

LICENCE FOR WORKS AGREEMENT



between

[] Limited

and

[] Limited

[with the consent of [] LIMITED]

Property: []

[NOTE: FOR USE **ONLY** WITH A LEASE BASED ON THE MODEL COMMERCIAL LEASE]

Version 1
May 2022



LICENCE FOR WORKS AGREEMENT

between

[] **LIMITED** incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [], and includes where the context so requires its successors as landlord under the Lease ("**Landlord**")

and

[] **LIMITED** incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [], and includes where the context so requires its permitted successors as tenant under the Lease ("**Tenant**")

[with the consent of the Guarantor]

WHEREAS:

- (A) The Landlord is the landlord under the Lease;
- (B) The Tenant is the tenant under the Lease; [and]
- (C) [The Guarantor is the guarantor of the Tenant's obligations under the Lease; and]
- (D) [The Tenant has requested, and the Landlord has granted, consent to the Works on the conditions set out below] [The Tenant has carried out the Works and the Landlord has agreed to grant retrospective consent to the Works on the conditions set out below]¹.

IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

"**Business Day**" has the meaning given to it in the Lease;

"**Conditions**" means the conditions set out in part [] of the schedule to the Lease;²

"**Guarantor**" means [], incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [];

"**Lease**" means the lease between [] and [] dated [] and registered in the Books of Council and Session on [] [and also recorded in the Division of the General Register of Sasines for the County of [] on []] [and the tenant's right to which is registered in the Land Register of Scotland under Title Number []];

"**Parties**" means the Landlord [and] the Tenant [and the Guarantor];

"**Plans**" means the [plans, drawings, specifications and other documents] set out in the Schedule;

"**Premises**" means ALL and WHOLE [] being the subjects more particularly described in the Lease;

"**Schedule**" means the schedule annexed to this Agreement; and

¹ Use second option if documenting retrospective consent.

² Consider if the conditions contained in the relevant part of the schedule to the Lease need to be supplemented / amended in the context of the works in question.

"Works" means the works to the Premises [to be]³ carried out by the Tenant as shown on the Plans.

1.2 **Interpretation**

The interpretation provisions of clause 2 of the Lease apply equally to this Agreement.

1.3 **Schedule**

The Schedule forms part of this Agreement.

2. **Grant of Consent**

The Landlord [CONSENTS to the Tenant carrying out the Works] [gives retrospective CONSENT to the Works carried out by the Tenant]⁴ on the terms set out in this Agreement. For the purposes of the Lease, the Works constitute Permitted Works.

3. **Tenant's Obligations**

The Tenant will comply in all respects with the Conditions.

4. **Remedying Breaches⁵**

Clause []⁶ of the Lease will apply if the Landlord requires the Tenant to remedy any breach of the Tenant's obligations under this Agreement.

5. **Lease Obligations**

On completion of the Works, all the Tenant's obligations contained in the Lease [and all the Guarantor's obligations] will apply to the Premises in their then altered state.

6. **Rent Review**

Any effect on rental value attributable to the Works will be [disregarded] [taken into account] for the purposes of the rent review provisions in the Lease.

7. **Reinstatement at Expiry**

The reinstatement provisions in the Lease will apply to reinstatement of the Works.⁷

8. **Irritancy**

The Landlord's right of irritancy contained in the Lease will be exercisable not only in the event of any breach by the Tenant of the Tenant's obligations contained in the Lease but also in the event of any breach of any of the Tenant's obligations contained in this Agreement.

9. **Third party indemnity**

9.1 The Tenant must indemnify the Landlord against all actions, claims, demands made by a third party, all costs, damages, expenses, charges and taxes payable to a third party and the Landlord's own liabilities, costs and expenses incurred in defending or settling any action, claim or demand in respect of any personal injury or death, damage to any property and any infringement of any right in each case arising from the carrying out of the Works.

9.2 The terms of clause []⁸ of the Lease will apply equally to the indemnity contained in Clause 9.1.

³ Delete if documenting retrospective consent.

⁴ Use second option if documenting retrospective consent.

⁵ Delete for retrospective consent.

⁶ Cross refer to "Allow Entry" clause in Lease

⁷ Take instructions on whether any variation to the reinstatement obligations will be required in relation to the Works.

⁸ Cross refer to conduct of claims sub clause in "Third Party Indemnity" clause in the Lease

10. **Rights of Others**

This Agreement is granted subject to the rights of the owners and occupiers of all adjoining and neighbouring premises, whose rights must not be infringed by the Tenant.

11. **Costs**

11.1 The Tenant will pay within 5 Business Days after written demand all costs and expenses, and any value added tax on them that cannot otherwise be recovered, incurred by the Landlord, its solicitors, [architects] and surveyors [and any head landlord or any creditor in respect of the interest in the Lease] in connection with:

11.1.1 the approval of the Plans, any variations to the Plans and the approval of the Consents or other approvals or permissions given under this Agreement;⁹

11.1.2 the preparation, negotiation, execution and completion of this Agreement;

11.1.3 the monitoring and inspection of the Works during the course of the Works and after the completion of the Works; and¹⁰

11.1.4 the service of any notice, exercising of any rights and carrying out of any works under Clause 4.¹¹

11.2 The Tenant will pay within 5 Business Days after written demand the costs of registering this Agreement in the Books of Council and Session and obtaining 2 extracts (1 for the Landlord and 1 for the Tenant).

12. **[Guarantor's Consent**

The Guarantor:

12.1 consents to the terms of this Agreement; and

12.2 acknowledges that the guarantees and undertakings given by it will be enforceable not only in relation to the performance of the Tenant's obligations under the Lease but also in relation to the performance of the Tenant's obligations under this Agreement.]

13. **No Warranty**

The Landlord gives no express or implied warranty (and the Tenant acknowledges that the Tenant [must satisfy] [has satisfied]¹² itself):

13.1 as to the suitability, safety, adequacy or quality of the design or method of construction of the Works;

13.2 that the Works [may lawfully be]] [were lawfully] carried out;¹³

13.3 that the structure, fabric or facilities of the Premises or any land or buildings of which they form part are able to accommodate the Works; or

13.4 that any of the services supplying the Premises or any land or buildings of which they form part [will] have sufficient capacity for and [will not be] [are not] adversely affected by the Works.¹⁴

⁹ Delete for retrospective consent

¹⁰ Delete for retrospective consent

¹¹ Delete for retrospective consent

¹² Use second option if documenting retrospective consent.

¹³ Complete square brackets depending if retrospective consent or not.

¹⁴ Complete square brackets depending if retrospective consent or not.

14. **Contract (Third Party Rights)(Scotland) Act 2017**

This Agreement does not create any rights in favour of third parties under the Contract (Third Party Rights) (Scotland) Act 2017 to enforce or otherwise invoke any provision of this Agreement.

15. **Ratification of Lease**

Except in so far as amended by this Agreement, the Parties confirm that the whole provisions of the Lease will remain in full force and effect.

16. **Applicable Law and Jurisdiction**

This Agreement is governed by and is to be construed in accordance with the law of Scotland and in so far as not already subject to it, the parties irrevocably submit to the exclusive jurisdiction of the Scottish Courts.

17. **Consent to Registration**

The Parties consent to the registration of this Agreement for preservation and execution: IN WITNESS WHEREOF

Schedule

This is the Schedule referred to in the foregoing Licence for Works Agreement between [] and []
[with consent of []]

Plans