**LEASE RULES**

**REGARDING PREMISES LEASED BY THE CZECH PHILHARMONIC ORCHESTRA**

**I. Preamble**

**I.1.** The present Lease Rules are part of the Lease Agreement entered into between the Czech Philharmonic Orchestra, a government-funded organization, with registered office at Alšovo nábřeží 12, Praha 1, ID No.: 00023264, VAT No.: CZ00023264, as the Lessor (hereinafter the “CPO” or the “Lessor”), and the individual or legal entity as the Lessee (hereinafter the “Lessee”), and establish the rights and responsibilities of both Parties. The Lease Agreement shall only take precedence if any of the provisions of the Lease Agreement (including all its annexes, hereinafter the “Lease Agreement”) expressly stipulate otherwise than set out in the Lease Rules.

**I.2.** The legal relationship between the Parties shall be governed by the Lease Agreement, the present Lease Rules and the generally binding regulations of the Czech Republic (no legal rules shall apply if they refer to the law of another country as the governing law), especially the provisions of the Civil Code, as amended.

**I.3.** The Lessor manages the assets of the Czech Republic, in particular building No. 79, which is part of land with lot no. 993/1, and building without registration number, which is part of land with lot no. 993/2, all in the cadastral area of Old Town, Prague, district of the Capital City of Prague, entered on Ownership Deed 270, maintained by the Prague Land Register Office, Prague Office (hereinafter the “Building” or “Rudolfinum”), and the movables (equipment, musical instruments, etc.), which are also entrusted to the Lessor’s management, and is, *inter alia*, entitled to lease out premises in the Building or such movables to third parties.

**I.4.** The Lessee acknowledges that the Rudolfinum is a historical building of primary significance, with the character of national cultural heritage, which predetermines and which is a decisive aspect for all operations within the Rudolfinum.

**II. Conclusion of Agreement and Amendments**

**II.1.** Before the Agreement is executed, CPO reserves the right to suspend or terminate any negotiations on the signing of such Agreement, with or without giving a reason for such action. If this occurs, the other Party shall not have any claims against CPO. Each Party shall bear their own expenses related to the negotiations to conclude this Agreement.

**II.2.** The person or persons acting on behalf of the Lessee shall be obliged to prove the due existence of the Lessee and their right to represent the Lessee (e.g. by submitting an extract from the relevant register, written authorization, power of attorney, etc.).

**II.3.** The Lease Agreement shall only be entered into if the Parties reach full consent regarding the content hereof, and shall be entered into in writing. The Lease Agreement constitutes the entire agreement between the Parties and supersedes all prior representations or arrangements between the Parties concerning the subject matter hereof, in whatever form.

**II.4.** All changes or amendments to this Lease Agreement must be issued in writing in the form of numbered amendments signed by both Parties. This shall be without prejudice to the Lessor’s right to amend the scope of the lease or other services; such changes may also be agreed on in the form of a signed change sheet or otherwise, including e-mail correspondence or verbal agreement between the Lessee and the Lessor’s authorized representative; the Lessee shall confirm such arrangements in writing in an event report.

**II.5.** This Agreement may not be assigned without prior written agreement between the Parties.

**III. General Agreement**

**III.1.** The Parties may enter into a general agreement setting out the rules of individual lease transactions during a certain period of time based on individual lease agreements (hereinafter the “Individual Lease Agreement”). Such general agreements shall be entered into for a fixed period of time, and unless the Parties agree otherwise towards the end of the effective period thereof, the general agreements shall be renewed by the period for which they were entered into (not longer than one year), including repeatedly. The Lessor may serve notice to terminate the general agreement at any time, with a notice period of 2 months commencing on the first day of the calendar month following the delivery of the notice to the other Party.

**III.2.** Individual Lease Agreements are entered into in accordance with this paragraph, based on an order form attached thereto.

III.2.1. The Lessee shall ask the Lessor to submit a draft Individual Lease Agreement, in writing (including e-mail) at the address provided in the general agreement.

III.2.2. The Lessee’s request under the previous paragraph shall contain:

1. detailed specification of the subject matter of the lease;
2. the requested term of the lease;
3. the requested duration and scope of the lease-related services;
4. the deadline and place for the delivery of the Individual Lease Agreement;
5. other requirements regarding the lease and services, if any, in accordance with the general agreement.

III.2.3. Should the Lessor receive the Lessee’s written request for the submission of a draft Lease Agreement, the Lessor shall:

1. notify the Lessee within 5 business days following the receipt of the request whether or not the Lessor will submit a draft Individual Lease Agreement;
2. if the Lessor undertakes to submit the draft according to (a), the Lessor shall submit the draft Individual Lease Agreement to the Lessee within 20 business days following the receipt of the request.

III.2.4. If the Lessor decides not to submit a draft Individual Lease Agreement to the Lessee due to the fact that the premises in the Rudolfinum are not available, the Lessor shall notify the Lessee; subsequently, the Parties shall proceed according to III.2.1 - III.2.3 until the Parties reach mutual consent regarding the signing of the Individual Lease Agreement by the agreed deadline and to the agreed extent.

III.2.5. The Lessee may submit the requests for the submission of a draft Individual Lease Agreement during the term of the general agreement.

III.2.6. The Individual Lease Agreement shall be signed on behalf of the Lessor by the authorized representatives of the rental department.

III.2.7. The Lessor reserves the right not to submit a draft Individual Lease Agreement to the Lessee, even after the expiry of the period according to III.2.3 (a), also without giving a reason.

**III.3.** In other respects the general agreement and the Individual Lease Agreements shall be governed by the remaining provisions of the present Lease Rules.

**IV. Lease of Premises**

**IV.1.** This Article IV shall apply to the lease of premises in the Rudolfinum.

**IV.2.** The Lessor shall submit the leased premises to the Lessee in a condition suitable for the agreed purpose. Unless the Lease Agreement explicitly stipulates otherwise, the Lessor shall together with the lease of the premises provide the Lessee with standard basic associated services, especially cleaning, lighting, heating, electricity and water, to the standard extent necessary for the use of the leased premises in accordance with the Lease Agreement, use of changing rooms, operation of the stage (if the leased premises also include the stage) and standard surveillance of the Building and organizers’ services (if the purpose of the lease includes a public concert or a similar event). The provision of other services, if any, shall be the subject of an express agreement.

**IV.3.** The lease does not include the tuning and/or moving of the piano or other musical instruments in the Rudolfinum; if the Parties agree to include such services in the agreement, the Lessor shall be entitled to charge the Lessee the corresponding fees in addition to the rent.

**IV.4.** The Lessee shall be obliged to use the leased premises solely for the purpose, in a manner and to the extent set out in the Lease Agreement, and shall enable the Lessor to enter the leased premises in order to check that the leased premises are used in a due manner. In addition, the Lessee shall provide access to the leased premises for the Lessor’s operating staff, security and fire prevention personnel, in numbers required by the applicable regulations or determined by the Lessor. The Lessee shall not use the premises in the Rudolfinum for any activities other than those stipulated in the Lease Agreement.

**IV.5.** If any public concerts or similar events are held, the Lessor shall be entitled to make use of six service seats in Dvořák Hall (seats BS 1 L1-6) or two service seats in Suk Hall (seats 1-2 in row 12). The Lessee shall not sell tickets for these seats and the Lessor may use the seats or offer the use thereof to third parties at the Lessor’s own discretion, without any claims on the Lessee’s side.

**IV.6.** Unless the Parties expressly agree otherwise, the Lessee shall provide all performers and all auxiliary or other staff for the event organized by the Lessee (in excess of the basic services rendered by the Lessor according to IV.2). When the number of musicians is 10 or more during rehearsals or concerts, the Lessee is required to secure their own stage hand to work with the Lessor’s stage staff in preparing and rearranging of the stage. If the Lessee is unable to arrange for their own stage staff, the Lessee shall notify the Lessor’s rental department of this no later than 10 days prior to the date of the event and provide the Lessor with a stage layout plan; the Lessor shall be entitled to charge the Lessee a fee according to the Rental Rates for stage staff services rendered to the Lessee.

**IV.7.** The Lessee shall make sure that all instructions given by the Lessor during the preparation and organization of events are duly respected, as well as the instructions of the Building security staff and Lessor’s organization service. If two or more events of various organizers are held in parallel, the Lessee shall make sure that the other organizers are not disturbed in any manner. If the Lessee’s events include the use of the Rudolfinum foyer or adjacent premises, the Lessee shall respect the opening times of the Rudolfinum Gallery (Tuesday, Wednesday, Friday, Saturday and Sunday: 10 am to 6 pm, Thursday: 10 am to 8 pm) and shall ensure that visitors have undisturbed access to the Rudolfinum Gallery; in such a case the Lessee’s own events may start (except Mondays) after 6 pm, or after 8 pm on Thursdays. While preparing the Ceremony Hall /Column Hall /Suk Hall for the event during the opening hours of the gallery, only 30 second soundchecks are allowed. If in connection with the use of the Ceremony hall/Column Hall/Suk Hall the Lessee needs to bring to the Rudolfinum area or to take away any of the things, the Rudolfinum Gallery staircase leading from Alšovo nábřeží may not be used during the opening hours of Rudolfinum Gallery in case of an ongoing exhibition.

**IV.8.** During rehearsals, entrance to the concert halls shall is limited to the performers, the Lessee’s representatives, and - when necessary - the staff described in IV.4. Performers shall have access to the changing rooms no later than one hour prior to the commencement of the rehearsal or concert, and half an hour following the end of the rehearsal or concert.

**IV.9.** The Lessee shall make sure that for security reasons the capacity of the concert halls is not exceeded.

**IV.10.** When concerts are held in Dvořák Hall, the Lessee shall arrange for medical service and shall provide medical staff with two seats (BS 2 L1-2).

**IV.11.** Without the Lessor’s prior consent, the Lessee shall not be entitled to make any changes to the leased premises, especially changes that may damage the architectural or operational condition of the leased premises or the Building. The Lessee shall comply with all applicable laws relating to safety, health and fire prevention. The fire alarm guidelines of the Rudolfinum are available at the Building’s reception desk. The Lessee must in no way block or restrict the use of escape routes and exits from the leased premises, and must ensure that the firefighting equipment on the premises concerned is continually and freely accessible. Should the Lessee fail to comply with said fire safety principles or regulations, the Lessor shall be entitled to insist on the removal of the obstacles. If the Lessee arranges for the lighting of Dvořák Hall, the Lessor’s operating staff shall be entitled to demand for the sake of audience safety that the Lessee arrange for additional lighting (e.g. backlighting) and the Lessee shall be obliged to comply with this request. If the Lessee installs any advertising signs or other promotional items or materials outside the Rudolfinum with the Lessor’s consent, the Lessor shall be entitled to remove the same in the event of a sudden change in weather that may impose a risk for the safety or health of persons.

**IV.12.** Should the Lessee, its employees, partners or visitors to events organized by the Lessee cause any changes or damage to the Building, including the interior or furniture/equipment on the leased premises, the Lessee shall restore everything to its original condition, at the Lessee’s own expense. If it is impossible to restore everything back to its original condition, the Lessee shall compensate the Lessor for all detriment resulting in such a manner.

**IV.13.** Should the Lessee erect or install any structures or equipment on the leased premises with parquet floors during the term of the lease (movable platforms, stands, rails, etc.), the Lessee undertakes to protect the floors with suitable flooring material, or other material preventing mechanical damage to the floors; the same applies if the event held in the Foyer includes dancing. When moving any permanent equipment on the leased premises, the Lessee shall after each event restore the equipment to its original condition and position and remove all empty packaging and decoration so that the leased premises can be duly cleaned.

**IV.14.** If the tickets to the event in question are not produced by the Lessor, the Lessee undertakes to submit all necessary tickets for sale to the Lessor’s ticket desks not later than 48 hours prior to the start of the event.

**IV.15.** During the organization of events in the Rudolfinum and the promotion thereof, the Lessee shall respect all legal regulations, good manners and rules set out for this purpose by the Lessor. For this purpose, the Lessor shall especially respect the following rules:

1. All promotional materials must comply with the law, good manners and generally accepted code of ethics, must not infringe upon any third parties’ rights and must contain true and accurate information regarding the event, programme, organizer (i.e. the Lessee or any of the Lessee’s contractual partners) and ticket sales;
2. The promotion must clearly distinguish between Dvořák Hall, Suk Hall and other premises in the Rudolfinum;
3. Concerts of ensembles other than the Czech Philharmonic Orchestra must not be promoted as performances by the Czech Philharmonic Orchestra or in any manner that may be confusing for the public in any way. This also applies to concerts with the appearance of any individual members of the Czech Philharmonic Orchestra;
4. Advertising (sponsors’ logos, etc.) may only be installed in the concert halls based on an agreement between the Parties, also stipulating the contracted price for such advertising;
5. Any promotional materials may only be presented on the public premises of Rudolfinum on advertising panels directly designed for this purpose. Promotional materials may only be installed by the Lessor’s authorized personnel; the Lessee is not authorized to do the same. The Lessee may consult promotion and any suggestions or modifications or improvements with the Lessor’s rental department;
6. It is forbidden to sell tickets, distribute leaflets or install any advertising signs or promotional material stands in front of the Rudolfinum and its surroundings. The promotional spaces in the Rudolfinum shall be determined by the Lessor [in accordance with previous point (e)]. For ticket sales, the Lessor will offer the lease of ticket desks in the Rudolfinum or shall provide the sale of tickets in its ticket offices.
7. To the maximum possible extent, the Lessee shall ensure that the visitors to any organized events wear formal attire. For this purpose, it is recommended that the dress code be presented on tickets, invitations and similar materials.
8. The Lessee shall not be entitled to sell any audio media (CDs, cassettes, records) in the Rudolfinum without prior written agreement with the Lessor;
9. All tickets must be offered at the same price for Czech and foreign guests.

**IV.16.** Should the Lessee express interest and provide the Lessor with the necessary information regarding the organized concert no later than the 13th day of the calendar month preceding the month in which the concert is held, the Lessor shall include such information in the list of events held in the Rudolfinum. On the day of the concert, the Lessor shall place one poster with information about the concert in a mobile stand on the staircase in front of the Rudolfinum, unless this is impossible due to weather conditions.

**IV.17.** The Lessee shall ensure that:

1. during the term of the lease, the prohibition on smoking or eating any food in the Rudolfinum concert halls is duly respected, except in spaces reserved by the Lessor as smoking areas;
2. during catered parties held in the Rudolfinum, it is necessary to respect the ban on cooking and frying in the Building.

**IV.18.** The Lessee shall arrange for all the necessary rights required for the organization of the relevant event, especially as regards intellectual or industrial property rights (such as copyrights, trademark rights, etc.). The Lessee shall indemnify the Lessee to the full extent for any claims raised against the Lessor by third parties as a consequence of the breach of the duty set out in the previous sentence, i.e. in connection with intellectual or industrial property rights.

**IV.19.** The Lessor shall be entitled to document the course of events for its own needs, including photographs, video, audio or audio-visual recordings. The Lessor shall also be entitled to make use of the photographs or recordings to a reasonable extent for the presentation and promotion of the Rudolfinum as a leading cultural centre in Prague.

**IV.20.** The Lessee shall not be entitled to produce any photographic, video, audio or audio-visual recordings of spaces in the Rudolfinum or the Lessor’s personnel without prior written agreement with the Lessor. Such an agreement shall be deemed effective if the detailed description of the total price attached to the Lease Agreement stipulates the cost of filming and photographing; if filming and photographing for the Lessee’s own archive (or for own needs) is specified, the Lessee shall make sure that the photographs or recordings produced are not published or used for any commercial or marketing purposes. Notwithstanding any agreement specified in the previous sentence, the Lessee shall make sure that the Lessee’s promotional materials do not contain any photographs of the Rudolfinum’s Dvořák Hall, and that no photographs or recordings produced during events held in Dvořák Hall are used for any commercial or marketing purposes, if such photographs or recordings capture any orchestra, chamber orchestra or similar musical ensemble.

**IV.21.** A Certificate of Handover and Acceptance can be issued regarding the hand-over and acceptance of the leased premises. If issued, the Lessee shall be obliged to duly sign the same. The Lessor is also entitled to issue a report regarding the organization of events, also describing possible changes to the scope of the lease arranged during the course of the events; the Lessee shall also be obliged to duly sign the event report.

**IV.22.** Should the Lessee make any unauthorized use of premises other than specified in the Lease Agreement, or should the Lessee make use of any premises for other than agreed purposes, the Lessee shall settle the price for the use thereof in accordance with the Rental Rates. Should the Lessee exceed the agreed period for the use of the leased premises by more than 15 minutes, the Lessee shall settle the price according to the hourly rate according to the Rental Rates for each commencing hour of such use. This shall be without prejudice to the Lessor’s rights according to Article VII and VIII of these Lease Rules, resulting from such violation of the Lease Agreement. This paragraph shall apply for the use of the whole premises or any parts thereof.

**IV.23.**  This paragraph IV.23 applies if the subject of the lease is the recording studio situated in the Building (door number 1059, hereinafter the “Studio”).

IV.23.1. The Studio shall be leased including all technical and other equipment.

IV.23.2. The Studio is leased for the purpose of producing recordings or live broadcasting, and/or producing recordings from final rehearsals or concerts, or any parts thereof, from the Rudolfinum’s Dvořák Hall or Suk Hall.

IV.23.3. The Studio is rented with one or several recording frequencies. The Studio can be rented for a minimum period of three hours (i.e. one frequency - see IV.25); the rent also includes one hour for the preparation prior to the frequency, and one hour for closing, after the frequency.

IV.23.4. In addition to the standard services (IV.2), the Lessor shall provide the Lessee with services consisting of the activation of the Studio (preparation for the recording, connection of microphones, the mixer and recording devices), and keeping the Studio in due operating conditions during the recording. These services do not include the actual team of recording operators (for example, musical director, sound director, etc.). Any work associated with the activation of the Studio or similar activities (e.g. data exports and imports) which shall last longer than the preparation time prior to the frequency and the frequency closing (see IV.23.3) will be charged separately based on the actual time spent, and added to the rent price.

IV.23.5. Upon the Lessee’s request, the Lessor shall provide the Lessee with the recording media, for which a standard price shall be charged to the Lessee.

IV.23.6. During the course of the project which includes the use of the Studio, the Lessee shall provide their own music material, especially sheet music.

IV.23.7. The Lessee shall make sure that all audio recordings and any reproductions and carriers thereof are marked as recorded in the studio of the “Rudolfinum Studio” of the Czech Philharmonic Orchestra; for film music, this information must be part of the closing credits.

IV.23.8. The Lessor is entitled to change the dates for the use of the Studio or any parts thereof for serious reasons, no later than 14 days prior to the planned use of the Studio. For this purpose, the Lessor shall offer alternative dates to the Lessee.

**IV.24.**  This paragraph IV.24 shall be applied if the subject of lease includes at least one ticket desk in the Building, which shall for the purpose hereof mean the premises and the corresponding technical and other equipment (hereinafter the “Ticket Desk”).

IV.24.1. The Ticket Desk may be leased for the sale of tickets for events organized by the Lessee in the Rudolfinum.

IV.24.2. The Lessor shall provide the Lessee with a phone line; this shall not include the cost of the phone calls paid to the corresponding operator, which the Lessor shall re-invoice to the Lessee.

IV.24.3. The Lessor shall provide the Lessee an Internet connection; for this the Lessor shall be entitled to charge the Lessee a monthly fee of CZK 2,500 (excluding VAT).

**IV.25.** For the purposes of these Lease Rules, a frequency shall mean three hours in relation to the duration of a concert, recording or other similar activities; this shall also include all accompanying activities directly relating to the concert, such as the entry of visitors to the leased premises and the period necessary for their departure. The frequency time shall not include any period of rehearsals, including technical ones, regardless of the duration thereof.

**V. Lease of Movables**

**V.1.** This Article V shall apply to the lease of movables, especially mobile equipment or musical instruments.

**V.2.** The Lessor shall submit the leased items to the Lessee in a condition suitable for the agreed purpose.

**V.3.** The Lessee shall be entitled to make use of the leased items for the purpose set out in the Lease Agreement and in a manner common for the items in question. The Lessee shall provide the Lessor with access to the leased items for the purpose of checking the due use thereof.

**V.4.** Without the Lessor’s prior consent, the Lessee shall not be entitled to make any changes to the leased items, especially changes that may lead to any damage to the condition of such items.

**V.5.** The Lessee shall take proper care of the leased items. Should the Lessee, its employees, partners or visitors to events organized by the Lessee cause any changes to the leased items or if the leased items suffer any damage, the Lessee shall restore everything to its original condition, at the Lessee’s own expense. If it is impossible to restore everything to its original condition or in the event of any loss or theft of the leased items, the Lessee shall compensate the Lessor for all resulting damage.

**V.6.** The Lessee shall notify the Lessor without undue delay of all defects identified in the leased items.

**V.7.** No later than upon the execution of the Agreement, the Lessee shall notify the Lessor in writing of the exact address of the place the leased items will be located during the period of lease; without prior agreement with the Lessor, the Lessee must not move the leased items to any location, except for returning them to the Lessor.

**V.8.** The Lessee shall arrange for the moving and transportation of the leased items on the Lessor’s premises and from the Lessor’s premises to the place of use and back, at the Lessee’s own expense.

**V.9.** A Certificate of Delivery shall be issued to confirm the delivery and acceptance of the leased items. The Lessee shall be obliged to duly sign the same.

**VI. Rent and Other Payments**

**VI.1.** Unless a different price is stipulated in the Lease Agreement, the Lessee shall pay the rent and make other payments for all services rendered by the Lessor in accordance with the Rental Rates issued by the Lessor. If certain services are not specified in the Rental Rates, the price set out for services with the most similar character shall be applied; if this is not possible, the Lessee shall pay the usual market price for such services.

**VI.2.** If the Lessor’s staff sells programs, the Lessor shall be entitled to a 15% commission from the price for the programs sold. If the Lessor’s ticket desks sell the tickets, the Lessor shall be entitled to a 15% commission from the price for the tickets sold. These commissions are not included in the rent for the premises. Furthermore, the Lessor shall be entitled to charge the Lessee the costs of ticket production and the cost of electricity consumed for the activities under this paragraph. If an event is cancelled more than two months in advance and if the tickets are subsequently refunded, the Lessor shall not be entitled to any commission from the tickets sold. The Lessor shall be entitled to keep the collected price for tickets sold for a cancelled event if the ticket buyer does not return the tickets. The Lessor shall pay the income from the sale of programs and/or tickets to the Lessee within 10 days following the date of the event, via bank transfer to the Lessee’s account, provided that the Lessee has settled all amounts payable to the Lessor; otherwise, the Lessor shall be entitled to set off any amounts owed to the Lessor by the Lessee against the collected income.

**VI.3.** Unless otherwise explicitly set out in the Lease Agreement, value added tax shall be charged on all amounts of the rent and other payments, by which the total price shall increase. The Lessor and the Lessee hereby represent and warrant that they are not classified as unreliable payers in accordance with the respective provisions of Act 235/2004 Coll., on value added tax, as amended. Should either Party be the guarantor of any outstanding value added tax as the recipient to taxable supplies in accordance with the applicable provisions of Act 235/2004 Coll., on value added tax, as amended (especially if the other Party is declared an unreliable payer), such Party may pay the value added tax directly to the relevant tax authority; upon such payment, the part of the price for the taxable supply shall be considered duly settled, on the condition that the Party in question issues a written proof of the same to the other Party acting as the provider of taxable supplies.

**VI.4.** The Lessee shall pay all rent and make all other payments in a due and timely manner, via wire transfer in the currency agreed in the Lease Agreement, to the Lessor’s bank account:

1. for CZK payments: account No. 12934011/0710 at Česká národní banka,
2. for EUR payments: account No. 34534-12934011/0710 at Česká národní banka

The Lessor shall issue invoices for such amounts. Unless otherwise specified, invoices shall be due 14 days from the invoice date. If the Lease Agreement requires payments to be made earlier than required according to the invoice maturity date, the provisions of the Lease Agreement shall have priority.

**VI.5.** As a general rule, the Lease Agreement stipulates that the Lessee shall settle the total price or any parts thereof by the agreed deadline, prior to the commencement of the lease. Should the Lessee fail to comply with this duty, the Lessor shall be entitled to prevent the organization of the event, and the Lessee shall bear all consequences thereof.

**VI.6.** All payments shall be deemed executed upon the crediting of the amount in question to the Lessor’s bank account. Without the Lessor’s prior written consent, the Lessee shall not be authorized to set off any amount owed by the Lessor against any amounts owed to the Lessor. Without the Lessor’s prior written consent, the Lessee shall not be authorized to assign any amount owed by the Lessor to the Lessee to any third parties.

**VII. Cancellation of Obligations**

**VII.1.** The Lessor is entitled to withdraw from the Agreement or terminate the lease, even without notice, as a consequence of the Lessee’s violation of any duties under the Agreement or the present Lease Rules.

**VII.2.** The Lessor is entitled to request the Lessee to rectify any breach of duties, and shall for this purpose provide the Lessee with additional time for remedy. The Lessee hereby acknowledges that the Lessor will not proceed pursuant to this paragraph especially if as a consequence of the Lessee’s breach of duties the Lessor suffers or is likely to suffer serious detriment or faces the risk of default.

**VII.3.** Should the Lessor decide to withdraw from the Agreement or terminate the lease on the grounds of the Lessee’s breach of duties, the Lessee shall not be entitled to claim against the Lessor any compensation for costs, lost profits or other amounts in connection with the terminated lease. The Lessee hereby acknowledges that as a general rule the Lessor will in such a case refuse to enter into any lease agreement with the Lessee in the future.

**VII.4.** The Lessor and the Lessee may withdraw from the Agreement due to the circumstances of force majeure, including the risk of war, acts of war, earthquakes and other natural disasters. In such a case, neither Party shall be entitled to claim any compensation for costs, lost profit or other amounts in connection with the lease.

**VII.5.** The Lessee assumes the risk of changes in circumstances pursuant to the provisions of Section 1765 (2) of the Civil Code, and shall not be entitled to claim the reopening of negotiations towards entering into an agreement.

**VII.6.** The Lessee shall be entitled to cancel an event and terminate the lease of any premises without notice, if this is notified to the Lessor no later than six months prior to the agreed beginning of the event. Furthermore, the Lessee shall also be entitled to cancel an event and terminate the lease of any premises without notice later than six months prior to the agreed beginning of the event; however, in such a case the notice shall not become effective until the Lessee pays the Lessor an event cancellation fee, i.e.:

1. if the event is cancelled no more than 7 days prior to the agreed beginning of the event: 90% of the total price set out in the Lease Agreement, as amended;
2. if the event is cancelled more than 7 days but no more than one month prior to the agreed beginning of the event: 60% of the total price set out in the Lease Agreement, as amended;
3. if the event is cancelled more than one month but no more than two months prior to the agreed beginning of the event: 50% of the total price set out in the Lease Agreement, as amended;
4. if the event is cancelled more than two months but no more than six months prior to the agreed beginning of the event: 10% of the total price set out in the Lease Agreement, as amended.

Events shall be deemed cancelled on the day on which the event cancellation notification and the lease termination notice are delivered to the Lessor or the day on which the compensation specified above is settled, whichever is later.

**VII.7.** If an event is cancelled as a consequence of the Lessor’s action pursuant to VII.3, the Lessee shall pay the Lessor compensation for the failure to rent the premises in the amount of 90% of the total price set out in the Lease Agreement, as amended.

**VII.8.** The Lessee shall be entitled to terminate the lease of any movables without a notice period, if this is notified to the Lessor no later than two days prior to the agreed commencement of the lease. Furthermore, the Lessee shall also be entitled to terminate the lease of any movables without a notice period of less than two days prior to the agreed commencement of the lease; however, in such a case the notice shall not become effective until the Lessee pays the Lessor compensation in the amount of 20% of the total price set out in the Lease Agreement, as amended. The lease shall be deemed cancelled on the day on which the lease termination notice is delivered to the Lessor or on the day on which the compensation specified above is settled, whichever is later.

**VIII. Penalties**

**VIII.1.** Should the Lessee fail to make any payment due to the Lessor in a due and timely manner, the Lessee shall pay the Lessor a penalty of 0.05% of the amount outstanding for each commencing day of the delay.

**VIII.2.** Should the Lessee breach any duty under Article IV (IV.4), (IV.9), (IV.11), (IV.15) (d), (e), (f), (h) and (i), (IV.17) (b), (IV.20) or (IV.21), or Article V (V.3), (V.4), (V.7), (V.8) or (V.9) or Article IX (IX.1) of the present Lease Rules, the Lessee shall pay the Lessor a penalty in the amount of CZK 100,000 for each breach. Should the Lessee breach any duty under Article IV (IV.7) of the present Lease Rules, the Lessee shall pay the Lessor a penalty in the amount of CZK 100,000 for each commenced hour of the breach.

**VIII.3.** The penalty is due three days following the delivery of the request for the payment thereof issued by the authorized party. The claim for a penalty shall be without prejudice to the right to claim full compensation for damage. Any withdrawal from or cancellation of this Agreement shall be without prejudice to the right to claim the compensation for damage or applicable penalties.

**IX. Final Provisions**

**IX.1.** Without the Lessor’s prior written consent, the Lessee shall not be authorized to sublease the leased premises or items to any third parties.

**IX.2.** The Lessee shall keep confidential all information of a business and technical character relating to the Lessor to which the Lessee gains access in connection with the lease, except for information that is publicly available. The confidentiality duty applies, inter alia, to all the terms and conditions regulating the Lessor’s business relationships, all data regarding the Lessor’s actual or potential business partners, and all non-public data relating to the Lessor’s activities or plans, especially information of an accounting, financial, business and technical nature. The Lessee shall also keep confidential all personal data relating to the Lessor’s employees or business partners to which the Lessee gains access in connection with the lease.

**IX.3.** The Lessor shall send all communication and notifications pursuant to the Lease Agreement and the present Lease Rules to the Lessee at the address provided in the Lease Agreement or available from public registers in which the Lessee is kept. Notifications shall be deemed served no later than on the third working day following the sending thereof by mail to any of the addresses specified above, even if the Lessee does not accept the mail or fails to become familiar with the content thereof for any reasons. The Lessee shall notify the Lessor of any change in the Lessee’s correspondence address or other data necessary for the fulfilment of the contractual rights and responsibilities.

**IX.4.** Should any provisions of the Lease Agreement become invalid, ineffective or unenforceable, the Parties undertake to replace such provisions with valid, effective and enforceable ones, the purpose and meaning of which will be identical or will best correspond to the purpose and meaning of the invalid, ineffective or unenforceable provisions.

**IX.5.** The lease established pursuant to the Lease Agreement and the present Lease Rules shall not be governed by the provisions of Section 2311 and 2315 of the Civil Code.

**IX.6.** The Parties undertake herein to attempt to solve all disputes arising between them in an amicable manner. Should the Parties fail to reach an amicable settlement, the disputes arising between them shall be heard before the competent courts of the Czech Republic. The Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Czech Republic.

**IX.7.** These Lease Rules take effect on 1 September 2015.

 **Czech Philharmonic Orchestra**

 General Director David Mareček

The Lessee hereby confirms its acknowledgement of the present Lease Rules, and undertakes to fully respect such rules as part of the Lease Agreement.

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