|  |
| --- |
| Dated |
|  |
| [LANDLORD]  and  [TENANT]  and  [GUARANTOR] |
|  |
| LICENCE FOR EXTERNAL [AND INTERNAL] ALTERATIONS  Relating to premises known as [DESCRIPTION] |
|  |
|  |

[NOTE: FOR USE ONLY WHERE THE ALTERATIONS ARE BEING CARRIED OUT OUTSIDE THE PREMISES WITH OR WITHOUT INTERNAL ALTERATIONS TO THE PREMISES]

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**LICENCE FOR EXTERNAL [AND INTERNAL] ALTERATIONS**

**DATED**

**PARTIES**

1. [LANDLORD] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Landlord**”); [and]
2. [TENANT] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Tenant**”); [and]
3. [[GUARANTOR] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “**Guarantor**”)].

**BACKGROUND:**

1. This Licence relates to the Premises and is supplemental to the Lease.
2. The Landlord [remains/is now] the landlord under the Lease and the Tenant [remains/is now] the tenant under the Lease.
3. The Landlord has agreed to permit the Tenant to carry out alterations outside [and to] the Premises and to grant additional rights to the Tenant on the terms of this Licence.

**IT IS AGREED AS FOLLOWS:**

1. DEFINITIONS

This Licence uses the following definitions:

**“Additional Rights”**

the rights granted to the Tenant in **clause 4**;

**“CDM Regulations”**

the Construction (Design and Management) Regulations 2015;

**“Consents”**

all necessary permissions, licences and approvals for the Works under the Planning Acts, the building and fire regulations, and any other statute, bye law or regulation of any competent authority and under any covenants or provisions affecting the Landlord’s Premises [or, to the extent that the Works are to the Premises, the Premises] and as otherwise required from owners, tenants or occupiers of any adjoining or neighbouring property;

**“EPC”**

an energy performance certificate and recommendation report as defined in the Energy Performance of Buildings (England and Wales) Regulations 2012;

**“Equipment”**

the plant, equipment, machinery and any other fixtures that the Tenant will install as part of the Works;

**“Equipment Area”**

that part of the Landlord’s Premises shown edged [COLOUR] on Plan [NUMBER] [or such other area specified by the Landlord under **clause 4.4**[[1]](#footnote-1)];

**“Insured Risks”**

the Insured Risks defined in the Lease;

**“Landlord’s Premises”**

the Landlord’s [building][centre][estate] known as [ADDRESS];

**[“Landlord’s Title”**

the Landlord’s title to the Landlord’s Premises registered at the Land Registry under title number(s) [TITLE NUMBERS];][[2]](#footnote-2)

**“Lease”**

a lease dated [DATE] between (1) [the Landlord] and (2) [the Tenant] [and (3) [the Guarantor]] and any document supplemental to it;

**[“Licence Fee”**

£[AMOUNT IN FIGURES] per annum;][[3]](#footnote-3)

**“Plans”**

the plans, drawings, specifications or other documents setting out details of the Works attached to this Licence;

**“Premises”**

the property let by the Lease known as [ADDRESS];

**“Tenant’s Obligations”**

the obligations in the Lease that the Tenant must comply with; [and]

**[“Tenant’s Title”**

the Tenant’s title to the Lease registered at the Land Registry under title number(s) [TITLE NUMBERS]; and][[4]](#footnote-4)

**“Works”**

the works outside [and to] the Premises to be carried out by the Tenant briefly described in **Schedule 1**.

1. INTERPRETATION

In this Licence:

* 1. where appropriate, the singular includes the plural and vice versa, and one gender includes any other;
  2. obligations owed by or to more than one person are owed by or to them jointly and severally;
  3. an obligation to do something includes an obligation not to waive any obligation of another person to do it;
  4. an obligation not to do something includes an obligation not to permit or allow another person to do it;
  5. references to the parties include references to their respective successors in title;
  6. references to the Landlord having a right of approval or consent under this Licence mean a prior written approval or consent, which must not be unreasonably withheld or delayed except where this Licence specifies that the Landlord has absolute discretion;
  7. where a party to this Licence must pay any costs that the Landlord incurs (or any proportion of them), those costs must be reasonable and proper (unless those costs are incurred following a breach of this Licence) and reasonably and properly incurred;
  8. references to the provision of plans, drawings, specifications or other documents means their provision in hard copy, electronically in PDF format or in any other easily readable format as may be appropriate having regard to the purpose for which they are provided and the nature of the information that they contain, but not in a format that is proprietary to a particular computer system or program that cannot be imported into or easily read by another computer system or program;[[5]](#footnote-5) and
  9. if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Licence will be unaffected.

1. LICENCE FOR ALTERATIONS

The Landlord permits the Tenant to carry out the Works on the terms of this Licence.

1. ADDITIONAL RIGHTS
   1. [In consideration of the sum of £[AMOUNT], together with Value Added Tax of [AMOUNT], which the Landlord has received, and] **OR** [In consideration of the Licence Fee and] **OR** [In consideration of] the Tenant’s obligations in this Licence and subject to the provisions of this **clause 4**, the Landlord grants the following rights to the Tenant for the benefit of the Premises:[[6]](#footnote-6)
      1. the right to install the Equipment on the Equipment Area;
      2. the right to install [pipes, cables and other conduits][[7]](#footnote-7) linking the Equipment to the Premises along the route shown coloured [COLOUR] on Plan [NUMBER];
      3. the right of access on foot only between the Premises and the Equipment Area over those parts of the Landlord’s Premises that the Landlord from time to time designates for this purpose; and
      4. the right to enter and remain on the Equipment Area to carry out the Works [to the extent that they are outside the Premises] and to repair, maintain, renew and reinstate the Equipment.
   2. The right in **clause 4.1.3** is granted in common with the Landlord and the other tenants and occupiers of the Landlord’s Premises.
   3. The Tenant must keep the Equipment properly maintained and in good working order in accordance with good industry practice and any requirements of the Landlord’s insurers and, where beyond economic repair, replace it with items of equivalent or better quality.
   4. The Tenant must relocate any Equipment when requested to do so on not less than one month's notice by the Landlord and
      1. if permanent relocation of the Equipment is required by the Landlord, the Landlord may serve notice under this **clause 4.4** if the relocation of the Equipment will not have a material adverse impact on the Tenant’s business at the Premises;
      2. if the Landlord requires temporary relocation of the Equipment, the Landlord must keep the period of relocation as short as reasonably practicable in the circumstances; and
      3. the Landlord will be responsible for the Tenant’s costs and expenses in complying with the Landlord’s request to relocate the Equipment unless its relocation is required only temporarily to enable the Landlord to carry out any of the services to be provided under the Lease, in which case the costs will be included in the service charge payable under the Lease.
   5. The Tenant must ensure that the presence and operation of the Equipment and the exercise of the Additional Rights do not:
      1. breach the covenant for quiet enjoyment given by the Landlord to the other tenants or occupiers of the Landlord’s Premises;
      2. create undue noise levels;
      3. interfere with any plant, equipment, machinery or fixtures of the Landlord or any other tenants or occupiers of the Landlord’s Premises;
      4. create a legal nuisance; or
      5. breach any health and safety legislation.
   6. [The Additional Rights are granted to the Tenant and the Tenant’s successors in title to the Lease.] **OR** [The Additional Rights are personal to the Tenant and may not be assigned, underlet or held on trust for any other persons. The Additional Rights will end on the earliest of:
      1. the end of the term of the Lease;
      2. the date of any deed of assignment or transfer of the Lease;
      3. [the date the Landlord serves notice under **clause 4.7**;]
      4. the date of any underletting of the whole or substantially the whole of the Premises; and
      5. the date on which the Tenant no longer occupies the Premises for its own use.]
   7. [If there is a material breach of this **clause 4**, the Landlord may end the Additional Rights immediately by serving notice on the Tenant. If the Landlord does so, the Tenant must remove the Equipment and reinstate the Works [to the extent that they are outside the Premises] at its own cost. If the Tenant does not do so, the Landlord may carry out those works itself and the costs incurred by the Landlord will be a debt due from the Tenant to be paid to the Landlord on demand.]
   8. [On the date of this Licence, the yearly rent reserved by Lease will be increased to £[AMOUNT IN FIGURES] per annum [subject to review in accordance with the Lease]. A due proportion of the increased yearly rent for the period starting on the date of this Licence to but excluding the next date for payment of the yearly rent under the Lease must be paid on the date of this Licence.]
   9. [On any rent review due under the Lease the benefit of the Additional Rights will be taken into account when calculating the revised yearly rent payable under the Lease][[8]](#footnote-8) **OR** [On any rent review date under the Lease:
      1. the Licence Fee and the benefit of the Additional Rights will be disregarded when calculating the revised yearly rent payable under the Lease;
      2. the Licence Fee will be increased by the same percentage as the percentage increase in the yearly rent payable under the Lease on that rent review date; and
      3. any increase in the Licence Fee must be paid at the same time and in the same manner as any increase in the yearly rent under the Lease.][[9]](#footnote-9)
2. OBLIGATIONS BEFORE BEGINNING THE WORKS
   1. Before starting the Works the Tenant must:
      1. obtain and provide the Landlord with copies of any Consents that are required before they are begun and, where required by the terms of the Lease, obtain the Landlord’s approval to them;
      2. fulfil any conditions in the Consents required to be fulfilled before they are begun;
      3. assume liability for and pay any community infrastructure levy payable in respect of the Works pursuant to section 206 Planning Act 2008;
      4. notify the Landlord of the date on which the Tenant intends to start the Works; and
      5. provide the Landlord with any information relating to the Works as may be required by its insurers and pay any additional insurance premium payable due to the carrying out of the Works.
   2. If any variations to the Plans are required in order to obtain any of the Consents, the Tenant must obtain the approval of the Landlord to those variations.
   3. The Tenant must ensure that it or its building contractor has put in place public liability and employer’s liability insurance of at least £[5] million in respect of each claim and provide the Landlord with a summary of the main terms of the insurance policies and evidence that the premiums have been paid before starting the Works.
3. OBLIGATIONS WHEN CARRYING OUT THE WORKS
   1. If it starts the Works, the Tenant must carry out and complete them:
      1. diligently and without interruption, and in any event within [six] months after the date of this Licence;
      2. in accordance with the Plans;
      3. in a good and workmanlike manner and with good quality materials;
      4. [in accordance with the reasonable principles, standards and guidelines set out in any relevant guide or handbook published by the Landlord at the date of this Licence for tenant’s works carried out at the Premises;]
      5. [[during][outside] the hours of [TIME] to [TIME];[[10]](#footnote-10)]
      6. in compliance with the Consents and all Acts of Parliament (and any delegated legislation made under them) and with the requirements of the insurers of the Landlord’s Premises and (where applicable) of any competent authority or utility provider;
      7. with as little interference as reasonably practicable to the owners, tenants or occupiers of any adjoining or neighbouring property; and
      8. in compliance, to the extent applicable, with the CDM Regulations.
   2. The Tenant must make good immediately any physical damage caused by the carrying out of the Works or the exercise of the Additional Rights.
   3. The Tenant must permit the Landlord to inspect the progress of the Works at all reasonable times subject, where applicable, to the Landlord complying with any conditions relating to entry onto the Premises contained in the Lease.
   4. All plant, equipment and materials used in connection with the Works must be stored securely.
   5. Until practical completion of the Works, the Tenant must:
      1. insure the Works and any plant, equipment and loose materials for their full reinstatement cost (including professional fees) against loss or damage by the Insured Risks with reputable insurers and provide the Landlord with a summary of the main terms of the insurance policy and evidence that the premium has been paid; and
      2. reinstate any of the Works that are damaged or destroyed before their completion.
4. OBLIGATIONS ON COMPLETION OF THE WORKS
   1. On completion of the Works the Tenant must:
      1. notify the Landlord of their completion;
      2. obtain any Consents that are required on their completion;
      3. remove all debris and equipment used in carrying out the Works;
      4. notify the Landlord of the cost of the Works;
      5. permit the Landlord to inspect the completed Works at a reasonable time subject, where applicable, to the Landlord complying with any conditions relating to entry onto the Premises contained in the Lease;
      6. [provide to the Landlord executed deeds of warranty from [any person involved in the design and construction of the Works] in the form of the attached deeds of warranty;[[11]](#footnote-11)]
      7. supply the Landlord with two complete sets of as-built Plans showing the Works; and
      8. ensure that the Landlord is able to use and reproduce the Plans for any lawful purpose in relation to the Landlord’s Premises and the Premises.
   2. The Tenant must pay to the Landlord as rent under the Lease any increased insurance premium payable resulting from the carrying out and retention of the Works.
5. CDM REGULATIONS
   1. If the CDM Regulations apply to the Works, the Tenant must:
      1. comply with them and ensure that any person involved in the management, design and construction of the Works complies with their respective obligations under the CDM Regulations;
      2. if the Landlord would be treated as a client for the purposes of the CDM Regulations, agree to be treated as the only client in respect of the Works; and
      3. on completion of the Works provide the Landlord with a copy of any health and safety file relating to the Works and deliver the original file to the Landlord at the end of the term of the Lease.
6. ENERGY PERFORMANCE CERTIFICATES
   1. If the Works invalidate or materially adversely affect an existing EPC or require the commissioning of an EPC, the Tenant must (at the Landlord’s option):
      1. obtain an EPC from an assessor approved by the Landlord and give the Landlord written details of the unique reference number for that EPC; or
      2. pay the Landlord’s costs of obtaining an EPC.
7. REINSTATEMENT

The reinstatement provisions in the Lease will apply to reinstatement of the Works.[[12]](#footnote-12)

1. COSTS
   1. The Tenant agrees with the Landlord that it will pay within [ten] working days of demand all costs and expenses, and any value added tax on them that cannot otherwise be recovered, incurred by the Landlord [and any superior landlord and mortgagee] in connection with:
      1. the preparation, negotiation and completion of this Licence;
      2. the approval of the Plans, any variations to the Plans and the approval of the Consents or any other approvals or permissions given under this Licence;
      3. the monitoring and inspection of the Works; and
      4. the service of any notice, exercising of any rights and carrying out of any works under clause 12.
2. REMEDYING BREACHES
   1. If the Landlord requires the Tenant to remedy any breach of the Tenant’s obligations under this Licence then the Tenant must comply with those requirements immediately in the case of an emergency or, in all other cases, begin to comply with those requirements within one month after being notified of them and diligently complete any works required.
   2. If the Tenant does not comply with **clause 12.1**, the Landlord may carry out any works required itself and, to the extent necessary, enter onto the Premises to do so. The Tenant must repay, as a debt on demand, all the costs the Landlord incurs in so doing. The Landlord’s rights under the Lease will be unaffected.
3. EXCLUSION OF WARRANTIES
   1. The Landlord gives no express or implied warranty (and the Tenant acknowledges that the Tenant must satisfy itself):
      1. as to the suitability, safety, adequacy or quality of the design or method of construction of the Works;
      2. that the Works may lawfully be carried out;
      3. that the structure or fabric of the Landlord’s Premises [and, to the extent that the Works are to be carried out to the Premises, the Premises] [is][are] able to accommodate the Works; and
      4. that any of the services supplying the Landlord’s Premises [and, to the extent that the Works are to be carried out to the Premises, the Premises] will either have sufficient capacity for or otherwise not be adversely affected by the Works.
4. AGREEMENTS
   1. Nothing in this Licence will:
      1. be deemed to authorise any action other than expressly authorised in **clause 3**;
      2. release or reduce any liability to the Landlord of the Tenant or any guarantor or other party to the Lease; or
      3. waive or be deemed to waive any breach of the Tenant's Obligations that may have occurred before the date of this Licence.
   2. The conditions for re-entry contained in the Lease will be exercisable on any breach of any provision in this Licence in the same way as if it were a provision contained in the Lease.
   3. All sums payable by the Tenant under this Licence will be recoverable as rent in arrear in accordance with the Lease.
   4. The Tenant’s Obligations will extend to the Works outside the Premises as they apply to the Premises [and will apply to the Premises as altered by the Works within the Premises as they now apply to the Premises as let by the Lease.]
   5. The Tenant acknowledges that:
      1. it has not served any notice under the Landlord and Tenant Act 1927 that would make the Works improvements for the purposes of that Act;
      2. neither this Licence nor any correspondence relating to the Works constitutes a notice for the purposes of that Act;
      3. the Works are being carried out by the Tenant to suit its own requirements; and
      4. as a result, the Tenant is not entitled to compensation in respect of the Works whether under the Landlord and Tenant Act 1927 or otherwise.
   6. Nothing in this Licence creates any rights benefiting any person under the Contracts (Rights of Third Parties) Act 1999.
5. [GUARANTOR'S OBLIGATIONS
   1. The Guarantor agrees with the Landlord that:
      1. the guarantee given by it to the [Landlord][NAME] in clause [NUMBER] of the [Lease][Licence to Assign the Lease dated [DATE] made between [PARTIES]] is not released or varied by this Licence; and
      2. that guarantee extends to and will be exercisable by the Landlord on any breach by the Tenant of the terms of this Licence as well as on the breach of any of the Tenant’s Obligations.]
6. [LAND REGISTRY[[13]](#footnote-13)

As soon as reasonably practicable after the date of this Licence, the Tenant must apply to the Land Registry to note this Licence and to register the Additional Rights against the Tenant’s Title and the Landlord’s Title.

**OR**

As soon as reasonably practicable after the date of this Licence, the Tenant must apply to the Land Registry to note this Licence and to register the burden of the Additional Rights against the Landlord’s Title.]

1. NOTICES

Any notices to be served under this Licence will be validly served if served in accordance with [section 196 Law of Property Act 1925][the notice provisions in the Lease].

1. JURISDICTION
   1. This Licence and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.
   2. Subject to **clause 18.3**, the courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Licence, including in relation to any non-contractual obligations.
   3. Any party may seek to enforce an order of the courts of England and Wales arising out of or in connection with this Licence, including in relation to any non-contractual obligations, in any court of competent jurisdiction.
2. LEGAL EFFECT

This Licence takes effect and binds the parties with effect from the date set out at the beginning of this Licence.

1. SCHEDULE 1

The Works

*Set out details of the alterations to be carried out by the Tenant including any works being carried out to the Premises themselves as well as any external alterations.*

*Examples of external alterations include:*

*The works described by the Plans briefly comprising the installation of air-conditioning plant on the [roof][external wall] of the Landlord’s Premises in the position shown [DESCRIPTION] on plan [NUMBER] and all pipes, cables and other conduits necessary to connect the air-conditioning plant to the Premises.*

*The works described by the Plans briefly comprising the installation of a satellite dish on the [roof][external wall] of the Landlord’s Premises for [receiving only][receiving and transmitting] telecommunications signals in the position shown [DESCRIPTION] on plan [NUMBER] and all cables necessary to connect the satellite dish to the Premises.*

*The works described by the Plans briefly comprising the installation of corporate [signage][flag poles] outside the Premises in the position shown [DESCRIPTION] on plan [NUMBER].*

Executed as a deed by the Landlord acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

Executed as a deed by the Tenant acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

**[**Executed as a deed by the Guarantor acting by )

[a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

1. Include the words in square brackets where the Landlord will have the right to require the Tenant to move the Equipment. [↑](#footnote-ref-1)
2. Where additional rights are granted to the Tenant or other variations to the terms of the Lease are included and this Licence is not personal to the Tenant named in this Licence, the Licence should be registered at the Land Registry against the Landlord’s title and the Tenant’s title as it will vary the terms of the Lease. [↑](#footnote-ref-2)
3. For use where the Landlord will charge a licence fee to the Tenant for the grant of the new rights and it is not appropriate to increase the rent payable under the Lease as the rights are personal to the Tenant named in the Licence or the Landlord has the right to end the use of the new rights. [↑](#footnote-ref-3)
4. See footnote 2 [↑](#footnote-ref-4)
5. Where plans and specifications are provided to the Landlord, you should ensure that the Landlord has the right to use those plans and specifications – see clause 7.1.8. [↑](#footnote-ref-5)
6. If the Lease already permits the Tenant to carry out external works with consent, then the Landlord will not be able to charge a premium or licence fee for consenting to the Works and the grant of the Additional Rights. [↑](#footnote-ref-6)
7. If the Lease already has a definition such as “Conducting Media” or “Conduits”, use the definition in preference to this wording. [↑](#footnote-ref-7)
8. Use this option where the Tenant pays a one-off sum for the grant of the Additional Rights or the yearly rent is increased on the grant of this Licence to take the Additional Rights into account. If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-8)
9. Use this option where Tenant pays an annual licence fee for the grant of the Additional Rights. . If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-9)
10. Consider whether any restrictions need to be imposed by the Landlord on when the Works can be carried out. It may be appropriate to impose restrictions where the Lease is a lease of part and the Landlord is concerned that there is no disruption to other users of the Landlord’s property. [↑](#footnote-ref-10)
11. This clause is required only where the Works involve substantial structural elements. [↑](#footnote-ref-11)
12. Take instructions from the landlord on whether any variation to the reinstatement obligations in the Lease will be required in relation to the Works. [↑](#footnote-ref-12)
13. If title to the Lease is registered, use the first option. If title to the Lease is unregistered, use the second option. If the rights are personal to the Tenant, you can omit this clause. [↑](#footnote-ref-13)