6.03 EN The National Federation of House Owners (“HL”), the Norwegian Property Federation (“NE”) and the Forum for Commercial Real Estate Agents (“FFN”)/Norwegian Association of Real Estate Agents (“NEF”)

STANDARD LEASE FOR COMMERCIAL BUILDINGS (NEW/REHABILITATED BUILDINGS)

4th edition 03/13

1 LESSOR

(1) Name/Firm […]

(2) Social security or enterprise registration number […]

2 LESSEE

(1) Name/Firm […]

(2) Social security or enterprise registration number […]

3 PROPERTY

(1) Address […]

(2) Land no. […], title no. […], unit no. […], section no. […] in the municipality of […], municipality no. […]

4 LEASED OBJECT

(1) The leased object comprises the entire property with existing buildings and facilities, including external areas and parking spaces, as shown in the enclosed drawing; **Appendix 1**. The leased object shall be in conformity with the agreed requirement specification; **Appendix 2**.

(2) The buildings included in the leased object measure approximately […] m2 GFA in total.

(3) All areas are specified in accordance with NS 3940:2012. Any errors in the area specifications shall neither give rise to any right of rent adjustment, nor result in any variations to the other provisions of the present lease.

5 ACTIVITIES CONDUCTED BY THE LESSEE

(1) The leased object shall only be used for […].

(2) No change in the activities conducted at the leased object, including engagement in other, related activities, shall be permitted without the prior written consent of the lessor. Consent shall not be withheld without just cause.

6 HANDOVER/NOTICE OF DEFECTS

(1) The leased object is handed over in a tidy and clean state, and otherwise in accordance with Clause 4 (1) above.

(2) The lessor shall as per handover ensure that the leased object is in compliance with any technical building and construction requirements laid down by public law that are applicable to the leased object, based on the activities to be conducted by the lessee pursuant to Clause 5. The obligations of the lessor under the present Clause 6 (2) do not extend to any building or permanent fitting out work performed by the lessee.

(3) Any public law requirements as per handover relating to the lessee’s activities/use of the leased object, and not pertaining to technical building and construction matters, shall be the responsibility of the lessee.

(4) A handover inspection shall be performed in connection with handover of the leased object. An inspection record shall be prepared, and signed by both parties on site.

(5) The lessee shall give written notice of potential damage and defects, etc., within a reasonable period of time after he ought to have discovered these. Any circumstances that had come to the knowledge of the lessee as per handover cannot subsequently be invoked as defects.

(6) The lessor shall at handover provide the lessee with guidance concerning the use of technical equipment/installations at the leased object that are to be used by the lessee. Moreover, the lessor shall at handover provide operating manuals/instructions for the leased object, including its technical equipment and installations. The lessee undertakes to adhere to the lessor’s operating manuals/instructions as applicable at any given time throughout the lease term.

7 LEASE TERM

(1) The lease term shall be from […] to […], following which the lease shall lapse without any need for a notice of termination. The lease cannot be terminated during the lease term.

(2) The time limit for sending a request to vacate the premises after the expiry of the lease shall be six months.

8 RENT AMOUNT

(1)The annual rent shall be NOK […] (exclusive of Value Added Tax).

(2) The rent shall fall due for payment in advance on the 1st of each quarter/month *[delete as applicable]*, in the amount of NOK […] (exclusive of Value Added Tax).

(3) The lessor shall issue invoices to the lessee with such contents as are required under the applicable regulatory framework, and specifying the lessor’s account number for the payment of rent.

(4) Payment is not deemed to have taken place until the amount is credited to the lessor’s account.

(5) The lessee shall cover all costs relating to the leased object of the type considered to be joint costs when several lessees share office and industrial buildings, including costs listed in the enclosed specification, cf. **Appendix […],** as well as any non-deductible Value Added Tax on such costs. The lessor shall only cover such costs as are expressly specified in the present lease.

(6) To the extent that property leases are subjected to any new, specific, direct and/or indirect, taxes during the lease term, such taxes shall be paid by the lessee. The regulations in this paragraph shall not apply to property tax. Any property tax shall be paid by the lessor.

(7) In the event of late payment of rent and/or other costs relating to the lease, late payment interest shall be paid pursuant to Act of 17 December 1976 No. 100 or any statute replacing the said Act. The lessor shall be entitled to impose a fee in respect of any payment reminders.

9 VALUE ADDED TAX

(1) As per the lease commencement date

A) all parts B) […] m2 C) no part

of the leased object is included in the lessor’s registration in the Value Added Tax Register.

*[Delete as applicable. If B, specify the number of square metres and enclose dimensioned drawings with specification of the area included in the lessor’s registration as per the lease commencement date.]*

(2) The lessor shall be entitled to add Value Added Tax at the rate applicable at any given time to the rent, the joint costs and any other costs relating to any areas included in the lessor’s registration in the Value Added Tax Register as per the lease commencement date and/or included therein during the lease term.

(3) The lessee acknowledges that the actual use of the leased object is of decisive importance to the lessor’s right to deduct input Value Added Tax. The lessee shall immediately inform the lessor of any circumstances that may result in changes to the Value Added Tax status of all or part of the leased object. No change in the use of the leased object, in the form of either a change in actual use or a sublease, shall take place without the prior written consent of the lessor. Consent shall not be withheld without just cause. Any change to the Value Added Tax burden of the lessor as the result of the changed use on the part of the lessee shall constitute such just cause.

(4) If the lessor has consented to the sublease of the leased object, and the subleased areas can be included in the lessor’s registration in the Value Added Tax Register, the lessee shall apply for voluntary registration of the sublease no later than by the end of the Value Added Tax period during which the sublease enters into effect. Any expenses associated with the lessee’s application for voluntary registration of a sublease shall be carried by the lessee.

(5) The lessee shall, because of the documentation requirements imposed by the tax authorities, provide an annual written account of its use of the leased object through the year by 31 December each year, and shall in the event of any sublease also confirm that the lessee is voluntarily registered in respect of such sublease. The written account shall also include a specification of the total amount of any costs incurred by the lessee in respect of the leased object during the financial year that are required to be capitalised, including the total amount of Value Added Tax incurred. The lessee shall also obtain corresponding documentation from (all) sublessees, if any. The documentation shall meet the requirements implied by the rules applicable at any given time.

(6) Upon discharge of the lease, irrespective of the reason therefore, the lessee and any sublessees shall retain their own adjustment obligations in respect of any building works carried out on the leased object.

(7) The lessee shall indemnify the lessor in respect of any Value Added Tax loss that may be incurred by the lessor, including any curtailed right of deduction and any reversal/adjustment of deducted input Value Added Tax, as well as any interest, penalty tax and other expenses associated with such Value Added Tax loss, as the result of regulatory changes relating to the use/activities of the lessee, changes to such use on the part of the lessee, subleases, corporate/organisational changes, formal deficiencies or omissions, etc.

(8) Any claim for damages as the result of breach of the provisions of the present Clause 9 shall fall due for payment upon demand. The payment provisions of the lease, as well as the provisions in Clause 19 pertaining to breach of contract, shall apply correspondingly.

10 USE OF THE LEASED OBJECT BY THE LESSEE

(1) The lessee shall handle the leased object with due care.

(2) The lessee shall familiarise itself, and comply, with any government regulations (including municipal ordinances), byelaws, orders, operating manuals and instructions, codes of practice, etc., that have been or may be enacted and that apply to the lease. The lessee shall during the lease term be responsible to all government authorities for ensuring that its use of the leased object complies with all public law requirements applicable at any given time. Compliance with any public law requirements (irrespective of whether or not these pertain to technical building and construction matters) relating to use of the leased object by the lessee, including any requirements pertaining to universal design and any requirements imposed by labour inspection authorities, health authorities, civil defence authorities, industrial safety authorities, fire protection authorities or other government authorities, shall be the responsibility of the lessee throughout the lease term.

(3) The lessee shall, at the request of the lessor, document the existence of an internal control system that complies with the requirements applicable at any given time.

(4) The leased object shall not be used in any way that impairs the reputation or appearance of the property or that inconveniences others, including neighbours, through dust, noise, smell, vibration or otherwise. Smoking is not permitted at the leased object. Any rooms containing water and/or drain pipes must be kept heated to prevent freezing. Any expenses incurred in remedying, as well as any damages payable in connection with, such matters shall be for the account of the lessee.

(5) All waste must be placed in the waste bins/recycling receptacles at the property. Any waste of an extraordinary nature or quantity must be removed by the lessee itself at its own expense. If it fails to do so, the lessor may arrange for such waste to be removed for the account of the lessee. All waste handling shall comply with the government requirements applicable at any given time.

(6) Any lease involving catering services shall require the lessee to arrange and pay for grease and oil separator maintenance.

(7) Any lease involving use of the leased object in activities aimed at the general public (for example shopping outlets or catering outlets) shall require the lessee to arrange and pay for adequate external cleaning, gritting and snow removal, unless otherwise specifically agreed.

11 ACCESS TO THE LEASED OBJECT FOR THE LESSOR

(1) The lessee shall grant the lessor access to the leased object during office/business hours on all days, for purposes of servicing, repair, maintenance, inspection, appraisal, refurbishment work, etc. The lessee shall be given reasonable notice. Whenever deemed necessary in order to prevent or limit any damage to the property, the lessor shall be entitled to obtain access to the leased object without such notice.

12 THE LESSOR’S MAINTENANCE AND REPLACEMENT OBLIGATION

(1) The lessor shall arrange and pay for all external building maintenance and the replacement of technical installations, such as lifts, ventilation plants, fire-fighting facilities, heating plants, etc., when these can no longer be maintained in an economical manner.

(2) The lessor shall ensure that the leased object complies, throughout the lease term, with any technical building and construction requirements that are laid down by public law and that apply to the property/leased object, unless otherwise implied by Clause 10 or the lessee’s maintenance obligation under Clause 13.

(3) The lessor shall not be responsible for the maintenance or replacement of any devices installed at the leased object by the lessee.

(4) The lessee shall accept non-material interruptions to the supply of water, electricity, air, etc., without any damages or rent reductions.

13 THE LESSEE’S MAINTENANCE OBLIGATION

(1) The lessee shall arrange and pay for the internal maintenance of the leased object, including, but not limited to, external and internal maintenance of entrance doors/gates of the leased object, as well as internal maintenance of windows and frames. The maintenance obligation of the lessee shall include the surface treatment of floors, walls and ceilings, necessary renewal and replacement of wallpapers and flooring and other internal repairs. Moreover, the lessee shall arrange and pay for the maintenance of all technical installations at the leased object, as well as the replacement of all devices installed by the lessee. All work to be performed by the lessee shall be carried out without undue delay, at normal intervals over the lease term and in compliance with applicable regulations and standards of good craftsmanship.

(2) The lessee’s maintenance obligation also encompasses the repair of any damage caused by burglary and/or vandalism at the leased object, including any damage to the windows, frames and entrance doors/gates of the leased object. Any broken windowpanes in any room included in the lease shall immediately be replaced by new ones.

(3) The lessee shall arrange for the repair and maintenance of any signs, etc., that the lessor has permitted it to install; see Clause 15.

(4) If the lessee fails to perform its maintenance obligation, the lessor shall be entitled, following written notice stipulating a 14-day time limit for compliance, to carry out the maintenance work for the account of the lessee.

14 THE LESSOR’S CHANGES TO THE PROPERTY/LEASED OBJECT

(1) The lessor may carry out any work for purposes of the maintenance or renewal (including environmentally-related measures) of the property/leased object, and carry out any refurbishment work (including extensions, additions, etc.) outside the leased object. The lessee shall facilitate the routing of cords, ducts and pipes, etc., to other parts of the property through the leased object, without obstruction by the interior fittings, etc., of the lessee.

(2) The lessee shall accept such work without any damages or rent reductions, unless it suffers material inconvenience. The lessor shall ensure that the work causes the minimum possible inconvenience to the lessee. The lessee shall be given reasonable notice.

(3) Any costs in connection with government requirements for enhanced technical standards in relation to the leased object during the lease term may be claimed back from the lessee by the lessor, to the extent that such measures are of benefit to the lessee, also taking into account the lifespan of such measures and the remaining lease term.

15 THE LESSEE’S CHANGES TO THE PROPERTY/LEASED OBJECT

(1) The lessee shall carry out no permanent fitting out, refurbishment or changes to, or of, the leased object without the prior written consent of the lessor. The same shall apply if the lessee would like to use more electricity, water, air, drainage capacity, etc., than was installed at the leased object as per the date of entering into the lease. Consent shall not be withheld without just cause. If consent is granted, the lessor shall at the same time, if requested by the lessee, specify in writing whether the lessee shall, upon vacation of the premises, reverse, in full or in part, the changes made. The changes described in the present Clause 15 shall, unless otherwise agreed, accrue to the lessor upon the expiry of the lease term, unless the lessor requires the leased object to be reversed to its original state.

(2) The lessee shall be entitled to install business signs, with the prior written consent of the lessor, in the customary manner, based on the nature and type of the activities and the property. Sun awnings shall not be installed without the prior written consent of the lessor with regard to their design and location. Consent under the present paragraph (2) shall not be withheld without just cause. The lessee shall itself pay the costs of any such business signs and sun awnings.

(3) The lessee shall be responsible for obtaining any necessary government permits and for otherwise complying with all government requirements applicable to any work performed pursuant to the present Clause 15, including the submission of any necessary documentation to the lessor.

16 INSURANCE

(1) Each of the parties shall keep their assets/interests insured.

(2) The lessor shall insure the property.

(3) The lessee shall insure its own interior fittings, fixtures and furnishings, movables, machinery, data, goods, operating loss/interruption and liability. In addition to its own interests, the lessee shall pay for insurance of doors and windows at the leased object. Any loss incurred by any parties contracting with the lessee, as the result of interruption, delay or settlement, pursuant to the provisions of the present Clause 16, shall be the responsibility of the lessee.

(4) If the activities conducted by the lessee result in any increase in the insurance premiums or charges pertaining to the property, or any investment requirements from the lessor’s insurer, the lessee shall cover the expenses. The lessee shall notify the lessor of any circumstances and/or changes with regard to the activities that may have an impact on the insurance premium pertaining to the property. The lessor shall not be liable for any damage or loss resulting from burglary, fire, water damage, etc., beyond that covered by insurance policies established by the lessor in its capacity of owner. This shall not apply, however, to any damage caused by breach of contract on the part of the lessor.

17 FIRE/DESTRUCTION

(1) If the leased object is destroyed by fire or other accidental event, the lessor may waive all of its rights and obligations under the lease.

18 BREACH OF CONTRACT ON THE PART OF THE LESSOR

(1) The lessee may claim rent reduction pursuant to Section 2-11 of the Tenancy Act as the result of delays or defects. As far as defects are concerned, this is conditional upon the defect being material. This applies to both defects as per handover and defects during the lease term. The lessee shall not be entitled to withhold rent to secure any claim that the lessee has or may get against the lessor as the result of any defect or delay.

(2) The lessee may claim damages under Section 2-13 of the Tenancy Act in respect of any direct loss resulting from any delay or defect, provided that such defect/delay is material. Indirect loss is not covered. The amount of damages during the lease term shall under no circumstance exceed 12 months’ rent, unless the lessor has acted fraudulently or with gross negligence. In the event of any extension, a corresponding limitation shall apply with regard to any loss during the extension period. This provision shall apply to both delay/defects as per handover and defects during the lease term.

(3) If the lessee wishes to invoke prolonged or repeated breach of contract on the part of the lessor as a basis for termination, it shall be required to give prior written notice to the effect that the agreement may be thus terminated unless such breach is discontinued. Section 2-12 of the Tenancy Act shall also apply.

19 BREACH OF CONTRACT ON THE PART OF THE LESSEE/EVICTION

(1) The lessee shall be liable for damages in respect of any damage or defect caused by him or by anyone who is in his service, whether permanently or casually, as well as by sublessees, customers, suppliers, contractors and/or anyone else to whom he has granted access to the property. The liability for damages also includes any expenses incurred in the extermination of vermin.

(2) The lessee accepts mandatory eviction if the rent or any supplementary payments agreed are not paid, cf. Section 13-2, Sub-section 3 (a), of the Enforcement Act. The lessee accepts mandatory eviction upon the expiry of the lease term, cf. Section 13-2, Sub-section 3 (b), of the Enforcement Act.

(3) The lessor may terminate the lease if the lessee is in material breach thereof, upon which termination the lessee shall be required to immediately vacate the leased object.

(4) A lessee that is evicted or vacates at the request of the lessor due to breach of contract, or vacates the leased object as the result of bankruptcy, shall be obliged to pay rent and any other payments required under the present lease for any such period as may remain of the lease term. The payment obligation shall only apply to the extent that the loss incurred by the lessor is not covered through a substitute lease. The lessee shall also pay any costs resulting from eviction, legal proceedings and tidying/cleaning of the leased object, as well as any expenses involved in establishing a substitute lease.

20 VACATION OF THE PREMISES

(1) Upon vacation of the premises, the lessor shall immediately be granted access to the leased object.

(2) The lessee shall, upon vacation of the premises, hand back the leased object in a tidy, clean, and otherwise contractual state, with all windowpanes intact, and maintained in accordance with standards of good craftsmanship, and with all keys/entrance passes. If the maintenance obligation under Clause 13 has been met at normal intervals during the lease term, the lessor accepts ordinary wear and tear until vacation of the premises. As far as any changes made by the lessee during the lease term are concerned, reference is made to the regulations in Clause 15.

(3) Any defects not repaired by the lessee can be repaired by the lessor for the account of the lessee. If the lessor does not make such repairs, the lessee shall nevertheless compensate the lessor for the costs that would have been incurred if such repairs had been made (irrespective of the use of the leased object following the vacation of the premises).

(4) A joint inspection shall be conducted by the lessee and the lessor well ahead of the expiry date of the lease to determine any work that has to be carried out in order to bring the leased object into the state required when it is handed back.

(5) The lessor shall be entitled, for the last 5 months before vacation of the premises, to erect signs on the frontage with information to the effect that the leased object will become available for rent. The lessee shall, during the same period and by prior notice, grant prospective lessees access to the leased object for 3 days per week during ordinary office/business hours.

(6) The lessee shall remove its possessions at its own expense no later than on the last day of the lease term. Any possessions that have not been removed are deemed to have been abandoned, and shall accrue to the lessor after 14 days. Any rubbish and possessions that the lessor does not wish to keep may be discarded or removed by the lessor for the account of the lessee.

21 REGISTRATION/GRANTING OF SECURITY INTERESTS

(1) The lease shall not be registered in the Register of Land Titles and Land Charges without the prior written consent of the lessor. Consent shall not be withheld without just cause. A lease thus registered shall have no right of priority advancement, and shall concede priority to any new monetary encumbrances registered on the property. The lessee shall assist with the implementation of such priority concession. The lessee grants the lessor an irrevocable authorisation to arrange for deletion of such lease registration on the expiry date of the lease. Any expenses associated with such registration and deregistration of the lease shall be for the account of the lessee.

(2) No security interest shall be granted in the lease without the written consent of the lessor. Consent shall not be withheld without just cause. The lessor may make such granting of a security interest subject to conditions. The lessee grants the lessor an irrevocable authorisation to arrange for deletion of such security interests on the expiry date of the lease.

22 RENT ADJUSTMENT

(1) The rent shall be adjusted on 1 January of each year, in line with any changes in the retail price index published by Statistics Norway or, if the said index is abolished, another corresponding public index. The rent shall not, however, be adjusted below the rent agreed on the date of entering into the lease.

(2) The original lease index value is the index value as per the month of […] in the year of […]. Rent adjustments shall be based on changes from the original lease index value to the most recent known index value as per the adjustment made.

(3) The lessee is hereby given notice that annual rent adjustments will be made.

(4) In the event of any government intervention (price freeze, etc.) that limits the rent that could otherwise have been charged by the lessor under the present contract, the adjusted rent under the contract shall apply from such date and to such extent as is permitted under the applicable regulations.

23 GUARANTEE AND/OR DEPOSIT

*[Delete as applicable.]*

A (1) The lessee shall furnish an ordinary guarantee from a financial institution conducting activities in Norway under a licence granted by the Norwegian authorities, or an alternative guarantee approved by the lessor, in respect of the timely performance of the obligations of the lessee under the present lease.

(2) The amount of such guarantee shall correspond to […] months’ rent (and Value Added Tax to the extent implied by Clause 9). The lessor may require a proportional adjustment of the guarantee amount in connection with any rent adjustment. The guarantee shall remain in effect, and be irrevocable on the part of the lessee and the guarantor, throughout the lease term, as well as for three months after vacation of the premises. The guarantee shall be governed by Norwegian law. Any dispute relating to the guarantee shall be resolved before the courts in the jurisdiction of the property.

B (3) The lessee shall furnish a deposit by paying the deposit amount into an escrow account with the bank that receives the rent payments. The deposit shall secure the timely performance of the obligations of the lessee under the present lease. The amount of such deposit shall correspond to […] months’ rent (and Value Added Tax to the extent implied by Clause 9). The lessor may require a proportional adjustment of the deposit amount in connection with any rent adjustment. Any interest accrued on the account shall be credited to the lessee, but shall be added to the amount of the deposit securing the obligations of the lessee. Any residual amount may be paid to the lessee two months after the expiry date of the lease, in final discharge of the obligations of the bank in respect of such deposit, unless the lessor has brought legal action with claims against the lessee.

C (4) The lessee shall furnish no guarantee/deposit.

(5) The guarantee/deposit shall be furnished no later than […].

(6) Any breach of the provisions in the present Clause 23 shall be considered a material breach that entitles the lessor to terminate the lease, unless the lessee has remedied the situation within 14 days of a written notice from the lessor.

24 SUBLEASE

(1) Sublease of the leased object, in full or in part, shall not be permitted without the prior written consent of the lessor. Consent shall not be withheld without just cause. The sublessee conducting any activities that would result in any change to the Value Added Tax burden of the lessor would constitute just cause, unless the lessee undertakes to indemnify the lessor for any loss and costs incurred by the lessor as the result of the sublease in accordance with Clause 9, including any additional administration costs, and furnishes what is deemed by the lessor to be an adequate guarantee in respect of its obligations.

(2) A failure to respond to an application for consent under the provisions of the present Clause 24 shall not be construed as consent.

25 ASSIGNMENT/CORPORATE CHANGES

(1) Assignment of the lease, in full or in part, shall not be permitted without the prior written consent of the lessor. Consent may be withheld at the unfettered discretion of the lessor.

(2) Transfer of no less than 50 % of the shares or units of, or other ownership interests in, the lessee shall be considered assignment of the lease. The same shall apply to any change in the corporate form of the lessee. Disposal of a small number of shares or units that in themselves confer decisive influence (simple majority) over the company shall also be considered assignment of the lease. The lessor shall upon request disclose information, certified by the auditors of the lessee, if the lessor wishes to verify whether such transfer has taken place. The provisions of the present paragraph shall not apply to listed companies.

(3) Any corporate changes, for example demergers, that materially impair the financial ability of the lessee to perform its obligations to the lessor shall require the written consent of the lessor. The provisions of the present paragraph shall not apply to listed companies.

(4) A failure to respond to an application for consent under the provisions of the present Clause 25 shall not be construed as consent.

(5) If the lessor assigns its rights and obligations under the agreement, the lessee shall assist with the furnishing of a new deposit/new guarantee in favour of the new owner.

26 SPECIAL PROVISIONS

[…]

[…]

27 RELATIONSHIP TO THE TENANCY ACT

(1) The following provisions of the Tenancy Act shall not apply: Sections 2-15, 3-5, 3-6, 3-8, 4-3, 5-4, Sub-section 1, 7-5, 8-4, 8-5, 8-6, Sub-section 2, and 10-5. Moreover, the present lease shall take precedence in all cases where its provisions differ from the non-mandatory provisions of the Tenancy Act.

28 GOVERNING LAW AND DISPUTE RESOLUTION

(1) All matters relating to the present lease shall be governed by Norwegian law.

(2) Any dispute relating to the lease shall be resolved before the courts in the jurisdiction of the property.

29 APPENDICES TO THE LEASE

Appendix 1: Drawings of the leased object, including plan drawings for buildings and situational drawings for external areas and parking spaces.

Appendix 2: Requirement Specification

Appendix […]: Examples of costs to be covered by the lessee

30 PLACE/DATE

[…]

[…]

31 SIGNATURE

(1) The lessee shall present valid proof of identity [and Certificate of Incorporation] no later than upon signing of the lease.

(2) The present lease is signed in duplicate, with the lessor and the lessee receiving one copy each. If the lease has been arranged via an estate agent, it is signed in triplicate, with the lessor, the lessee and the estate agent receiving one copy each.

Lessor Lessee

[…] […]

Below are examples of appendices and alternative supplementary wordings that may be added to the standard wording above (these suggestions are attached to the Word editions of the standards). The organisations emphasise that these wordings are intended as examples and hence must be used with care, one element of which is that they should always be carefully tailored to the facts of the specific lease in question. Explanations of the provisions on the responsibility for public law requirements in Clauses 6, 10 and 12 and the Value Added Tax provision in Clause 9 are also included below.

CLAUSE 4: POTENTIAL SUPPLEMENTARY WORDING FOR A GREEN APPENDIX

If the parties wish to add a green appendix, the following wording may be inserted in Clause 4(4):

"(4) The parties have agreed to cooperate in enhancing and evolving the environmental standard of the leased object during the lease term, by implementing the environmental measures set out in Appendix […] (green appendix). In case of conflict between the present Lease and the green appendix, the provisions of the green appendix shall take precedence as far as the matters addressed by such appendix are concerned."

CLAUSES 6, 10 AND 12: RESPONSIBILITY FOR PUBLIC LAW REQUIREMENTS - EXPLANATION

The lease is premised on a distinction between technical building and construction requirements laid down by public law and other requirements imposed as the result of the activities conducted at the leased object. By “technical building and construction requirements” are meant any requirements implied by the Planning and Building Act, technical regulations, etc., which pertain to the physical and technical characteristics/qualities of the building.

The lessor is responsible for the leased object being in conformity with those technical building and construction requirements laid down by public law as per handover that have to be complied with in order for the lessee to be able to use the leased object for the purpose specified in Clause 5, cf. Clause 6 (2). This also applies to technical building and construction requirements relating to universal design. Any public law requirements as per handover which relate to the lessee’s activities/use of the leased object, and which do not pertain to technical building and construction matters, are the responsibility of the lessee, cf. Clause 6 (3).

The lessor is, furthermore, responsible for ensuring that the leased object is, throughout the lease term, in conformity with any technical building and construction requirements laid down by public law that are applicable to the leased object, cf. Clause 12 (2). This also includes, as a main rule, any new technical building and construction requirements laid down by public law that may be enacted during the lease term, including universal design requirements. However, if such new requirements relate to the lessee’s use of the leased object, compliance with the said requirements shall be arranged and paid by the lessee, cf. Clause 10 (2). This apportionment of responsibilities applies irrespective of whether the authorities impose the requirement on the lessor or on the lessee.

The lessee is responsible, both as per handover and during the lease term, for public law requirements relating to any building or permanent fitting out work performed by the lessee, cf. Clauses 6 (2) and 12 (3).

Examples:

The lessee is going to use the leased object as a nightclub. As per handover, the lessor is responsible for ensuring that the leased object complies with those technical building and construction requirements laid down by public law that are applicable as the result of the intended use as specified in Clause 5, such as emergency exit requirements, etc. The lessor is also responsible for any requirements relating to universal design, such as requirements for the premises to be equipped with a wheelchair ramp, accessible toilet, etc.

If a general requirement is introduced during the lease term to the effect that a wheelchair lift is required on all premises where ramps would previously suffice, the lessor shall arrange and pay for this. If, however, a requirement is introduced to the effect that all nightclubs shall have two accessible toilets, this will be the responsibility of the lessee.

The lessee is under any circumstance responsible for public law requirements relating to the nightclub use/activities, such as keeping emergency exits unblocked, obtaining a licence to serve intoxicating drinks, etc., cf. Clause 10 (2).

If premises are leased for office operations, the lessor will be responsible for ensuring that such premises can be used as offices. This implies that the lessor will have to upgrade the ventilation plant if ventilation is inadequate. It should be noted that ventilation requirements may differ, depending on the age of the building and the requirements applicable upon its completion. The lessor is also responsible for compliance with the fire safety requirements applicable to the premises/building.

In the event of premises leased for production activities that involve special requirements with regard to e.g. hygiene, it needs to be clarified whether the technical building and construction requirements applicable to the planned production activities are complied with. The parties should in such cases determine which measures have their origin in the Planning and Building Act and which measures have their origin in specialist legislation. Any new and stricter requirements imposed by e.g. the Norwegian Food Safety Authority shall be for the risk of the lessee, since such requirements relate to the activities of the lessee.

The apportionment of responsibilities between the lessor and Lessee as far as public law requirements are concerned is illustrated in the drawing below (does not apply to any building or permanent fitting out work performed by the lessee, as the lessee has sole responsibility therefore):

**As per handover:**



**During the lease term:**



CLAUSE 7: POTENTIAL WORDING OF EXTENSION CLAUSES

Version A:

“(3) The lessee shall be entitled to extend the lease for a period of […] years on the same terms and conditions as under the present lease. If the lessee wishes to exercise such option, this shall be notified in writing to the lessor no less than […] months prior to the expiry of the present lease term”.

Version B:

“(3) The lessee shall be entitled to extend the lease for a period of […] years on the same terms and conditions as under the present lease, subject, however, to the rent being adjusted to market rent. If the lessee wishes to exercise such option, this shall be notified in writing to the lessor no earlier than 18 months prior to, and no later than 12 months prior to, the expiry of the present lease term.

(4) If the parties have not, within 6 weeks of the option to extend the lease having been exercised by notice to the lessor, reached agreement as to what constitutes the market rent, such market rent shall be determined by an appraisal commission with final and binding effect for the parties. The parties shall appoint one commission member each. The appointed commission members shall be appraisers/commercial real estate agents with detailed knowledge of the commercial property market in […]. The parties shall each cover 50% of the costs associated with establishing and completing the commission proceedings.

*[Comment: One might also here envisage a regulation requiring the parties to submit their own market rent estimates, with the parties only sharing the costs if the ruling of the appraisal commission lies within a specific range between these two estimates.]*

(5) The parties shall appoint their commission members no later than 8 weeks after the exercise of the option. The commission members appointed by the parties shall appoint the chairperson of the commission. If the commission members fail to reach agreement on the appointment of the chairperson, such chairperson shall be appointed by the chairperson of the Forum for Commercial Real Estate Agents (or another corresponding organisation/entity).

(6) The commission shall, no later than 10 weeks after the exercise of the option, carry out an inspection of the leased object, as well as receive the input of the parties in a simple hearing. The parties shall at the hearing be given sufficient time to communicate their views as to what constitutes the relevant market rent, as well as to present such documentation as the parties may wish to refer to.

(7) In determining the market rent, the commission shall define what would have been the applicable market rent if a corresponding lease had been concluded in the ordinary manner, as per the date on which the commission makes its ruling. The commission shall for such purposes attach weight to all relevant considerations, including the location and condition of the leased object, the date of commencement of the extension period, the duration of the extension period, etc. The ruling of the commission shall be issued no later than 2 weeks after the completion of the abovementioned hearing, and shall be sent to the parties in the form of a written statement specifying the relevant market rent.

(8) The parties agree that the commission’s determination of market rent pursuant to the previous paragraph shall not constitute arbitration. If the determination of market rent also raises any legal issues on which the parties are not in agreement, the appraisal commission shall only address these to the extent that the parties jointly request it to do so. In such case, Act of 14 May 2004 No. 25 relating to Arbitration shall also be applicable, to the extent not otherwise agreed in the present Clause as far as concerns any matter on which the provisions of the Arbitration Act are non-mandatory.

(9) The market rent as specified by the commission shall thereafter be the specific rent under the lease as per the date of commencement of the extension period.“

CLAUSE 8: SUGGESTED WORDING – APPENDIX […] – EXAMPLES OF COSTS TO BE COVERED BY THE LESSEE

The below listing is intended as examples of costs to be covered by the lessee, and is not exhaustive.

* Electricity for heating and illumination of the leased object.
* Oil, gas, etc., for heating of the leased object.
* Municipal charges, including water, sewage, sweeping, waste disposal and any other charges that may be imposed/applied.
* Cleaning and waste disposal, including all internal cleaning at the leased object, external window cleaning, cleaning of sun awning equipment, removal of tagging/graffiti, as well as the renting, transportation and emptying of waste skips, etc.
* Inspection, servicing and maintenance of lifts, sanitary installations, cooling plant, ventilation plant, all fire-safety installations (including alarms and security devices), gates, heating plant, windows, sun awning equipment, etc.
* Reception services, guard services, caretaker services.
* Provision of other services, including gardening and other tidying/maintenance of external areas, removal of snow from external areas, parking spaces, pavements and roofs, transportation of snow from the property, sweeping and cleaning of the said areas, external caretaker services, etc.

CLAUSE 9 – EXPLANATION/ALTERNATIVE WORDING

Concerning paragraph (1):

It is here specified what portion of the leased object, in square metres, is covered by the lessor’s real estate lease registration in the Value Added Tax Register as per the lease commencement date, in the form of either voluntary registration or ordinary registration if mandatory real estate lease registration is introduced by statute.

In order for an area to be covered by the lessor’s registration, such area must be used in one of the following ways:

a) for activities registered under the Value Added Tax Act;

b) by government entities under the supreme control of a municipal council, a county council or another council or board under the Municipality Act or special municipal legislation; or

c) by inter-municipal and inter-county entities organised under the Municipality Act or special municipal legislation.

Any areas leased for private activities that qualify for compensation, for example private schools and nurseries, **cannot** be covered by the lessor’s registration. The same applies to any areas to be used by the lessee to meet housing or welfare needs, for example employee housing and gyms.

If an area is used, at the same time, both for purposes that meet the conditions for being covered by the lessor’s registration and for purposes that are not covered; so-called ”mingling areas”, such area will as a main rule be covered by the lessor’s registration. However, this is subject to the condition that the lessee would have had a right of deduction or compensation with regard to such area in the event that the lessee had itself owned the premises. If the VATable turnover of a lessee in relation to a mingling area would not normally exceed 5% of such lessee’s total turnover relating to the relevant area during the course of a financial year, the said lessee would have had no such right of deduction, and the area cannot be covered by the lessor’s registration. However, the said restriction shall not apply if the turnover of the lessee is principally (i.e. no less than 80%) in the form of financial services that are exempted from Value Added Tax.

**NB! If the lessor and the lessee agree to exclude an area from the lessor’s registration, although such area meets the conditions for inclusion, specific notice to such effect must be given to the Tax Office.**

Concerning paragraph (2):

This provision implies that the lessor is entitled to add Value Added Tax on the rent in respect of all areas that can be covered by the lessor’s registration, cf. the explanation concerning paragraph (1) above. This also applies to so-called ”mingling areas” covered by the lessor’s registration, cf. above, irrespective of the scope of the lessee’s right of deduction. The provision also entitles the lessor to add Value Added Tax on the rent in respect of areas that are not covered by the registration as per the lease commencement date, but are converted, during the lease term, into mingling areas or areas fully devoted to activities that can be covered by the lessor’s registration.

*(Alternative wording for paragraph 2, with explanation:*

”(2) The lessor shall be entitled to add Value Added Tax at the rate applicable at any given time to the rent, the joint costs and any other costs relating to any areas included in the lessor’s registration in the Value Added Tax Register as per the lease commencement date, as well as to any areas included in the lessor’s registration during the lease term as the result of mandatory real estate lease registration being introduced by statute. The same applies to any other areas becoming included in the lessor’s registration for any other reason, provided that the lessee qualifies for full deduction or compensation for such Value Added Tax.”

The provision implies that the lessor is entitled to add Value Added Tax on rent, etc., relating to those areas that the parties have agreed shall be covered by the lessor’s registration as per the lease commencement date, cf. the explanation concerning paragraph (1) above, as well as any areas that become covered by the lessor’s registration during the lease term as the result of mandatory real estate lease registration being introduced by statute. Moreover, the lessor shall be entitled to add Value Added Tax to rent, etc., relating to any areas that become covered by the lessor’s registration for other reasons, provided that the lessee qualifies for full deduction or compensation for such Value Added Tax. In cases where the lessee does not qualify for full deduction or compensation, the lessor cannot unilaterally decide to add Value Added Tax on the rent, etc., and this would, if at all, have to be done by agreement between the parties.

**NB! If any area is put to any use, during the lease term, that can be included in the lessor’s registration, whether in full or as a mingling area, but such area is nonetheless to be excluded from the lessor’s registration, specific notice to such effect must be given to the Tax Office.)**

Concerning paragraph (4):

Note that the lessee needs to apply for its own ***voluntary*** registration in the Value Added Tax Register in respect of the sublease. It is ***not*** sufficient to have an ordinary registration in the Value Added Tax Register. The same applies to the sublessee in the event of any sub-sublease. There must be an ***unbroken chain of voluntary registrations*** between the lessor and the ultimate sublessee.

CLAUSE 15 – ALTERNATIVE WORDING CONCERNING THE LESSEE’S CHANGES

If the lessee’s changes accrue to the lessor upon the expiry of the lease term, this may represent a taxable benefit on the part of the lessor. The lessor should therefore examine the tax implications of the lessee’s changes, both upon conclusion of the lease and during the lease term. The following alternative wording may be used instead of the last sentence of Clause 15 (1), if one would prefer a regulation requiring the lessee to reverse any changes unless otherwise agreed:

"The leased object shall, unless otherwise agreed, be reversed to its original state upon the expiry of the lease term, unless the lessor requires the changes described in the present Clause 15 to accrue to him."

CLAUSE 17 – POTENTIAL SUPPLEMENTARY WORDING CONCERNING FIRE AND DESTRUCTION

(2) If all, or material parts, of the leased object is/are destroyed during the lease term, due to for example fire, damage or other technical failure/accidental event (including force majeure events) and the lessor does not exercise its right under the present Clause 17, first paragraph, the lessee shall not be entitled to terminate the lease for breach if:

A) the leased object is repaired/rebuilt by the lessor no later than 24 months after the damage occurred;

B) the lessor offers the lessee, during this rebuilding period, replacement premises that are suitable for the lessee (which replacement premises shall meet the general requirements, as far as location and size/construction are concerned, that need to be met in order for the lessee to conduct its activities in an almost normal manner); and

C) the lessor pays all expenses associated with relocation to the replacement premises and return to the leased object after the rebuilding period.

(3) The lessee shall in such cases continue to lease the leased object (or such part of it as has not been used during the repair/rebuilding period) and resume full rent payment under the present lease from the date on which repair/rebuilding is completed. The lessee shall pay ordinary market rent for any replacement premises during such period as these are used, although such rent shall not exceed the rent applicable under the present lease at any given time.

CLAUSE 23 - SUGGESTED GUARANTEE WORDING

**GUARANTEE**

The undersigned […] (the ”Guarantor”), hereby guarantees the timely performance by […] (the ”Lessee”) of all its obligations under a lease agreement (the ”Lease”) concerning the lease of premises in the property known as […], land no. […], title no. […], in the municipality of […], dated […], concluded with […] (the ”Lessor”).

The total guarantee liability shall not exceed the amount of NOK […].

Any dispute relating to this guarantee shall be resolved before the courts in the jurisdiction of the property. The guarantee shall remain in effect throughout the lease term, as well as for 3 months after the expiry of the lease term, provided, however, that any claim pertaining to the guarantee shall be received by the Guarantor no later than […].

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| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Guarantor |

CLAUSE 23 – SUGGESTED CONTRACT AND GUARANTEE WORDING WHERE A PARENT COMPANY GUARANTEE IS USED INSTEAD OF GUARANTEES AS MENTIONED IN CLAUSE 23

*Contract wording:*

The lessee shall furnish a parent company guarantee as specified below the signature line of the present contract, in respect of the timely performance of the obligations of the lessee under the present lease. The guarantee shall be governed by Norwegian law. Any dispute relating to the guarantee shall be resolved before the courts in the jurisdiction of the property.

*Guarantee wording:*

[…], enterprise registration number […], guarantees the timely performance by the lessee of all its obligations under the lease.

CLAUSE 28 – SUGGESTED CONTRACT WORDING CONCERNING ARBITRATION

(1) All matters relating to the present lease shall be governed by Norwegian law.

(2) Any dispute which may arise in relation to the present lease, shall be resolved by arbitration pursuant to the Act of 14 May 2004 No. 25 relating to Arbitration. The arbitral tribunal shall comprise three arbitrators, of whom the parties shall appoint one arbitrator each. These shall appoint the third arbitrator, who shall be the chairperson of the arbitral tribunal. The chairperson of the arbitral tribunal shall be a Norwegian lawyer. In the absence of agreement as to the identity of the third arbitrator, such arbitrator shall be appointed by the Chief District Court Judge of the Oslo District Court.

(3) The arbitration shall take place in […], and the language of arbitration shall be Norwegian.

(4) The arbitral proceedings shall be deemed to have commenced when one party sends a request to the opposite party to the effect that the dispute be resolved by arbitration. The arbitration proceedings and the ruling of the arbitral tribunal shall be subject to a duty of confidentiality, and the parties shall be obliged to conclude, as soon as the arbitral proceedings have commenced, a separate agreement confirming this.