

Czech Republic - Ministry of Foreign Affairs

Registered office: Loretánské nám. 5, 118 00 Prague 1

Business registration number: 45769851

Represented by:  Director of the Property Management Department
(hereinafter referred to as "Lender") of the part one,
and

The United Nations

Registered office: New York, NY, 10017, USA

Represented by:  DGC Executive Officer
(hereinafter referred to as "Borrower") of the other part,
hereinafter collectively referred to as "Parties"

have concluded the following

LOAN CONTRACT

(the "Contract")

I.

Subject-matter of the Contract

- 1.1 The Czech Republic is the exclusive owner and the Ministry of Foreign Affairs of the Czech Republic is responsible for management of plot No. 501 of 1,911 m², comprising built-up land and courtyards, building and land in the national heritage area, and building registry No. 539 in the protected conservation area, form of use: other construction, building and land in the national heritage area, protected conservation area, sited on plot No. 501, all recorded in title deed No. 674, Staré Město Cadastral District, Municipality of Prague. The extract from the Land Register is Annex No. 1 to this Contract which constitutes an integral part of this Contract.
- 1.2 The Lender transfers the non-residential premises in the real estate referred to in paragraph 1.1. of this Article, located on the 2nd and 4th aboveground floors with the total area of 734.60 m² as specified in Annex 2 hereto, to the Borrower for temporary use free of charge.
- 1.3 The Lender transfers the non-residential premises specified in paragraph 1.2. of this Article (further referred to as the "Loan Subject" under the terms of this Contract) to the Borrower for temporary use free of charge.
- 1.4 The Lender confers on the Borrower the right to use the movable property located in the Loan Subject, as listed in Annex No. 3 to this Contract which constitutes an integral part of this Contract.
- 1.5 Under this Contract, the Borrower undertakes to use the Loan Subject referred to in paragraph 1.2. of this Article and the movable property referred to in paragraph 1.4. of this Article for the agreed purpose pursuant to this Contract.

II.

Purpose of the Loan Contract

- 2.1 The Loan for Use has been agreed for the purpose of the operation and use by the United Nations, in accordance with the Agreement between the United Nations and the Czech Republic on the United Nations Information Centre in Prague of 1999 (Communication of the Ministry of Foreign Affairs on the Contract between the Czech Republic and the United Nations No. 29/2001). The United Nations is entitled to transfer, assign or sublease without prior written notice to the WHO's Prague Office, the UNHCR's Prague Office and the Czech Committee for UNICEF.
- 2.2 Should the Borrower use the Loan Subject for purposes other than those specified in the Deed of Foundation, this shall constitute grounds for the Lender to terminate the Contract pursuant to Article III. paragraph 3.3 b) of this Contract.

III.

Term of the Loan for Use

- 3.1 The Loan Contract is concluded for a fixed term, i.e. from 17 July 2020 to 31 March 2021.
- 3.2 The contractual relationship established between the Parties under this Contract ends with the term expiration of the Loan for Use.
- 3.3 During the term of validity and effectiveness of this Contract, the contractual relationship under this Contract may be terminated by any of the following means:
- a. written agreement between the Parties,
 - b. notice of termination issued by the Lender for the following reasons:
 - a) the Borrower uses the Loan Subject and the movable property in breach of the terms of the Contract and its purpose;
 - b) despite a written warning, the Borrower, or persons using the Loan Subject and the movable property alongside the Borrower, continue to violate the peace or public order;
 - c) the Borrower assigns use of the premises or part thereof or movable property to a third party as referred to in Article VI. paragraph 6.5 of this Contract;
 - c. notice of termination issued by the Borrower, for the following reasons only:
 - a) the Loan Subject and movable property become unfit for the use specified in this Contract, for reasons for which the Borrower is not responsible;
 - b) the Lender is in material breach of its obligation to ensure maintenance of the Loan Subject and movable property at its own expense or to ensure due performance of services associated with the use of the Loan Subject;
 - d. rescission of the Contract by either of the Parties due to material breach of the terms of this Contract by the other Party, unless the Party responsible for breach of this Contract rectifies the situation within thirty days of the date when served with written notification that it has breached the terms of the Contract along with a warning that the non-breaching Party intends to rescind this Contract unless the situation is rectified;

- e. rescission of the Contract by the Lender due to repeated material breach of the terms of this Contract by the other Party. For purposes of this Contract, the term "repeated breach of this Contract" shall mean a second breach of this Contract. In the event of the second breach of the Contract, the Lender is no longer required to send a written notice to the other Party;
 - f. rescission of this Contract by the Lender in the event that the Lender requires the Loan Subject for performance of State functions or other tasks within its remit or its defined activities, or due to another pressing need.
- 3.4 The Parties understand material breach of the terms of this Contract to constitute the following:
- a. if the Borrower uses the Loan Subject and movable property in breach of the terms of this Contract;
 - b. if the Loan Subject and movable property become unfit for the use specified in this Contract, for reasons for which the Borrower is not responsible;
 - c. if the Lender is in material breach of its obligation to ensure maintenance of the Loan Subject and movable property at its own cost or to ensure due performance of services associated with the use of the Loan Subject;
- 3.5 The notice period shall be three months and it shall start to run on the first day of the month following the date of service of written notice to the other party, either in person or to the address stated in the header of this Contract, in the form of a registered delivery mail. The written notice shall be deemed to have been received on the seventh day after dispatch, even if the addressee has not received it. At the latest on the last day of the notice period, the contracting parties undertake to perform a handover of the Loan Subject and write a handover protocol.
- 3.6 Rescission of the Contract becomes effective upon delivery of a written notice to the other party in person or to the address stated in the header of this Contract in the form of a registered delivery mail. The written notice shall be deemed to have been received on the seventh day after dispatch, even if the addressee has not received it. In this case, the Lender shall provide the Borrower with a period of at least one month from the effective date of the notice for the eviction of the Loan Subject loan and its handover.
- 3.7 If the temporary need of the Loan Subject for performance of state functions or other tasks within the Borrower's remit or its defined activities will no longer be needed, the Borrower is entitled to terminate the Loan for Use Contract immediately. The immediate termination of the Loan for Use Contract is effective on the date of service of the written notice to the Lender. In this case, the Lender shall provide the Borrower with a period of 30 days for the eviction of the Loan Subject of and its handover.
- 3.8 The Parties have expressly agreed to exclude the renewal of the Loan for Use Contract and agree that the loan, regardless of the Lender's activity, ends on the agreed date and that any further use of the Loan Subject by the Borrower shall not be considered a renewal of the Loan for Use Contract. At the same time, the Parties consider this provision to be a notice of termination of the Loan for Use on the agreed date and any further use of the Loan Subject shall not be considered a renewal of the Loan for Use Contract.

IV.

Services and Payment Thereof

- 4.1 The Borrower shall be required to pay all costs relating to the normal use and operation of the Loan Subject (electricity, heating, water, sewerage, collection of household waste, etc.) directly to the service providers.
- 4.2 The price payable for electricity, heat and hot water shall be determined on the basis of the data received from the measuring equipment, calculating the number of the rooms used by the Borrower as a pro rata percentage of the total area of the building. According to a digital survey of the building, the said percentage is 11.44%. The Lender agrees to provide documentation evidencing the price payable for all services in order to allow the Borrower to verify their legitimacy. The Borrower shall be required to pay the service costs within 30 calendar days of receipt of the bill.
- 4.3 The advance payments shall be accounted for based on the readings of the installed measuring equipment and a recalculation according to the respective invoices from the individual service suppliers - (water, sewerage, hot water supply). Central heating charges shall be calculated by the end of the heating season.
- 4.4 Upon termination of the contractual relationship, the Borrower undertakes to pay any arrears arising in connection with its operation within 60 days of termination of the contractual relationship.

V.

Rights and Obligations of the Lender

- 5.1 The Lender shall be liable for all damages caused by a breach of its obligations under applicable law and the provisions of this Contract.
- 5.2 The Lender undertakes to ensure due and uninterrupted exercise of the Borrower's rights over the entire term of the Contract so as to enable, in particular, to achieve the purpose of this Contract, and the purpose of use of the Loan Subject.

VI.

Rights and Obligations of the Borrower

- 6.1 The Borrower undertakes to respect, abide and comply with the terms and conditions set by the Lender for the use of the Loan Subject and movable property.
- 6.2 Over the term of the Loan for Use Contract, the Borrower shall be liable for the Loan Subject and movable property and for the safety of persons present in the Loan Subject, except where the damage could not have been foreseen or prevented.
- 6.3 The Borrower shall be required to use the Loan Subject and movable property with all due care, thereby ensuring that the property is protected from loss, destruction or damage in excess of normal wear and tear. At the end of the Loan for Use Contract, the Borrower shall be required to restore the Loan Subject and movable property to the condition in which it was found as at the date of the handover, allowing for normal wear and tear. A written record shall be kept of acceptance and handover of the Loan Subject and movable property.

- 6.4 Subject to prior consent by the Head of the United Nations Information Centre, the Borrower undertakes to allow the Lender or another person authorized by the Lender access to the Loan Subject for the duration of its use by the Borrower, in particular for verification of compliance with the terms and conditions of this Contract, for performance of maintenance and essential repairs, and if required, for the annual technical inspection of electrical cabling and wiring, water pipes and other utility distribution systems and meeting organizational and technical requirements related to the purpose of the loan. In particular, the Borrower will allow the Lender to enter offices No. 308 and 3019, which are located in the premises subject to this Loan for Use but do not constitute part of it.
- 6.5 The Borrower shall not be entitled to assign use of the Loan Subject and movable property to a third party except the United Nations and other entities specified in paragraph 2.1 of this Contract.
- 6.6 The Borrower shall not be entitled to perform any structural modifications, reconstructions and adaptations in the Loan Subject, without the prior written consent of the Lender.

VII.

Other Provisions

- 7.1 With regard to the fact that the Borrower is already using the Loan Subject and movable property and shall continue to use them pursuant to this Contract, the Parties have agreed not to perform the actual handover of the Loan Subject and movable property. The Parties further declare that the current technical condition of the Loan Subject and movable property complies with the requirements of the Borrower in order to pursue its operation. Any further handover and takeover of the Loan subject and movable property shall be made in the form of a written handover protocol containing all essential facts ascertained during this act.

VIII.

Privileges and Immunities

- 8.1 Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its affiliates, whether pursuant to the Convention on Privileges and Immunities of the United Nations, or any other convention or Contract.

IX.

Settlement of Disputes

- 9.1 Any dispute between the Lender and the Borrower over the interpretation or application of the Contract, which is not settled by negotiation or any other agreed mode of settlement, shall be referred at the request of either Party to a final arbitration panel of three arbitrators, one to be chosen by the Secretary-General of the

United Nations, one by the Lender and the third, who will chair the tribunal, to be chosen by both first arbitrators.

- 9.2. Should the first two arbitrators fail to agree upon the third within six months following the appointment of the first two arbitrators, the President of the International Court of Justice shall select the third arbitrator at the request of the Lender or the Secretary-General of the United Nations.
- 9.3. In interpreting the rights and obligations of the Parties to this Contract, the arbitral panel shall apply the substantive law of the Czech Republic on property, contracts and related matters, without giving effect to the procedural law which would otherwise govern the settlement of such dispute.

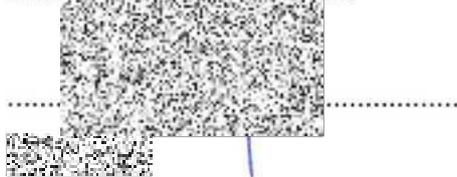
X.

Final Provisions

- 10.1 Any modifications to the terms and conditions agreed under this Contract shall be in the form of sequentially numbered written amendments to this Contract.
- 10.2 The Contract has been drawn up in two copies in Czech and two copies in English language, each having the value of an original, of which each Party shall receive one copy in Czech and one in English language. In case of conflict between the provisions, the English version shall prevail.
- 10.3 This Contract shall enter into force on the date of signature by both Parties and shall become effective on the date of its publication in the register of public contracts. The Lender undertakes to publish this Contract according to the first sentence and immediately after its signature.
- 10.4 The Parties hereby confirm that the Contract constitutes an expression of their true, free, definite and serious will and that they do not conclude the Contract in distress under conspicuously unfavourable conditions and undertake to fulfil it.

Prague, 26.6. 2020

On behalf of the Czech Republic -
Ministry of Foreign Affairs



Director of the Property Management Department

PRAGUE 24 June 2020
New York,

On behalf of the United Nations



DGC Executive Officer

List of Annexes referred to in the Contract

Annex No. 1 The extract from the Land Register

Annex No. 2 The non-residential premises in the real estate referred in paragraph 1.1

Annex No. 3 The movable property located in the Loan Subject

EXTRACT FROM LAND REGISTER

Proving the status recorded from a particular date or time 22 January 2020 at 09:15:03

District: CZ0100 Prague – City **Municipality:** 554782 Prague
Cadastral Municipality: 724024 Old Town of Prague **Deed of Ownership:** 674

The plots are registered in a single numerical series in the cadastral municipality

Owner of the Real Estate, Another Authorised Person	Identifier
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Ownership Right

The Czech Republic	00000001 – 001
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State Property Management Law:

The Ministry of Foreign Affairs, Loretské náměstí 101/5, Hradčany, 11800 Praha 2	45769851
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Real Estate**Plots of Land**

Parcel	Parcel Area (m2) Nature of Land Use	Mode of Land Use	Mode of Real Estate Protection
501 building,	1911 build-up area and courtyard		urban conservation zone – plot in the urban conservation zone national heritage area

A part of a plot is a building: Staré Město (Old Town), Land Registry Number 539, another building

The building is located on the plot No.: 501

Rights in rem in favour of the real estate in Part B	No notation
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Rights in rem encumbering the real estate in Part B including related data

Relationship to Real Estate

Easement (according to the deed)

Personal service according to § 25, par. 4. Act No. 458/2000 Coll. - location of distribution system component, input technological part of a large-scale transformer substation, the right to establish, operate, repair and maintain the distribution system component, the right to make adjustments to it for the purpose of renewal, replacement, modernization or improvement of its performance, including its removal according to the contract Art. III.

Authorisation for:

PREdistribuce, a.s., Svornosti 3199/19a, Smíchov, 15000
 Praha 5, Birth Certificate/ Business Identification Number: 27376516

Obligation to:

Parcel 501

Document: Contract on Establishment of Easement – paid, contract No. VV/G33/11569/1634031 from 13 October 2016. Legal effects of registration from a particular date or time 8 November 2016 at 14:30:25. Notation made on 19 December 2016.

V-81433/2016-101

Sequence to a date: 8 November 2016 at 14:30

Notes and other similar information – No notation

Caveats and notices – No notation

Acquisition titles and other documents for registration

Deed of ownership

The real estates are in the territorial district in which the State Administration of Land Surveying and Cadastre of Real Estate of the Czech Republic is performed by the Cadastral Office for the region Prague – City, code 101.

The non-residential premises in the real estate referred in paragraph 1.1

3rd floor	m²		m²
303	21,53	Office/Reception on the ground-floor -	13,05
303/1	22,69	Železná ul. entrance	
303/2	22,84		
304	14,43	Flat on the 2nd floor - Železná ul.	103,79
305	15,95	entrance	
306	13,14		
307	61,12	Flat on the 3rd floor - Železná ul.	63,04
309/1	21,33	entrance	
309/2	20,65		
310	21,71	Offices no. 001/B and 004 on the	46,93
310/1	19,12	ground floor - Rytířská ul. entrance	
311	20,59		
312	20,09		
313	12,91		
316	2,57		
317	1,20		
317/1	1,20		
318	4,75		
320	14,61		
321	14,02		
321/1	18,39		
322	16,81		
323	13,54		
323/1	31,40		
323/2	29,74		
324	20,53		
324/1	9,37		
325	21,56		
Total	507,79		226,81
Total area	734,60		

Building: 08	Rytířská St, - various MFA departments	
Room:004	OS/SB-UNICEF-Salesroom	
Inventory number	Name	Total purchase price - CZK
number	Serial number	
503-0112078	GLASSED-IN SHELF CABINET	11 407,00
503-0112079	DOUBLE DOOR CABINET	12 383,00
503-0112080	HIGH DOUBLE DOOR CABINET	14 274,00
503-0112081	DOUBLE DOOR WARDROBE	13 359,00
503-0112087	TALL BOOKCASE	30 317,00
503-0112088	TALL BOOKCASE	30 317,00
503-0112089	TALL BOOKCASE	30 256,00
503-0112090	TALL BOOKCASE	30 256,00
503-0112094	CLOTHES RACK	6 405,00
503-0112154	LOWER BOOKCASE	30 988,00
503-0112155	TALL BOOKCASE	36 234,00
503-0112171	PARAPET SLAB WITH GRATE	14 335,00
503-0112263	CONTAINER 3 DRAWER	3 477,00
503-0112971	TALL BOOKCASE	36 746,00
503-0112973	NICHE WITH RADIATOR COVER	22 631,00
503-0112974	COVER PANELS + GLASS SHELVES	26 108,00
503-0112972	LIGHTING SET FOR SHELF	3 686,00

Room: 310/1	OS/SB-UNICEF-Office	
Inventory	Name	Total purchase
number	Serial number	price - CZK
503-0130969	KITCHEN CABINETS+SINK	59 532,00