

General Provisions of the Lease

LEASING TERMS AND CONDITIONS FOR THE RACING CIRCUIT AND FACILITIES

(hereinafter referred to as Terms)

Valid since the March 1, 2020.

1. DEFINITIONS

1.1. Terms – these clauses which form an integral part of all the Contracts entered into between the Lessor and the Lessee.

1.1. Lessor – Rada OÜ

1.2. Lessee - the person to whom the Lessor has entered into an agreement (legal or natural person);

1.3. Party – Lessor or Lessee;

1.4. Contract – the commercial lease contract between the Parties in respect of Assets, which is formed by these Terms and Conditions;

1.5. Property – the facility, equipment or other property leased under the Contract, the list of which is

set out in the Tender and/or in the Contract;

1.6. Service – Service bought by the Lessor;

1.7. The Law of Obligations Act is primarily stipulated to the Terms and the Contract. If the Terms and Conditions are in breach of the special conditions of the Contract, the terms and conditions set out in the Contract are subject to;

1.8. Tender – a formal price offer for leasing Assets prepared by the Lessor for the Lessee;

1.9. Racing Circuit – a one-way closed road belonging to the structure of *Porsche Ring*. The road is intended for automotive and motor sport recreation and for safe development of driving skills and techniques;



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1.10. Territory of the Racing Circuit – the fenced Racing Circuit and the buildings and facilities in the complex used along with the Racing Circuit;

1.11. Booking – a right to use at agreed times the Assets and/or Services provided by the Lessor, provided that on the basis of the Tender by the Lessor the advance payment of 25% out of the due cost of the lease of the Asset has been carried out;

1.12. Rent – the price indicated in the Tender for the use of the Assets and/or the Service. If the volume of the use of Services exceeds the volume indicated in the Tender, the calculation of the additional Rent is based on the price-list of the Lessor, the unit prices of which shall be adjusted by the concession specified in the Tender, if any;

1.13. Guarantee – the amount of money payable for the use of Assets and/or Service, ensuring the potential damage or loss of the Assets, and the amount of which is specified in the Tender;

2. CONFIRMATIONS OF THE LESSEE

2.1. Entering into the Contract, the Lessee also confirms that

2.1.1. they have examined and agree with the safety requirements and rules of *Porsche Ring*, which are an integral part of the Contract and which are inter alia accessible on the website of *Porsche Ring*;

2.1.2. they are familiar with the Assets prior to the conclusion of the Contract. They are also aware of the technical condition of the Assets. They confirm that the Assets accepted by them are in working order and they do not have any complaints against the Assets.

2.1.3. the Lessor has in required volume beforehand informed them and has given instruction on operation rules, safety requirements and maintenance instructions of the Assets;

2.1.4. they have all necessary and required skills for technical use of the Assets;

2.1.5. there are no circumstances or basis for arising of them in the future, which could exclude, prevent/hinder or delay the full or partial fulfilment of the obligations established under the Contract or arising under this Contract;

2.1.6. they agree to the publication of the indebtedness in public payment default registers and to the third persons.

3. LEASE CONTRACT TERM, TRANSFER AND RESTITUTION OF THE ASSETS

3.1. The Contract is terminal, except as the Parties have agreed otherwise;



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3.2. the lease term of the Assets is regulated under the Tender. Unless otherwise indicated in the Tender, the lease term starts at 10.00 hours on the morning of the first lease day, and ends at 20.00 hours on the evening of the last lease day.

3.3. The Contract shall enter into force after the Lessee has paid 25% of the Assets lease price indicated in the Tender (Booking). If the Lessee has not paid the specified amount within the Tender time limit, no bookings are made and no liabilities to Lessor are in force;

3.4. A deed of conveyance is signed by the Parties at the transfer of the Assets. The signature of the Lessee on the deed of conveyance is also a confirmation to the Lessee's confirmation, described in clause 2 of the Terms. If the Parties have not signed a deed of conveyance at the transfer of the Assets, the Contract shall be considered as concluded from the moment, when the Assets were transferred to the Lessee to use in real terms;

3.5. The Contract will terminate at the transfer of the Assets to the Lessor's possession and fulfilling all the obligations;

3.6. The Parties shall sign a deed of conveyance in written form at the restitution of the Assets if one of the Parties demands it. If no restitution in written form is done Parties agree that the Assets are restituted if it is actually happened. Rent must be paid for the Assets restitution day as well, except where the restitution took place before 10.00 o'clock.

3.7. The Lessee agrees with the Lessor carrying out a check of the Assets whether they are in good working order within 15 working days after the restitution of the Assets. The Lessor is obliged to let the Lessee be present at the check of the Assets;

3.8. If the Lessor ascertains that the Assets have become unusable and/or significant reduction (more than the amortization resulting from prudent use of the Assets) in the value of the Assets is established by the Lessor, the Lessor is entitled at their own option to require:

3.8.1. compensation within the limit provided for in clause 5.2.6;

3.8.2. compensation for the expenses with the reparation/substitution of the Assets;

3.8.3. netting of the expenses applicable from the Guarantee.

4. RENT AND MONETARY LIABILITIES

4.1. The Lessor has a right to seek payment for and the Lessee has an obligation to pay for the Assets and/or Service specified in the Tender;

4.1.1. Rent is calculated according to the prices indicated in the Tender. If the volume of the use of the services exceeds the volume specified in the Tender, additional Rent shall be calculated



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according to the Lessor's price-list, the unit prices of which shall be adjusted by the concession specified in the Tender, if any.

4.1.2. The Tender made by the Lessor is valid up to the date specified in the Tender. In order to confirm the Tender made by the Lessor, 25% out of the amount specified in the Tender must be paid to the account indicated in the Tender, referring to the number of the Tender or the number of invoice in the explanation.

4.1.3. The paid booking fee to certify the Tender shall not be recovered to the Lessee by the Lessor, if the Lessee waives renting/leasing the Assets. The paid amount shall be considered as contractual penalty by the Parties.

4.2. the payment for the invoice for the use of the Assets and/or Service shall be paid to the Lessor's account (stated in the sent invoice) or in cash;

4.3. The deadline of the payment is marked in the invoice;

4.4. the Lessor has a right to charge from the Lessee and the Lessee has the obligation to pay interest of 0.5 % per day for unpaid due Rent;

4.5. The Lessee is obliged to compensate the expenses with respect to the claim to recover damages /unpaid due rent, or equivalent.

4.6. If there is envisaged Guarantee for the use of the Assets and/or Service, it shall be paid to the Lessor before the use of the Assets and/or Service.

5. RIGHTS AND OBLIGATIONS OF THE LESSEE

5.1. The Lessee has a right

5.1.1. to use the Assets independently, in accordance with the Contract;

5.1.2. to submit a written objection to an invoice issued by the Lessor within five (5) days period from the issue of the invoice;

5.1.3. to terminate the Contract at any time, notifying the Lessor thereof in advance within maximum 30 days. Upon termination of the Contract by the Lessee, the booking fee paid by the Lessee should not be recovered, according to clause 4.1.3 of the Terms.

5.2. The Lessee is obliged



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5.2.1. to pay the Rent and perform other duties in accordance with the Contract;

5.2.1. to ensure that the sound emitted on the Racing Circuit does not exceed the statutory noise level from 8 PM to 10 AM during the Contract period. During the abovementioned period, it is, inter alia, prohibited to start the engines of the motor vehicles the noise level of which exceeds the permissible road traffic noise levels;

5.2.2 to ensure that the vehicles that drive at the Racing Circuit does not exceed the noise level described in the Appendix Noise regulations at Porsche Ring and the noise levels outside the Racing Circuit territory regulated by the legislation. The Lessee has the obligation to pay a fine in sum of €1000 (one thousand) per each incident in case of exceeding the Racing Circuit noise levels. The Lessor has the right the stop whatever activities in each moment in case of situation if the noise levels are exceeded. In this case no refund for unused services nor covering any costs to Lessee happen. Following the local Racing Circuit noise regulation does not take away the responsibility of Lessee to follow all the regulations based on legislation. Lessee takes full responsibility for all kind of fines, sanctions, court expenses what so ever that could occur due to exceeding the noise levels;

5.2.3. to use the Assets in a prudent way and according to their intended use;

5.2.4. to make their best efforts to preserve the Assets (i.e. to avoid theft, loss or destruction of the Assets, etc), and keep the Assets prudently;

5.2.5. to promptly (i.e. on the date of the discovery of the damage) inform the Lessor about the damage in a reproducible form;

5.2.6. to compensate the damage to the Assets caused by them at the Lessor's first request;

5.2.7. In the event of the Asset becoming missing, unusable, or destroyed, and in case the Asset cannot be restored or restoration would be unreasonable, to pay to the Lessor compensation in the amount corresponding to the retail selling price for a similar new asset;

5.2.8. On restoration of the Asset, to pay for the expenses of the reparation in accordance with the calculated costs submitted by the Lessor;

5.2.9. Upon termination of the Contract, to deliver the Asset to the Lessor in no worse state than that at the time the Asset was transferred to the Lessee, except for war-and-tear;

5.2.10. to return the leased Asset in a fixed state or compensate the repair costs according to the invoice submitted by the Lessor;

5.3. the Lessee shall have no right to provide the Asset to be subleased or to give the Asset to any third party without the Lessor' s written consent. In the event of infringement, the Lessor has the right to charge contractual penalty amounting to 50% of the rental price of the Asset;

5.4. Departure of the Asset from the territory of the Racing Circuit is prohibited without the Lessor's consent. The contractual penalty is 50 % out of the price of the Asset.

6. RIGHTS AND OBLIGATIONS OF THE LESSOR

6.1. Apart from the rights set out with the Contract and provided by Law, the Lessor has a right

6.1.1. to terminate the Contract unilaterally for the reasons deemed valid, on an exceptional basis, without notice, and to require the restitution of the Asset and/or compensation for the caused damage and/or compensation for the Asset. The reasons are deemed valid in particular under the following circumstances:

6.1.1.1. The state of the Asset has become worse and/or there is a risk of the Asset becoming missing, damaged or unusable, resulting from a wilful act or omission by the Lessee;

6.1.1.2. The Lessee files for bankruptcy, has not paid for the invoices submitted by the Lessor, or some other legitimate basis laid down by law;

6.1.2. The Lessor has a right to effect a standard termination of the Contract, by giving at least 3 months' notice. In this case, the amount of the booking fee paid by the Lessee is to be refunded.

7. LIABILITY

7.1. The risk of accidental loss of the Assets, as well as the obligation to compensate the damage caused by the source of the bigger risk related to the hold of the Assets, shall be transferred to the Lessee. Such transfer shall take effect with taking hold of Assets by the Lessee;

7.2. The Lessee bears full and unconditional responsibility for the preservation of the Assets from the date of the transfer of the hold of the Assets up to the date of the return of the Assets to the Lessor;

7.3. The destruction, loss or damage of the Assets due to circumstances beyond the control of the Lessee is not basis to reduce liabilities or to relieve of the responsibility specified in clause 7.2;

7.4. The Lessor shall not be liable for the potential loss resulting from the destruction, use or impossible use of the Assets;

7.5. The Lessor shall not be liable for the material damage the leased Assets may cause and/or the Lessee may suffer due to malfunction of the asset, unless the parties agree otherwise;

7.6. The Lessor shall not be liable for the services provided by any third person via the Lessor;

7.7. The Lessor and the Lessee shall not be liable for the failure to fulfil the obligations, if it is caused due to force majeure. Circumstances considered to constitute force majeure are the circumstances



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which were beyond the control of the obliged party, incl the events which cannot be influenced by the party (power failure, failure of communication lines, general computer systems disorder, activities of state institutions);

7.8. This Contract is confidential. Its disclosure to third parties is prohibited. In the case of a breach of confidentiality, the Parties undertake to pay to the other Party the contractual penalty of 10% out of the total sum of the Tender for every breach.

7.9. There is time limit of 10 years for filing claims arising from this Lease Contract.

8. TERMINATION OF THIS AGREEMENT

8.1. This Contract shall terminate:

8.1.1. when the deadline expires;

8.1.2. on other legitimate basis laid down by Law.

8.2. This Contract may be ended:

8.2.1. by agreement of the Parties;

8.2.2. on the basis set out under the Contract or provided by Law.

8.3. The termination of the Contract shall not affect the financial obligations incurred before the termination of the Contract becoming chargeable or the meeting of those claims.

9. ADVERTISEMENTS

9.1. Definitions:

Publicity Materials: printed materials, audio-visual materials;

Logo: downloadable on <http://media.voog.com/0000/0041/5302/files/Porsche Ring-logos.pdf>

Name: Porsche Ring. Porsche Ring is always written without any capital letters and lower case letters are used throughout the term.



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The name „Porsche Ring“ shall be used as the name of the Racing Circle. It is correct to use the name in a sentence for example in the following way: “The competitions will be held on the *Porsche Ring* racing circuit”. The incorrect version would be: “The competitions will be held on Audru Racing Circuit called *Porsche Ring.*”;

9.2. The Lessee may place Publicity Materials on the territory of the Racing Circuit only with a prior agreement with the Lessor: brand, content, location and technical parameters of any specific advertisement must be specified in the agreement;

9.3. The Lessee is obliged to use the logo and name of *Porsche Ring* on the Publicity Materials compiled for an event organised by the Lessee on the Racing Circuit along with the logos and names of other sponsors in the amount of at least 25% of other sponsor's logos and/or names, and the amount must be no less than any other logo displayed;

9.4. The Lessee undertakes to ensure the correct use of the Logo and Name (correct/full spelling) of *Porsche Ring* in Publicity Materials;

9.5. The Lessee undertakes to present a media planning and attendance report at the request of the Lessor no later than 14 days after the end of a Booking period;

9.6. The existing advertisements on the territory of the Racing Circuit cannot be covered in any way or removed by the Lessee;

9.7. The flags on the territory of the Racing Circuit cannot be removed or replaced without a written agreement to do so with the Lessor;

9.8. The Publicity Materials placed without the abovementioned written agreement can be removed by the Lessor or be requested to be removed by the Lessee;

9.9. Advertising of *Autopluss24*, *Motors24*, *soov.ee*, *okidoki.ee*, *müü.ee* or any other dealer engaged with the sale of vehicles on the territory of the Racing Circuit is forbidden for the Lessee;

9.10. The Lessor undertakes to pay for the forbidden advertising described in clause 9.9. penalty of €10,000 per each infringement;

9.11. The Lessor undertakes to pay the penalty of €400 per each infringement for each infringement described in clauses 9.2. to 9.7.;

10. ACCESSES

10.1. The Lessee is obliged to ensure to the persons with *Porsche Ring* service cards access to the territory of the Racing Circle and into all rooms during the lease term (Booking Period);



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10.2. The Lessee is obliged to ensure to persons with the *Porsche Ring* VIP Membership Card together with three of their companions access to the territory of the Racing Circle and access to VIP areas, if an event organised by the Lessee is open for audience. Access by car must be ensured to persons with the VIP Membership Card to those areas, if the Lessee enables access by car to their guests. In case of an exclusive event with personally invited guests, the Lessee has no obligation to ensure to persons with the VIP Membership Card access to VIP areas;

10.3. Free access must be ensured to clients of the Lessee to those parts of the territory of the Racing Circle which are not given on lease;

10.4. The Lessee undertakes to pay contractual penalty of €400 for each infringement described in clauses 10.1. to 10.3.

11. SALES OF GOODS AND SERVICES

11.1. Sales of goods and services on the territory of the Racing Circle is subject to prior written authorisation by the Lessor. Description of the goods/services sold at each particular sales point, the location of the sales point, the size of the area used for the sales point must be specified in the authorisation.

11.2. The Lessor has a right to eliminate or require from the Lessee the elimination of the service providers with no prior authorisation from the territory of the Racing Circle.

11.3. The Lessee must not prevent the activities of the existing sales and service points on the territory of the Racing Circle.

12. SETTLEMENT OF DISPUTES

12.1. In case there is failure to resolve disagreements deriving from the Contract through negotiations, the disagreement shall be resolved by Pärnu County Court;

12.2. Estonian Law shall be applied to the relationships between the Parties, unless the Parties agree otherwise.

12.3. All messages between the Parties shall be sent in the form which allows to reproduce them, and amendments to the Contract can be made only on the basis of a written agreement;

12.4. Invoices and other notifications sent by the Lessee to the Lessor shall be deemed to have received, if they are sent to the email address or postal address provided by the Lessor to the Lessee. Invoices and notifications sent by post shall be deemed to have received by the Lessee on the fifth



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calendar day after the date of posting. Invoices and notifications sent by email shall be deemed to have received by the Lessee on the same day.



Appendix to LEASING TERMS AND CONDITIONS FOR THE RACING CIRCUIT AND FACILITIES

Noise regulation at Porsche Ring

Static test for cars

The initial test is a static test which is carried out using a handheld meter. There must be a working rev counter. Each car is measured 0,5 meters away from the exhaust at 45 degree angle when the engine is being **held at 6,000 rpm**. In cases where the vehicle has two separated exhausts the measurement will be taken as below from the median point between two. **Maximum noise at static test allowed is 105 dB (A)**.

Pass by noise test

No vehicle is allowed to drive at the track if the passing by noise exceeds **113 dB (A)**. Black flag will be shown to the vehicle if the noise is higher than quoted, which means that the vehicle must leave the track at the end of the lap.

Motorbikes static test

The initial test is a static test which is carried out using a handheld meter. There must be a working rev counter. The regulation applies also to all the vehicles that are driven by motorbike engine. Each motorbike is measured 0,5 meters away from the exhaust at 45 degree angle. In cases where the vehicle has two separated exhausts the measurement will be taken as below from the median point between two. **Maximum noise at static test allowed is 105 dB (A)**. The test is carried out when the engine is being held at rpm-s as described in following table:

Capacity, cc	1 cylinder	2 cylinder	3 cylinder	4 cylinders or more
250 cc (4 stroke)	5 500	8 500		
300 cc (4 stroke)		7 000		
400 cc (4 stroke)	5 000	6 500	7 000	8 000
600 cc (4 stroke)	5 000	5 500	6 500	8 500
750 cc (4 stroke)	5 000	5 500	6 500	8 500
750+ cc (4 stroke)	4 500	5 000	5 000	7 000
125 cc (2 stroke)	7 000			
250 cc (2 stroke)		7 000		
500 cc (2 stroke)		5 500	7 000	7 000

Pass by noise test

No vehicle is allowed to drive at the track if the passing by noise exceeds **113 dB (A)**. Black flag will be shown to the vehicle if the noise is higher than quoted, which means that the vehicle must leave the track at the end of the lap.



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Both, static and passing by noise limits must be met. If at least one limit is exceeded, driving at the track is not allowed.