply with the Lessor's procedures for the use of the Land Plot and its individual parts (including, but not limited to, aviation safety, flight safety and ramp movement) and to ensure that the Lessee's staff are made aware of and comply with the procedures set out by the Lessor. The Lessee shall be informed (at the choice of the Lessor) of the relevant procedures for the use of the Land Plot and its parts by submitting them to the Lessee by e-mail specified in the Agreement or giving the Lessee access to the Lessor's Information System;
- 3.3.8. to strictly comply with and implement the aviation security control regime requirements for Part of Land Plot, set forth by the Lessor and communicated to the Lessee in writing by the Lessor;
- 3.3.9. without the prior written consent of the Lessor, approved by the Board of the Lessor, apart from the construction of the Lessee's infrastructure as set forth in the Agreement, not to build any new structures (including temporary structures) or facilities, not to build road or engineering communications, not to reconstruct or demolish existing structures or facilities. In addition, such construction or reconstruction shall be in accordance with the land-use regulation and the requirements specified in clause 4.4 of the Agreement. In all cases, the Lessee shall be responsible for the conformity of the construction works on the leased Part of the Land Plot with the established Land Management Regulation and the legal acts regulating construction work, by taking responsibility for all construction work deviating from the established Land

Management Regulations and/or construction work or not complying with the requirements of the regulatory legal acts, irrespective of the fact that the consent of the Lessor has been obtained for the execution of specific construction works;

- 3.3.10. without the prior written consent of the Lessor and approved by the Lessor's Board, the Lessee shall have no right to enter into any agreements or take obligations, including contingent and tentative transactions or obligations, regarding the use of the Lessor's infrastructure and/or its part and/or part of the Land Plot, so that the third parties shall not be entitled to the right to Part of Land Plot, except for exceptions provided for in this Agreement;
- 3.3.11. not to sublease Part of Land Plot or its part to third parties without the prior written consent of the Lessor which was approved by the Lessor's Board;
- 3.3.12. not to mortgage Part of Land Plot without the prior written consent of the Lessor and approved by the Lessor's Board;
- 3.3.13. not to transfer the right of ownership of the Building and/or the Lessee's infrastructure and/or the lease of Part of Land Plot without the prior written consent of the Lessor which is approved by the Lessor's Board;
- 3.3.14. to create conditions and not to interfere with the installation (laying, construction, repair, etc.) of the common utility engineering networks and engineering structures necessary for their operation in Part of Land Plot, in a time and terms agreed in advance with the Lessee;
- 3.3.15. to provide the Lessor, its representatives or authorized persons with access to the engineering networks of common use and the engineering structures necessary for their operation, located in Part of Land Plot, at any time of day, giving the Lessee one business day notice;
- 3.3.16. to use of Part of Land Plot in strict compliance with applicable laws and regulations, including but not limited to fire, sanitary, environmental and occupational safety regulations, in any event ensuring that Lessor's use of Part of Land Plot does not interfere with the users' rights and legitimate interests of other parts of the Land Plot including the buildings and facilities therein;
- 3.3.17. The Lessee shall ensure that any third-party activities with who the Lessee or any person assigned by him will enter into the relevant agreements do not conflict with the Activities provided for in this Agreement. In this case, such third parties operating on Part of Land Plot must comply with national security requirements. Third party verification is performed prior to the Lessor's written permission. Third parties may not engage in any Activities in any Part of Land Plot unless the Lessor has given written consent.
- 3.4. In case of failure of engineering networks (or engineering structures necessary for their functioning), actual threat of their failure, fire of buildings, facilities or growing plants in Part of Land Plot or in other cases of urgent necessity, the Lessor shall be entitled to enter Part of Land Plot without prior notice if it is necessary for removal of the mentioned failures or other threats. The Lessor undertakes to inform the Lessee without delay of the above-mentioned cases of access to Part of Land Plot and the reasons thereof.
- 3.5. In the event that buildings, structures and/or facilities, not provided for in the Agreement, are erected, reconstructed or demolished, cases of contamination of land, devastation of greenery, etc. are observed, the Lessee shall indemnify and/or restore Part of Land Plot to its original condition.

- 3.6. Failure to perform any of the obligations of the Lessee, specified in clauses 3.1 to 3.5 of the Agreement shall be considered a material breach of the Agreement, the non-elimination of which shall give the Lessor the right to terminate the Agreement unilaterally without applying to the court and to claim from the Lessee damages arising from such termination.

4. OBLIGATIONS OF THE LESSEE IN CONSTRUCTION OF BUILDINGS

- 4.1. The Lessee undertakes, within 60 (sixty) months of the date of the Agreement, to prepare the design documentation for the Building (s), to construct the Building (s) and to ensure that the Building (s) is (are) eligible for use:
- 4.1.1. not later than within 12 (twelve) months from the date of signing the transfer-acceptance statement for Part of Land Plot, to apply to the relevant authorities and/or Lessor for the issue of the Terms of Connection of the Building (s);
- 4.1.2. not later than within 24 (twenty-four) months from the date of receipt of the conditions specified in clause 4.1.1 of the Agreement, submit to the Lessor the technical documentation of the Building (s) for approval. The Lessor shall approve the submitted technical documentation for the construction of the Building (s) or submit a reasoned refusal for the reasons why the submitted documentation is not coordinated and shall inform the Lessee thereof not later than within 20 (twenty) calendar days from the receipt of the documentation;
- 4.1.3. to receive the document authorising the construction of the Building (s) within 12 (twelve) months from the receipt of the Lessor's consent specified in clause 4.1.2 of the Agreement.
- 4.2. The terms set out in clause 4.1 of the Agreement may be extended by mutual written agreement of the Parties only if it is reasonably necessary due to unforeseen circumstances beyond the control of the Parties or if the Lessor acknowledges the reasoned written request of the Lessee.
- 4.3. The Building (s) and all of the Lessee's infrastructure must be designed and constructed in such a way that its technical solutions and parameters do not conflict with the building's architecture, environment, public health safety, third parties (public concerned) in terms of the regulation of planning procedures and the implementation of specific architectural requirements and airport aviation security requirements, interest protection and purpose requirements, and be suitable for carrying out the Activities.
- 4.4. In Part of Land Plot the Lessee undertakes to construct the Building (s), which shall comply with the Special Requirements of the Law on Construction, Civil Aerodrome Design, Construction and Operation approved by the Minister of Transport and Communications of the Republic of Lithuania Order no. 42/69 of 23 February 2000, International Civil Aviation Organization's (ICAO) requirements for the design, construction and use of aerodromes and other structures (accessories) applicable in the Republic of Lithuania, requirements for the design, construction and use of Aerodromes and other structures by the European Aviation Safety Agency, as well as the requirements of other legal acts and normative technical construction documents. The construction of buildings must be coordinated with the Public enterprise Transport Competence Agency.
- 4.5. The Builder (Client) of the Building (s) and of the entire Lessee's Infrastructure shall be the Lessee, who shall be responsible for the preparation of the technical project of the Building (s),

its coordination with the Lessor and approval, the preparation and approval (if prepared separately) of the Building (s) construction project, receipt of the construction permit, performance and implementation of the functions of the builder, execution of the construction of the building (s) according to the technical and construction (if prepared separately) project, and compliance with regulatory technical building regulations and other requirements of this Agreement, and the acceptance of the Building (s) as suitable for use.

- 4.6. The Lessee undertakes to coordinate the technical project of the construction of the Building (s) as well as the engineering networks and infrastructure required for the construction and operation of the Building (s) in the leased part of the Land Plot with the persons designated by the Lessor throughout the entire design period and prior to the date of submission of the permit for construction subject to the final written approval by the Lessor. In this case, all technical documentation for the Building (s), including the engineering networks and infrastructure, shall comply with the specific regulatory requirements for architecture and construction.
- 4.7. The Lessee shall be liable for performance or non-performance of his own and of the participants in the construction and of other persons employed by them for the construction of the Building (s).
- 4.8. The Lessee shall be entitled to construct buildings (apart from the Building (s)), including uncomplicated and temporary structures, in Part of Land Plot, if the construction of such structures is provided for in the Agreement. The Lessee shall demolish the constructed buildings, not provided for in the Agreement, including uncomplicated and temporary structures, and clean Part of Land Plot.
- 4.9. Failure to perform any of the Lessee's obligations set forth in clauses 4.1, 4.3 - 4.6, 4.8 of the Agreement shall be considered as a material breach of the Agreement, failure to correct the breach of the Agreement shall entitle the Lessor to terminate the Agreement unilaterally and to claim damages from the Lessee.
- 4.10. The engineering networks necessary for the operation of the Building (s) and the performance of the Activities shall be installed by the Lessee or another person upon his/her commission, and the Lessor shall provide the Lessee with the possibility to access conditions (if such exist and if technically feasible) and fulfil them, if necessary and in agreement with the Lessor (subject to technical availability), to redesign his engineering networks to make them suitable for connection, and connect to Lessee's existing engineering networks, including electricity, heat, plumbing, sewage, communications.

5. OBLIGATIONS OF THE LESSEE RELATING TO THE PERFORMANCE OF THE ACTIVITIES

- 5.1. The Lessee undertakes to obtain and retain during the term of the Agreement all licenses and permits required for the performance of the Activities of his choice and to commence the Activities not later than 6 (six) months after the Building (s) is recognised as fit for use, but no later than 30 June 2026.
- 5.2. Until the end of the Lease of Part of Land Plot, the Lessee undertakes to carry out the Activities on a continuous basis.

- 5.3. The Activities performed by the Lessee in the Building (s) shall, inter alia, comply with:
- 5.3.1. The requirements of the European Aviation Safety Agency and the Public enterprise Transport Competence Agency, as well as not to violate the individual and regulatory requirements of the Lessor applicable to the Lessee;
- 5.3.2. The normative requirements for hygiene, environment, public health and other requirements for such activities.
- 5.4. The Lessor shall have an interest to construct on Part of Land Plot no other buildings than the Buildings and/or carry out no other activity than the Activities and that Part of Land Plot shall not be used for any purpose other than the construction of Building (s) and the performance of the Activities taking into account obligations specified in clause 3.1 of the Agreement. The Lessee is prohibited from providing competitive services to the Lessor or its contractors and/or partners other than those that are inextricably related to the Activities and without which the performance of the Activities is impossible.
- 5.5. No segment of Part of Land Plot or the Building (s) may be engaged in activities related to general aviation (except with the prior written consent of the Lessor and approved by the Lessor's Board): any activity related to sports aviation, balloons and other flying equipment other than aircraft, activities related to parachute jumping, experimental aviation, rescue operations, transportation of patients, storage and transportation of dangerous or restricted cargo, and any other activity that may interfere or endanger the normal operation of the "Šiauliai Oro Uostas" holding the international status of the airport when operating scheduled flights.
- 5.6. The Lessee undertakes not to offer publicly available parking services on Part of Land Plot for the entire period of duration of the Agreement, i.e. not to engage in activities that are similar in character to the activities carried out by the Lessor and other entities in selling parking services. In any event, this clause shall not be explained as restricting the provision of parking facilities of vehicles for persons whose place of business is within Part of Land Plot or on the Lessee's infrastructure.
- 5.7. The Activities within the Lessee's infrastructure and on Part of Land Plot may be carried out by third parties following the Lessee's order and with the prior written consent of the Lessor and approved by the Lessor's Board, ensuring that they assume full responsibility and risk for conducting the Activities in accordance with the law. Taking into account the rights and obligations of the Lessor as the operator of the aerodrome as the object of strategic importance for the national security, as set out by the Law of the Republic of Lithuania on the Protection of Objects of Importance to Ensuring National Security, the Parties agree that the Lessee shall have the right to use third persons (s) for the performance of the activities in the Building(s) and/or Part of the Land Plot, including the transfer of such operations or part of such operations to the third parties, only after the competent authorities have assessed the third parties' compliance with national security interests and issued a positive opinion in support thereof. The Lessee shall inform the Lessor in writing in advance of the Lessee's intentions to employ third parties for the performance of the operations and/or the intentions to transfer to third parties the performance of the operations in the Building (s) and/or Part of the Land Plot, after identifying such third parties and activities which they are intended to carry out and/or the Activities and/or part of the Activities to be transferred to the third parties.

- 5.8. Failure to carry out any of the Lessee's obligations specified in clauses 5.1.-5.7 of this Agreement shall be considered as a material breach of the Agreement, the failure of elimination of which in accordance with the procedure provided for in the Agreement shall entitle the Lessor to unilaterally terminate the Agreement in accordance with the procedure specified in the Agreement and to claim compensation from the Lessee related to such termination of the Agreement.

6. LEASE FEE PAYMENT

- 6.1. The annual lease fee for Part of Land Plot (hereinafter - the **Lease Fee**) is equal to [the amount of the lease fee in figures] (the amount of the lease fee in words) in EUR. The amount of the Lease Fee per 1 sq. m. (per square meter) for Part of Land Plot is EUR [insert numbers] (insert words). The Lease Fee shall be calculated from the date of signing of the acceptance –transfer statement for Part of Land Plot as provided for in clause 11.8 of the Agreement.
- 6.2. The Lessee shall pay the Lease Fee each quarter of the calendar year (i.e. 25% (twenty-five percent) of the Lease Fee specified in clause 6.1) upon receipt of the invoice from the Lessor, which the Lessee shall pay within 14 (fourteen) calendar days after the receipt. If the Agreement is signed not on the first day of the relevant quarter of the calendar year (i.e. not on January 1, April 1, July 1 or October 1), the part of the Lease Fee payable for the respective first quarter of the Agreement shall be calculated according to the formula $N_{\text{quart.}} = N / 4 \times S / 90$ where $N_{\text{quart.}}$ means the part of the Lease Fee for the relevant quarter, N the Lease Fee, and S the number of lease days during the relevant quarter from the date of the Agreement. The part of the Lease fee payable for each subsequent quarter is equal to 25% (twenty-five percent) of the Lease Fee.
- 6.3. The Lessee undertakes to pay to the Lessor any and all payments made by the Lessee under this Agreement or related to this Agreement, by bank transfer to the Lessor's current account indicated below or any other current account specified by the Lessor in writing before the relevant payment date. Account No.: LT417230000000345083, UAB Medicinos Bankas, bank code: 72300, SWIFT: MDBA.
- 6.4. The initial deposit of EUR [...] (in words) paid by the Lessee shall be included as the Lease Fee for the first year (or part of) of the lease of Part of Land Plot.
- 6.5. If the Official Gazette of Eurostat publishes the previous year's changes in the Monetary Union Index of Consumer Prices compared with the former Consumer Price Index in Eurozone, the Lease Fee referred to in clause 6.1 of the Agreement shall be recalculated for each calendar year proportionally to the relative change in the price index, but in all cases the Lease Fee referred to in clause 6.1 of the Agreement may not be less than EUR [insert]. The recalculated Lease Fee shall be payable from 1 January of the current year. The Monetary Union Index of Consumer Prices in Eurozone starts to apply from 1 January 2021. There is no separate written agreement on recalculation of the Lease Fee, in which case the Parties shall exchange information notices sent to the Parties by e-mail as one of the methods specified in clause 8.1 of the Agreement.
- 6.6. Utilities, including, but not limited to, electricity, water, heating, and other services for the operation of the Lessee's infrastructure managed by the Lessee, shall be paid directly by the Lessee to the suppliers of such services under service contracts entered into directly with them.

The Lessee undertakes to provide the Lessor with a certified copy of these agreements within 5 (five) business days of the conclusion of such agreements. The fees for any utilities are not included in the Lease Fee.

- 6.7. The Lessee undertakes to pay taxes related to this Agreement, such as real estate tax, value added tax, and any land tax on the leased Part of the Land Plot.

7. VALIDITY OF THE AGREEMENT

- 7.1. The Agreement shall enter into force for the Parties from the date of its conclusion and shall remain in force until the end of the Lease Term (unless extended under the Agreement) or the Termination of the Agreement in accordance with the Agreement. The Lease Term may be extended by additional conditions provided by the Lessor, but in any case, shall not exceed the economically reasonable term of use of the Building, which shall be determined by the Minister of Environment of the Republic of Lithuania. The Lessor undertakes to submit his decision to extend the Lease Term (upon the Lessee's request) no later than 18 (eighteen) months prior to the expiry of the Agreement.

- 7.2. The Agreement shall expire:

- 7.2.1. Upon the expiration of the Lease Term or termination of the Agreement;

- 7.2.2. By written agreement of both Parties;

- 7.2.3. In the event of the liquidation of one or both Parties, the rights and obligations of the Party in liquidation shall not pass to another person. In the event of the Lessee being liquidated, the succession of rights under this Agreement shall require the consent of the Lessor and approval of the Lessor's Board;

- 7.2.4. At the request of the Lessor, when the leased Part of the Land Plot is necessary for the performance of the functions of the State;

- 7.2.5. if during the performance of the Agreement Part of Land Plot becomes unusable due to circumstances beyond the control of the Parties;

- 7.2.6. in other cases, established by the Civil Code of the Republic of Lithuania and other laws of the Republic of Lithuania.

- 7.3. The Agreement may be terminated before the term without applying to the court at the request of the Lessor:

- 7.3.1. if the Lessee materially breaches the Agreement and fails to remedy the breach in accordance with the procedure set forth in the Agreement;

- 7.3.2. if the Lessee (or third parties engaged in the performance of the Lessee's activities or to whom the performance of the whole or part thereof has been delegated) loses its compliance with national security interests (special requirements of the Auction Terms) or the joint venture agreement is terminated, (applies in cases where the Auction participant and a Lessee is a group of individuals operating on a joint activity basis). If the Agreement is terminated on the grounds that the Lessee loses its national security interests during the term of the Agreement, the Lessee shall not be entitled to carry out the Activities within the term from the Lessor's notice of

termination, but may transfer the Activities to third parties with the Lessor's prior written consent) and if such assignment occurs prior to the termination date specified by the Lessor, the Lessor's notice of termination will be void as of the date of assignment of the Lessee's Activities to third parties.

- 7.4. The Agreement may be terminated unilaterally before the term without applying to the court upon the demand of the Lessee:
 - 7.4.1. if the Lessor materially breaches the Agreement and fails to remedy the breach in accordance with the procedure set forth in the Agreement;
 - 7.4.2. if the Lessee is deprived of carrying out the Activities, or substantially restricted by the circumstances depending on the Lessor (e.g., limitation and/or cancellation of the Lessor's special right, contractual work carried out by the Lessor in connection with the Land Plot or its access, etc.) for more than 90 (ninety) consecutive days. This clause of the Agreement shall not apply to the reconstruction of the runway operated by the Lessor.
- 7.5. In the event of any breach of this Agreement, including any material breach of the Agreement, the affected Party shall, before exercising its right to terminate the Agreement unilaterally, shall request the other Party to rectify such breach in writing with a reasonable period of at least 1 (one) month. The time limit for remedying the breach referred to in this paragraph shall begin to run on the date of receipt by the Party of a written request from the other Party specifying the specific breach of the Agreement and requesting its correction. If the Party fails to remedy the material breach (s) of the Agreement within the time limit set by the other Party, the affected Party shall have the right to terminate the Agreement unilaterally without applying to the court and shall be deemed to have terminated it. The Parties agree that if the Party has committed more than 3 (three) identical breaches of the Agreement within 12 (twelve) months of the first breach, the breaching term specified in this clause may be waived at the discretion of the affected Party and terminated by the affected party on the basis of a written notice.
- 7.6. Upon expiry of the Lease term, the Lessor shall be entitled to exercise one of the following conditions, depending on the basis and conditions on which the Lease Term of Part of Land Plot terminates:
 - 7.6.1. The Lessor shall be entitled to redeem the Building and other Lessee's Infrastructure for a value calculated using the expenses/cost method (replacement cost of the asset), reduced taking into account the normal depreciation and any other devaluation and without assessing the market value of Part of Land Plot. The Lessor must notify the Lessee of its intention to redeem the Building and other Lessee's Infrastructure at a value calculated in accordance with this clause of the Agreement at least 18 (eighteen) months prior to the expiry date of the Lease Term of Part of Land Plot. In the event that the Agreement is terminated for the reasons set out in clauses 7.3 and 7.4 of the Agreement, the Lessor shall notify the Lessee of its intention to redeem the Building and other Lessee's infrastructure for the value calculated in accordance with the procedure specified in this clause of the Agreement not later than within 1 (one) month after the termination of the Agreement. In this case, the value of the Building and other Infrastructure of the Lessee will be calculated on the last day of the Agreement. The value of the Lessee's Building and other infrastructure will be determined by an independent property appraiser. The independent property appraiser shall be selected by mutual agreement of the parties, if the parties disagree, the appraiser shall be appointed by the Lessor unilaterally from the 3 (three) largest international property valuation companies operating in Lithuania, the property appraisal

expenses shall be compensated equally. The Lessee shall submit its decision on the transfer of the Building and other Lessee's infrastructure to the Lessor at a value calculated on the basis of the expenses/cost method, and reduced taking into account the depreciation or any other devaluation no later than 12 (twelve) months before the expiry of the Lease term of Part of Land Plot. In the event of termination of the Agreement for the reasons set out in clauses 7.3 and 7.4 of this Agreement, the Lessee shall submit its decision regarding the transfer of the Building and other Lessee's infrastructure to the Lessor for the value calculated in accordance with this Article not later than 2 (two) months after the termination date.

7.6.2. In the event that the Lessor does not wish to take over the Building and other Lessee's Infrastructure or if the Lessee refuses to transfer the Building and other Infrastructure of the Lessee to the Lessor for the value specified in clause 7.6.1, the Lessor shall notify the Lessee at least 18 (eighteen) months prior to the expiry date of the Lease Term, to provide a properly prepared draft plan for the servitude of Part of Land Plot (immovable thing) required for proper operation and access to the Lessee's Building (s) and other Infrastructure (dominant things). In the event the Agreement is terminated due to the reasons specified in clauses 7.3. and 7.4 and without the Lessor's unwillingness to take over the Building (s) and other Infrastructure of the Lessee or the Lessee's refusal to transfer the Building (s) and other Infrastructure of the Lessee to the Lessor for the value set forth in clause 7.6.1, the Lessee undertakes to submit to the Lessor the draft plan of Part of Land Plot (immovable thing) within 2 (two) months from the day of termination of the Agreement. The servitude of Buildings and other Infrastructure of the Lessee may be determined only if the Lessee and any subsequent owners/lessees of the Buildings and other Infrastructure of the Lessee comply with the interests of national security. The draft plan of the servitude of Part of Land Plot shall be agreed in writing with the Lessor or the Lessor shall provide a reasoned refusal to approve it no later than within 2 (two) months from the date of submission. The servitude of Part of Land Plot must be remunerated in all cases, therefore the Lessee (owner of the dominant things) undertakes to pay the Lessor (owner of the immovable thing) a periodic compensation once a year until 31 December of the current year. The amount of the periodic compensation and the terms for its conversion will be agreed between the Lessee (owner of the dominant things) and the Lessor (owner of the immovable thing) in an act or agreement on establishing the servitude, but in no case shall the compensation fee be less than the lease fee specified in the Agreement. The Act or Agreement on establishment of the servitude shall set out all the terms and conditions of the use of Part of Land Plot for performance of the Activities foreseen by this Agreement and the restrictions for the Lessee, the term of the servitude of Part of Land Plot which shall not exceed 30 (thirty) years after the expiry of the Agreement, but in any case not longer than the economically reasonable duration of use of the Building, which shall be determined in accordance with the procedure established by the Minister of Environment of the Republic of Lithuania on the day of termination of the Agreement and taking into account the fact that no major repairs or reconstruction works will be performed in the future. Upon termination of the servitude, the Lessee will be required to vacate Part of Land Plot without reimbursement of the cost of dismantling or demolishing the Lessee's infrastructure or its equipment and of any other costs associated with the release of Part of Land Plot, including the value of Buildings and Lessee's infrastructure;

7.6.3. In the event of non-redemption of the Buildings and other Lessee's Infrastructure, of non-renewal of the Agreement or failure to establish a servitude (due to Lessee's fault), the Lessor shall give notice to the Lessee at least 12 (twelve) months before the Lease Term expires. In the event that the Agreement is terminated for the reasons set out in clauses 7.3 and 7.4 of the

Agreement and the Lessor has not redeemed the Buildings and other infrastructure of the Lessee or has not established a servitude (due to the Lessee's fault), the Lessee shall vacate Part of Land Plot within 2 (two) months after the termination date. The Lessor shall not, in this and under any other circumstances, reimburse the Lessee for the cost of dismantling or demolishing the Lessee's infrastructure or its equipment or any other costs associated with the release of Part of Land Plot, including the value of the Buildings and the Lessee's infrastructure.

- 7.7. Termination or expiration of this Agreement shall exempt both Parties from further performance of the Agreement, but shall not relieve the Parties of any obligations or default interest that have arisen prior to the termination or incomplete fulfilment of obligations under this Agreement, also have no impact on the validity of other terms and conditions of the Agreement, provided that these terms and conditions remain in force after termination or expiration of the Agreement.

8. NOTIFICATIONS

- 8.1. All information, notices, communications, correspondence or claims between the Parties in connection with this Agreement must be in writing and shall be deemed to be valid if sent or delivered to the following addresses by one or more of the following means: (i) fax, (ii) electronic mail (iii) registered letter, (iv) courier service (with acknowledgment of receipt), or (v) personal submission by signature:

To the Lessor:

[a legal person responsible for the execution of the Agreement]

Municipal enterprise "Šiaulių Oro Uostas"

Lakūnų St. 4,

LT-77103 Šiauliai

The Republic of Lithuania

Tel. No: 841 54 2005

Fax: 841 54 2006

E-mail: airport@siauliai.lt

To the Lessee:

[a legal person responsible for the execution of the Agreement]

[Address]

Tel. No _____

Fax: _____

E-mail: _____

- 8.2. Any notice sent by fax, e-mail, postal delivery by personal service, by registered letter or courier service will be deemed to have been duly affected;
- 8.2.1. if sent by fax: on the day of dispatch by fax or on the next working day if the dispatch day was not a working day or if the fax was sent after working hours, provided that in all cases confirmation of receipt (delivery to the sender) has been received;
- 8.2.2. if sent by e-mail: on the actual day of dispatch of the notice or on the next working day if the e-mail was sent on a non-working day or if the e-mail was sent after working hours;
- 8.2.3. if dispatched by prepaid registered delivery (including registered letter): on the fourth business day following the date of dispatch of the notice;
- 8.2.4. in the case of personal service: on the day of service.
- 8.3. Each Party must promptly notify the other Party of any change in its address (including e-mail address), telephone or fax numbers, and contact details. Failure by either Party to comply with this requirement shall not constitute a claim or representation against the other Party that its obligations under the latest requisites of the other Party to which it is aware do not comply with this Agreement or that notices sent under such requisites have not been received.

9. LIABILITY

- 9.1. The Parties undertake to comply with this Agreement and applicable laws of the Republic of Lithuania. The Parties shall be liable for their non-execution or improper execution in accordance with the laws of the Republic of Lithuania.
- 9.2. Any party who breaches this Agreement shall indemnify the other Party for any direct loss suffered by the latter as a result of a breach of this Agreement that has not been corrected under the Agreement. Each Party shall indemnify the other Party against any damage caused by third parties for which it is responsible under this Agreement.
- 9.3. If the Lessee fails to pay the Rent Fee in due time and/or fails to fulfil any other financial obligations to the Lessor under this Agreement, the Lessee shall pay to the Lessor a default interest of 0.05 (five hundredths) percent for each day of delay. Failure of the Lessee to pay the Lease Fee (the relevant part thereof) or to meet any other financial obligation to the Lessor under this Agreement for more than 3 (three) months shall be considered a material breach of the Agreement.
- 9.4. Neither of the Parties shall be liable for failure to perform or improper performance of its obligations under this Agreement due to force majeure under the laws of the Republic of Lithuania (Article 6.212 of the Civil Code of the Republic of Lithuania). A Party that, due to force majeure, is unable to fulfil its obligations under this Agreement shall notify the other Party in writing as soon as possible. In such event, the fulfilment of any relevant obligation under this Agreement shall be deferred until the circumstances of force majeure cease. A party failing to fulfil its obligations due to force majeure shall be exempted from payment of penalties (fines, penalties), damages and other sanctions provided for in the Agreement, as long as there is a basis for exemption from liability.

9.5. If the Agreement is terminated due to the fault of one of the Parties, such Party shall pay to the other Party the amount of one year's rent and shall compensate the other Party for any direct losses caused by such termination. By agreement between the Parties, such indemnification shall be deemed to be the minimum, pre-negotiated, clear, understandable, reasonable, fair and indisputable minimum damages the Parties would incur as a result of the termination of the Agreement without the need for each other to prove.

10. DISPUTE SETTLEMENT AND APPLICABLE LAW

10.1. All disputes, claims or disagreements arising out of or in connection with this Agreement, as well as any dispute regarding the validity, interpretation or violation of this Agreement, shall be settled by negotiation between the Parties. If the Parties do not settle any disputes or requirements by negotiation, they shall be settled in the courts of the Republic of Lithuania according to the location of part of the Land Plot.

10.2. This Agreement shall be governed by and construed in accordance with the laws of the Republic of Lithuania.

11. OTHER PROVISIONS

11.1. Should any provision of this Agreement be rendered invalid or unenforceable, it shall be replaced immediately by a written agreement between the Parties with a new, effective, binding and enforceable provision as close as possible to the meaning and content of the invalid or unenforceable provision. In addition, such invalid or unenforceable provision will not affect or limit the legality, validity or enforceability of any other provision of this Agreement.

11.2. Failure or delay in exercising any right, option or exclusivity under this Agreement shall not be considered as a waiver of such right, option or exclusivity. One-time or partial exercise of any right, option or exclusivity shall not limit any further exercise of such right, option or exclusivity or any other right, option or exclusivity.

11.3. The Lessee undertakes to register this Agreement in the Real Estate Register at its own expense within 1 (one) month from the date of its conclusion as provided in clause 11.8.

11.4. The Lessee undertakes to pay all costs related to the conclusion of the Agreement.

11.5. By signing this Agreement, the Lessee confirms that Part of the Land Plot complies with its requirements as the Lessee and has no claims regarding the technical or legal status of Part of Land Plot. At the moment of the Transfer-Acceptance Statement of the Part of the Land, the Lessee shall have no right to claim against the technical or legal status of Part of Land Plot.

11.6. The Lessee shall, at its own expense, register a notice in the Real Estate Register stating that it is prohibited to transfer the Building (s) or other Lessee's infrastructure to third parties without the prior written consent of the Lessor, and that the Building (s) or other Lessee's infrastructure is located in the protected zone relevant to the national security.

11.7. The Lessor undertakes to revise the Cadastre Data of the part of Land Plot in the Real Estate Register at its own expense, but not later than within 2 (two) calendar months, after the Building (s) and other Lessee's Infrastructure have been constructed and recognized as suitable for use.

- 11.8. Part of Land Plot will be transferred to the Lessee for use and management by a separate Acceptance/Transfer Statement issued on Part of Land Plot within 5 (five) days from the date of the Agreement (the date of signing the Agreement is the date when the Agreement is signed by the last party to the Agreement, therefore the parties must indicate the date of signing the Agreement).
- 11.9. The Parties undertake to observe an obligation of confidentiality: not to disclose to any third party, in writing, orally, or otherwise, any commercial or financial information obtained through cooperation under this Agreement, unless such disclosure is required by law or any regulatory authority. The Party in breach of this obligation shall indemnify the other Party for damages arising from the disclosure of confidential information.
- 11.10. This Agreement is drawn up in two duplicate originals, each of which is signed by both Parties (their authorized representatives) and shall have the same legal effect. One copy of this Agreement shall be provided to the Lessor and the other to the Lessee.
- 11.11. The following annexes, which shall be deemed to be an integral part of the Agreement, shall be attached to the Agreement:

Annex No. 1 - Plan of Part of Land Plot;

Annex No. 2 - Statement from the Central Data Bank of the Real Estate Register;

Annex No. 3 - Conditions of the Auction;

The Lessor

**Municipal enterprise
“Šiaulių Oro Uostas”**

[Requisites]

[Name, surname, position]

(signature, L. S.)

The Lessee:

[Title]

[Requisites]

[Name, surname, position]

(signature, L. S.)