



LOAN AGREEMENT No. [REDACTED]

This Loan Agreement (hereinafter referred to as the "Agreement") has been entered on the date of [REDACTED] 2012 by and between:

[REDACTED] personal ID code [REDACTED] date of birth [REDACTED] place of residence [REDACTED] mobile phone No. [REDACTED] e-mail address [REDACTED] @ [REDACTED] passport No. [REDACTED] (hereinafter referred to as the "Borrower"), and

PILOT MANAGEMENT SERVICES (CYPRUS) LTD, a private company duly incorporated and operating under the laws of Cyprus, registration number HE 218923, with its registered office address at Avlonos I, MARIA HOUSE, 5th floor, P.C. 1075, Nicosia, Cyprus, (hereinafter referred to as the "Lender"), represented by Director – Viktorija Dunciene,

the Borrower and the Lender are hereinafter collectively referred to as the "Parties" and each individually as the "Party".

1. Subject of the Agreement

- 1.1. Subject to the terms and conditions set forth in this Agreement the Lender will lend out to the Borrower sum, indicated in the clause 3.1. of the Agreement, and the Borrower shall accept Lender's Loan and shall reimburse the Loan according to the terms and provisions set forth in this Agreement
- 1.2. The Purpose of the Loan is the financing Borrower's flight / aviation training services (including line training services).
- 1.3. The Parties agree on the particular flight / aviation training organization(s).
- 1.4. The Parties will cooperate in good faith with each other during the term of this Agreement.

2. Representations, Duties and Responsibilities of the Borrower

2.1. The Borrower covenants:

- 2.1.1. to fill the questionnaire submitted by the Lender that (1) the Borrower hasn't got any previous convictions, (2) indicate all debts and liabilities of the Borrower, (3) indicate information about what country resident he is and (4) provide any other necessary information not later than at the conclusion of this Agreement. If the information indicated in the questionnaire or any other information submitted to the Lender changes the Borrower shall have to inform the Lender about this not later than at the day of the changes;
- 2.1.2. to pay 5,5 % annual interest rate (hereinafter – the "Interest") for the received Loan until full and complete reimbursement of the Loan. The Parties consider that the number of days in a year is 365. The Parties agree that the Interest shall be started to count from the day of disbursement of the Loan to the Borrower. The Parties agree that the Interest shall not be calculated and paid for the terms (1) when the Borrower properly executes flight / aviation training service agreement(s) with flight / aviation training organization(s) under this Agreement, but longer than one year; (2) during the validity of the Service agreement No. 0120-01 of 20 January 2012 when the Borrower

is ill and duly provides the Lender necessary documents proving the above mentioned;
(3) during the validity of the Service agreement No. [REDACTED] of [REDACTED] 2012 the Lender does not submit orders to the Borrower (Borrower doesn't provide Services).

- 2.1.3. to reimburse the disbursed sum of the Loan and to pay all Interest to the Lender not later than until [REDACTED] 2013. These terms and conditions shall be valid if the Parties in the separate written agreement between Parties do not agree on the different order of repayment of the Loan and interest.
- 2.1.4. properly to execute flight / aviation training service, indicated in clause 1.2. of this Agreement, agreement(s) with flight / aviation training organization(s) and properly fulfil all his obligations under such agreement(s).
- 2.1.5. immediately to pay the fine equal to 10 000 EUR and reimburse all other damages that are not compensated by the fine if he fails to come to the flight / aviation training organization educational flight on time and/or simulator and / or lectures or other trainings. The Lender shall have the right not to require the Borrower to reimburse damages and pay the fine if (1) the Borrower informs the Lender about the absence 36 hours in advance before the flight / aviation training organization educational flight on time and/or simulator and / or lectures or other trainings; and (2) submits the evidences proving important reasons for absence 36 hours in advance before the flight / aviation training organization educational flight on time and/or simulator and / or lectures or other trainings; and (3) the Lender doesn't suffer any damages;
- 2.1.6. within 5 working days after signing this Agreement and receiving the Lender's preliminary approval for the involvement in training programs to pay to the Lender the deposit in the amount of EUR 10 000 (hereinafter – the "Deposit"). The Deposit will be used as a guarantee for a proper execution of Borrower's obligations under this Agreement and will be used as the last Borrower's Loan (interest) repayment according to this Agreement if no breaches of the Agreement from Borrower side will be fixed during validity term of this Agreement. If the Borrower breaches the Agreement this Deposit shall be used for the reimbursement of the fines, interest and/or compensation of the damage incurred. Also the Deposit may be used as any other Borrower's payments under the Agreement. The Lender shall have the right unilaterally without informing the Borrower to set-off the undertakings.
- 2.1.7. immediately within 5 working days after the demand to pay all expenses for additionally required training and/or simulators and/or additional flights (training and/or simulators and/or additional flights required due to not satisfactory Borrower's trainings, learning results and/or if he is not enough the standard training hours) to the Lender or directly to the appropriate flight / aviation training organisations in prices established in the pricelist of the appropriate flight / aviation training organisations. The Standard training hours are indicated by the flight / aviation training organization.
- 2.1.8. immediately at the conclusion day of this Agreement issue Simple Promissory Note to the Lender in amount of disbursed 36 000 EUR sum for the term of one year. If after the term of one year the Borrower didn't pay the full amount of disbursed Loan and interests, the Lender shall have the right at any time to demand from the Borrower to issue new Simple Promissory Note to the Lender indicating new terms of reimbursement of the debt. The old Simple Promissory Note shall be returned to the Borrower when the Borrower issues new Simple Promissory Note. Such procedure shall be performed and the Simple Promissory issued each time until the full reimbursement of the Loan, interest and other sums under the Agreement. If the Borrower breaches the obligations here above the Lender shall have the right unilaterally without notice and without applying to the court to terminate this Agreement and to demand from the Borrower immediately not later than within 1 working day to reimburse all actually

disbursed sum of the Loan and to pay all Interest to the Lender as well to pay fine equal to 10 000 EUR, which by the mutual agreement of the Parties is considered as minimum damages of the Lender that shall not be proven.

- 2.2. The Borrower hereby represents and warrants to the Lender that:
 - 2.2.1. he/she is a citizen of the European Union.
 - 2.2.2. he/she is proficient in the English language (at least level 4 of the ICAO language proficiency requirement as per ICAO).
 - 2.2.3. he/she has an impeccable reputation (has not been convicted for a serious or very serious offence; has not been convicted for a minor or moderate voluntary or involuntary offence the record of which has not been removed or annulled; has not been listed in the psychiatric register for the abuse of psychotropic, narcotic or toxic materials or alcohol abuse; has not received an administrative sanction in the past calendar year for the violation of aviation security requirements and etc.).
 - 2.2.4. holds valid Joint Aviation Authorities (J.A.A.) Frozen Airline Transport Pilots License (A.T.P.L.) or CPL; Joint Aviation Regulations - Flight Crew License (J.A.R.-F.C.L.), Commercial Pilot with Multi Crew Co-operation (M.C.C.), Multi engine (M.E) and Instrument (IR) ratings and TR on A320.
 - 2.2.5. holds experience - 100 hours as pilot-in-command of airplanes.
 - 2.2.6. he/she is in possession of all required valid licenses and approvals including, but not limited to the valid Class 1 Medical Certificate to take the Services hereunder. The Borrower shall be in charge for ensuring that all licenses and approvals are maintained effective throughout the term of performance of the Agreement.
 - 2.2.7. he/she has necessary technical competences and skills, aviation experience, credentials and licenses, interpersonal skills, medical fitness, and security background.
 - 2.2.8. he/she has not caused any incidents or accidents in the past and not ongoing investigations are pending.
 - 2.2.9. there aren't any barriers to the Borrower to perform services / functions / duties of the pilot.
- 2.3. The Borrower shall have right to return the full Loan indicated in clause 3.1. of this Agreement or any part of the amount prior to the term, indicated in clause 2.1.3. of this Agreement only with a written consent of the Lender.
- 2.4. The Lender shall have an unrestricted right to inspect whether and to what extend the Borrower complies with the requirements specified hereinabove at any time throughout the validity of this Agreement. Should the Borrower fail to comply with the requirements set out hereinabove, the Lender shall be entitled unilaterally request immediately pay all unpaid Loan sum and interest and fine, equal to 5 000 EUR, which by the mutual agreement of the Parties is considered as minimum damages of the Lender that shall not be proven. In such case the unpaid Loan sum and interest, fine must be paid to the Lender not later than within 5 working days after such demand.
- 2.5. The Borrower allows and agrees that the Lender shall have an unrestricted right to check any information about the Borrower in any institutions, including but not limiting the Borrower's security background. The Lender may acquire Security information or any other information about the Borrower from acknowledged (official) sources such as State Institutions of Law Enforcement, State Tax Inspectorate, Customs, lawyers, other state institutions or institutions of law protection (including but not limited to the Police, State Security Department, Migration Department, etc.) as well as previous employers and foreign jurisdictions and/or any other institutions. The Borrower hereby confirms his/her consent to check his/her information, including but not limiting to his security background, and

he/she will immediately not later than in 3 working days provide any documents requested by the Lender to perform the information, including but not limiting to the security check.

- 2.6. The Borrower agrees that all his personal data (ordinary and special data, including personal number), may be processed by the Lender, it may be checked and/or requested personal information about the Borrower in any companies, organizations, institution and, if necessary, disclosed and transferred to the third parties. Data processing shall mean any operation, which is performed with personal data such as collection, recording, accumulation, storage, classification, grouping, combining, alteration (supplementing or rectifying), disclosure, making available, use, logical and/or arithmetic operations, retrieval, dissemination, destruction or any other operation or a set of operations.
- 2.7. If the Borrower submits any false information or any false warranties, or doesn't inform the Lender about the changes on time, he is obliged to pay the Lender fine, equal to 5000 EUR, and reimburse all damages incurred by the Lender that are not compensated by the fine indicated above not later than in 5 working days after the request of the Lender.
- 2.8. The Borrower allows and agrees that the Lender shall have an unrestricted right to refer to third parties including but not limiting to his future clients, employers that they paid for his debts and obligations as well as to disclosure any information about the Borrower's debts, liabilities and information about the performance of this Agreement.
- 2.9. The Parties agree that in case if during two consecutive years after the Borrower's successful ending of initial training program (line training) the Lender will not submit orders to the Borrower according to the Service agreement No. 0120-01 of 20 January 2012, the sum of the Loan, which must be returned to the Lender by the Borrower, will be reduced by 15000 EUR (fifteen thousand Euros).

3. Representations, Duties and Responsibilities of the Lender

- 3.1. The Lender covenants to lend no more than 36 000EUR (thirty six thousand Euros) (hereinafter – the “**Loan**”). The Parties expressly agree that all amount of the Loan under this Agreement shall be paid directly to the flight / aviation training organizations where the Borrower will be trained. The Parties agree that it is considered that the 36 000EUR is disbursed to Borrower on the conclusion of this Agreement. The Loan structure:
 - 3.1.1. Total 36 000EUR for line training and up to 500 block hours of flying.
- 3.2. The Lender will assist Borrower in finding appropriate proper line training courses.
- 3.3. The Lender has the right to assure any insurance covering Borrower's general liability, personal accidents, hospital care, life, and licence loss in an insurance company. The Borrower expressly agrees that in such cases the Lender shall be indicated as beneficiary in such insurance agreement. The Parties agree that expenses related to licence loss insurances shall be paid by the Borrower. In cases covered by the licence loss insurance if the benefit is paid to the Lender the Parties agree that the Borrower doesn't have to pay the unpaid Loan, interests or fines. The Parties agree that the Lender shall not assure the insurance covering the Borrower's temporary loss of health, illness; the Borrower shall have the right to assure the insurance covering his temporary loss of health, illness by himself.
- 3.4. The Lender shall have the right to terminate the flight / aviation training unilaterally if after some part of the trainings the Borrower are not properly prepared and / or it appears that he didn't properly learned the material. In this case this Agreement shall be deemed as terminated and the Borrower within 5 working days shall pay the unpaid part of the Loan for the executed flight / aviation training in prices indicated in clause 3.1. of the Agreement and interest, fine and other sums under the Agreement..

3.5. The Parties agree if the Borrower does not reimburse the Loan, interest and related sums on time longer than 30 days and is hiding, in such case the Lender shall have the right to institute the prosecution that shall lead to criminal record (conviction) of the Borrower.

4. Indemnification, Liabilities, Performance and Impossibility of Performance

- 4.1. The Borrower hereby undertakes and agrees to indemnify and hold forever harmless the Lender, its directors, employees, servants or agents from and against (and agrees that the Borrower will make no claim against the Lender in respect of) any and all liabilities, actions, claims, proceedings, costs, losses, damages, charges and expenses of whatsoever nature including but not limited to reasonable legal fees, costs which the Lender and/or Borrower and their respective directors, employees, servants or agents or any of them may sustain, incur or pay arising directly or indirectly out of or in connection with execution of this Agreement.
- 4.2. The Lender shall have no obligation or liability, whether arising in Agreement, delict (whether or not arising from the negligence of the Lender), or otherwise, for direct or indirect loss or for any other incidental or consequential damages with respect to any non-conformance or defect in undertakings provided under this Agreement.
- 4.3. The Parties will not be liable for any expenses, losses or damages caused due to delay or inability to act in result of a fire, flood, strike, riots, theft, terrorist acts or any other events which are beyond their control and which may result in a delay or inability to perform the obligations under this Agreement.
- 4.4. The Borrower is fully liable for proper execution of his obligations under this Agreement and related agreements. The Parties agree in case this Agreement expressly does not indicate otherwise that the minimum sum of the losses incurred by the Lender due to breach of this Agreement or related agreements from Borrower side is 10 000 EUR and no additional evidence for the request of such sum from the Borrower in such circumstances is required. However the Lender has the right to request to reimburse all losses incurred due to the Borrower's fault even if such losses exceed the minimum sum mentioned in this clause.

5. Confidentiality Clause

- 5.1. The Borrower agrees to treat as secret and confidential and not at any time for any reason to disclose or permit to be disclosed to any person or otherwise make use of any information relating to the Agreement, its terms and conditions, execution of the Agreement and any information disclosed in the course of performing the Agreement.
- 5.2. Confidential information is disclosed to any third persons during the term of the Agreement and after the expiry of the term of the Agreement only with a prior written consent of the other Party, except for disclosure of information in the course of any supervision of disciplinary proceeding, to a court of law based on a court ruling or judgment, to a preliminary investigation authority in connection with a criminal procedure, or unless the legislation provides otherwise.
- 5.4. If the Borrower breaches his confidentiality undertakings provided for herein, the Borrower shall pay to the Lender a fine equal to EUR 10 000 (ten thousand Euros) for each such breach and fully indemnify the Lender against any losses and damages of the Lender incurred as a result of aforementioned breach. Payment of a fine shall not release the Borrower from fulfillment of confidentiality undertakings.
- 5.5. The Parties agree in case of the breach of confidentiality obligation the Lender shall have the right to institute the prosecution that shall lead to criminal record (conviction) of the Borrower.

6. Legality of this Agreement

- 6.1. Any amendments of this Agreement must be in writing, otherwise being null and void.
- 6.2. Agreement shall continue until all obligations of the Parties are fulfilled.
- 6.3. The Lender shall be entitled to terminate this Agreement immediately by written notice to the Borrower to take effect on delivery if: (i) the Borrower without the valid reason does not attend any module's trainings indicated in clause 1.2. of the Agreement more than 25 per cent; or (ii) the Borrower has more than 2 failed exams for that moment (if the Borrower acts unfairly during the exam (for example uses measures which are not the part of exam and are not allowed, transcribes and etc.), or the exam material (questions) gets until the exam, this is deemed as failed exam and the exam may be passed only after 1 year); or (iii) the Borrower does not pass exam of the module not less than three times; or (iv) the Borrower's flight training services agreement are terminated by the training organization on the fault of the Borrower; or (v) the Borrower submits any false information or any false warranties or doesn't inform the Lender about the changes on time, regardless of whether paid fine or not; or (vi) the Borrower doesn't arrive to the simulator session on time without important reason; or (vii) the Borrower shall be in default in respect of any other that 6.3. material obligation on its part and if capable of being remedied, the default has not been remedied within reasonable time of the Lender's written request to do so. In such case the Loan, the Interest and the fine indicated in the Agreement must be paid during 5 working days after such circumstances had appeared.
- 6.4. The Parties also agree that in case of termination of this Agreement due to the fault of Borrower the Borrower shall also compensate the expenses related to insurance.
- 6.5. This Agreement, including but not limited to the Simple Promissory Note, was made and should be interpreted in accordance with the Republic of Lithuania law. Enforcement record for the Simple Promissory Note is made and the recovery of the debt is carried out under Lithuanian Law.
- 6.6. In case of any dispute resulting from this Agreement or related therewith, both the Borrower and the Lender will attempt to resolve them amicably. If no settlement is reached within 30 calendar days from the date of the Party's receipt of the written request for settlement, the disputes resulting from the Agreement or related therewith will be settled by an ordinary court of the Republic of Lithuania (exact court may be selected by the plaintiff).
- 6.7. Any and all notices, request, written demands or other documents given on the basis of this Agreement will be sent by courier, by e-mail, by mail or by fax (with confirmation of receipt) to the addresses specified in this Agreement: **the borrower - address** [REDACTED] **e-mail address** [REDACTED] **@** [REDACTED] **the Lender** Avlonos 1, MARIA HOUSE, 5th floor, P.C. 1075, Nicosia, Cyprus; **e-mail: info@aviationcv.com; fax: +370 5 252 5501.**
- 6.8. Any and all notices, request, written demands or other documents given on the basis of this Agreement shall be deemed to have been given to the other Party:
- 6.8.1. on the day of delivery when delivered personally to the representative of the other Party;
- 6.8.2. after 5 (five) calendar days after the date mailed if sent registered mail;
- 6.8.3. on terms established by DHL or other provider of international courier services if sent through thereof;
- 6.8.4. on sending day, if sent by facsimile or e-mail on working days during normal working hours of the receiving Party (8.00 ap. to 6.00 p.m.) or, if such day is not a working day and / or notice is being sent not on working day or not during normal working hours, - on the next working day first normal working hour. The Borrower received e-mail sent by

facsimile or e-mail on working days during normal working hours must confirm the receipt not later than in 2 (two) hours after the receipt. The Borrower received e-mail sent not on working day or not during normal working hours must confirm the receipt not later than in 2 (two) hours of the next working day normal working hours. If the Borrower fails to perform obligations indicated here above he shall pay fine, equal to 5000 EUR. The failure to confirm receipt of the e-mail does not affect the recognition that the e-mail is received by the Borrower as indicated here above.

- 6.9. All notices shall be given in English and/or Lithuanian to the contacts indicated in this Agreement or specified by the Parties in written.
- 6.10. In case the legal address of the party, name, surname or any other requisites changed the Party shall notify the other Party not later than before 3 calendar days before such change. The Party that has failed to comply with such requirement may not make claims or counterclaims to the effect that actions by the Party taken based on the last known particulars are in violation of the Agreement or that it has not received notices sent based on such particulars.
- 6.11. The Agreement has been the subject of discussion and negotiation and is fully understood by the Parties, and the terms established in this Agreement were arrived in consideration of such provisions.

7. Miscellaneous

- 7.1. Any attempt by the Borrower to assign or subagreement this Agreement in whole or in part, without first obtaining the Lender's written consent shall be voidable.
- 7.2. A Lender shall have the right without the consent of the Borrower to assign to another person all or a part of the claim, rights and/or obligations under this Agreement.
- 7.3. The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision. In the event a provision is determined to be partially or completely invalid, the parties agree to negotiate in good faith to reach equitable agreement which shall accomplish the original intent of the parties as set forth in this Agreement.
- 7.4. This Agreement is the main document establishing cooperation between the Parties and it will be complemented by separate written agreements between the Parties and between the Borrower and persons mentioned by the Lender.
- 7.5. This Agreement has been read and understood by the Parties as to its contents and consequences. In witness whereof the Parties have signed this Agreement in two equally binding counterparts in English language one for each Party on the date above written.

Signatures

Borrower

Lender

Date: _____ 2012

Date: _____ 2012