

LEASE

between

***[insert name of landlord]***

and

SP DISTRIBUTION PLC

SUBJECTS: ***[insert address/description]***

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between

**[insert name of landlord]**, incorporated under the Companies Acts with Registered Number **[specify]** and having their Registered Office at **[insert address]** (hereinafter called "the Landlords" which expression include all successors to the landlord's interest in the Lease) OF THE FIRST PART

and

SP DISTRIBUTION PLC, incorporated under the Companies Acts with Registered Number SC189125 and having their Registered Office at One Atlantic Quay, Glasgow, G2 8SP (hereinafter called "the Tenants" which expression shall wherever the context so requires or admits include in substitution therefor their permitted successors and assignees) OF THE SECOND PART

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:-

FIRST The Landlords in consideration of the rent and of the other prestations after specified hereby let to the Tenants:-

ALL and WHOLE the substation accommodation within part of a xxxx building (which is herein after referred to the Building.) **[note:- check SP instruction for detail]**, extending to **[size in words]** square metres (**[size in figures]** sq m) or thereby the footprint of which is shown edged [red] on the plan ("the Plan") annexed and executed as relative hereto (the "Substation") which subjects form Part and Portion of ALL and WHOLE **[insert conveyancing description]**("the Larger Subjects")

and declaring that the Substation shall extend to:-

- (a) the paint and other decorative finish of the interior surface of the walls of the Building but not any other part of such walls;
- (b) the door and door frame in the wall of the Building;
- (c) all ventilators serving the Substation; and in the Building;
- (d) the floor and ceiling finishes of the Substation but not extending to anything below such floor finish or above such ceiling finish

(subject always to the rights in relation to the Electric Lines aftermentioned);

TOGETHER WITH the rights and subject to the obligations contained herein.

SECOND The Tenants, its officers, employees and workmen and all persons authorised by it or them shall have:-

(One) a free and unrestricted right of access to and egress from the Substation over the Larger Subjects, with or without vehicles of any description, machinery or apparatus [along the route[s] shown coloured [ ] on the Plan] for all purposes connected with the use and enjoyment of the Substation].

(Two) an unrestricted right to lay, install and keep installed, maintain, renew, alter, adjust, remove, repair, inspect, replace and/or enlarge and use electricity lines, telephone signalling and fibre optic cables and ancillary equipment associated works and other conducting media with the conduits or pipes for containing the same (herein referred to as "Electric Lines") within in, through and over the Substation and/or the Larger Subjects [shown coloured [ ] on the Plan] and also through and under the walls, ceiling and/or floors of the Substation or the Larger Subject and to open up the respective surfaces, floor and walls thereof as far as may be necessary from time to time for the purpose of laying, installing, maintaining, renewing, altering, adjusting, repairing, inspecting, replacing and/or enlarging or removing the Electric Lines and making good to the reasonable satisfaction of the Landlord any physical damage caused to the Building and/or the Larger Subjects as soon as reasonable practicable.

(Three) an unrestricted right of access and to be upon so much of the Larger Subjects and/or the Building as is necessary for the purpose of erecting and thereafter from time to time for the purpose of installing, inspecting, maintaining and repairing and renewing the Substation and the Electric Lines and to open and close the Substation doors and display the Tenants safety signage thereon.

(Four) to fix or attach or lay and install, keep installed, maintain, renew, adjust, remove, repair, inspect and use machinery and apparatus to, in or on the walls and floor of the Substation and Larger Subjects.

Subject to the Tenants exercising such rights so as to cause as little damage as reasonably practicable and making good or paying reasonable compensation to the Landlords for any physical damage caused in accordance with Clause SIXTH.

THIRD Subject to condition Twenty-First this Lease shall endure for a period of [One hundred and Seventy five years] from and after the [ ] day of [ ] in the year Two thousand and [ ] which is hereby declared to be the date of entry of the Tenants to the Substation notwithstanding the dates hereof;

FOURTH The Tenants bind and oblige themselves and in substitution their successors:-

(One) to pay to the Landlords during the currency of this Lease rent at the rate of ONE POUND STERLING (£1.00) per annum which rent shall be payable yearly in arrears but only if demanded at the term of Whitsunday (being the Twenty eighth day of May) commencing the first payment at the [ ] day of [ ] in the year Two thousand and [ ] for the period preceding and so forth yearly thereafter during the currency of this Lease;

(Two) to pay all local authority rates and all taxes and assessments of an annual or periodically recurring nature (not including any costs, charges or expenses incurred in respect of the making up and completion of any roads, pavements, service strips or other accessways now or to be constructed on or serving the Landlord's property the Building or the Larger Subjects for adoption as maintainable at public expense and any service charge or other charges payable by the Landlord or in respect of the Larger Subjects and/or

the Building) which during the term of this Lease shall become payable in respect of the tenants' use of the Substation;

- FIFTH The Substation shall not be used by the Tenants for any purpose other than an electricity sub-station, signalling equipment and any ancillary or other apparatus connected thereto in accordance with the Tenants' electricity undertaking and associated businesses or statutory or licence obligations, but such approval not to be unreasonably withheld or delayed;
- SIXTH The Tenants shall indemnify the Landlords from and against all actions, proceedings, claims, demands, costs and expenses which are brought against the Landlords (except such as may be due or caused by or arise out of any act, neglect or default or the contributory negligence of the Landlords, their tenants, licensees or anyone authorised by them or their respective agents or employees) in respect of bodily injury to any persons or physical damage to the Larger Subjects caused by the negligent act or negligent omission of the Tenants or those for whom they are responsible at law in the maintenance, repair, installation or removal of the Substation or of the Electric Lines or of equipment within the Larger Subjects PROVIDED THAT the Landlords shall as soon as practicable give notice in writing to the Tenants of any such action proceeding claim or demand brought made or threatened against the Landlords and shall not settle adjust or compromise such action proceeding claim or demand without the consent of the Tenants such consent not to be unreasonably withheld or delayed.
- SEVENTH The Tenants shall not assign or sub-let or part with or share possession of the Substation without the prior written consent of the Landlords which consent shall not be unreasonably withheld or delayed but declaring that the Tenants may, without the necessity of obtaining Landlords' Consent assign the Tenant's interest in this Lease to (i) a licence holder under the Electricity Act 1989 or any statutory modification or re-enactment thereof for the time being in force and/or (ii) any Holding or Subsidiary company of the Tenants, both as defined in the Companies Act 2006.
- EIGHTH Upon expiry or sooner determination of the term of this Lease, the Tenants will if so requested by the Landlords remove at the Tenants' expense all or part of the Tenants' apparatus erected or installed in the Substation and Larger Subjects and make good any physical damage caused thereby, to the reasonable satisfaction of the Landlord. Notwithstanding the foregoing and for the avoidance of doubt, the Tenants shall not be obliged to remove (i) any concrete plinth or foundation on which the Substation is constructed or (ii) the Electric Lines, which Electric Lines will instead be decommissioned and made safe. The Landlords shall have no claim against the Tenants in respect of the removal of the Substation or the Electric Lines other than under Clause Sixth and for the avoidance of doubt the Landlords shall have no claim in respect of any other environmental or contamination liabilities arising from the Tenants' occupation or removal of the Substation or the Electric Lines.
- NINTH The Landlords shall at all times keep the Larger Subjects and/or the Building in good and substantial repair and condition provided that the Tenants may give the Landlords notice in writing of any defects, decay or want of repair which affect the tenant's use of the Substation or the Electric Lines and the Landlords shall with all reasonable speed (and immediately in the case of an emergency) after such notice well and substantially make good the said defects decay or want of repair and if the Landlords shall not within two months after such notice (or immediately in the case of an emergency) commence and proceed diligently to well and substantially execute and complete such repairs it shall be lawful (but not obligatory) for the Tenants and its contractors agents and employees or any person authorised by it or

them to enter and be upon the Larger Subjects and/or the Building and to execute such repair works as are necessary to comply with the said notice and the reasonable costs properly incurred in connection therewith shall be repaid by the Landlords to the Tenants within 30 days of receipt of written demand;

- TENTH The Landlords shall insure the Larger Subjects and/or the Building with such substantial insurance office and for such sum as the Landlords shall from time to time be advised by such insurance office as being the full cost of reinstatement thereof including professional fees payable upon any application for planning permission or other consents as may be required in relation to such rebuilding or reinstatement the cost of removal, demolition site clearance and any works that may be incidental to the same against damage or destruction by fire, riot, civil commotion, malicious damage, storm, flood, bursting and overflowing of waterpipes and other apparatus and such other risks as may be reasonably necessary to insure against (the "insured risks") and produce to the Tenants (on demand and not more than once in every year) a copy of such policy and the last premium renewal receipt);
- ELEVENTH If and whenever during the term the Building or any part of them is damaged or destroyed (whether by an insured risk or otherwise) the Landlords shall apply for and endeavour diligently to obtain all appropriate consents for rebuilding and reinstatement of the Building and following receipt of all such appropriate consents (and to the extent that the insurance monies are not withheld as a result of any act or default of the Tenants) rebuild and reinstate the Building as soon as possible and will apply all money received in respect of the said insurance to the extent necessary in rebuilding or reinstating such destruction or damage;
- TWELFTH This Lease shall not terminate by reason of the damage or destruction of either the Building, Substation or Larger Subjects notwithstanding any rule of law to the contrary. But in any of those circumstances the Tenants shall not be obliged in any way to supply electricity to the Landlords or to the Larger Subjects and/or the Building;
- THIRTEENTH The Landlords shall not make or permit any alteration, installation or addition to ) the Larger Subjects and/or the Building or do or permit anything to be done in or upon the same which shall or may interfere with the Substation, or the Electric Lines or their function or the exercise by the Tenants of any of the rights granted by this Lease or cause damage thereto or in any way render the Tenants, in breach of any law, industry agreement or regulation for the time being in force including those related to (without limitation) the Tenants' statutory or licence obligations. The Landlords bind and oblige themselves not to (One) erect any building or other erection or plant, grow, cultivate or permit to grow any trees, shrubs, bushes or other plants or vegetation (i) over the cable route or within a lateral distance of three metres measuring from the centre line thereof or (ii) which are likely to adversely affect the electric lines or the Tenants' access thereto without the prior written consent of the Tenants, which consent shall not be unreasonably withheld or delayed, and the Tenants shall be entitled to lop, cut or remove the whole or any part of any such trees, shrubs, bushes and other plants or vegetation causing or likely to cause interference to the electric lines, the said substation, substation site and its enclosures, if any, all without any liability attaching to the Tenants and (Two) alter the existing ground levels along the cable route or to obstruct in any way the Tenants' access to the Substation and/or the electricity lines without the prior consent of the Tenants which consent will not be unreasonably withheld or delayed ;

- FOURTEENTH The Landlords shall not obstruct or diminish the full free and uninterrupted access and flow of air to and from the Substation and the ventilators serving the Substation;
- FIFTEENTH The Landlords shall obtain retain and comply (at the Landlords expense) with all necessary planning permissions building regulation approvals or any other statutory or other consents permissions or approvals necessary in connection with the erection provision and retention of the Substation;
- SIXTEENTH The Landlords warrant that the Substation and the route of any Electric Lines installed under the provision of this Lease are not upon or within contaminated land (as defined by the Environment Protection Act 1990 as amended) and are contamination free and shall indemnify the Tenants absolutely against all actions, proceedings, costs, claims, losses, damages, expenses and liability incurred or threatened by reason of any contamination on and/or affecting the Substation and/or the route of any Electric Lines installed under the provisions of this Lease and the cost of all remedial action carried out in the future in respect of contamination or pollution created before or existing on the date of entry under this Lease or arising from the Landlord's exercise of the Landlords rights hereunder and professional fees and expenses in connection with all such matters.
- SEVENTEENTH The Landlords shall keep the Building secure and locked with such locking device as shall be agreed between the Landlords and the Tenants both acting reasonably.
- EIGHTEENTH If at any time during the term of this Lease the Tenants shall be desirous of determining the same and shall give to the Landlords not less than six months' notice in writing then and in any such case from and after the expiration of such notice this Lease shall terminate;
- NINETEENTH In the event that the Landlords require the relocation of the Substation and/or Electric Lines at any time prior to the natural expiry of the Lease then, on not less than twelve months' prior written notice to that effect from the Landlords after the Landlords providing to the Tenants a suitable alternative site for the relocation of the Substation and/or Electric Lines and all apparatus and equipment, the Tenants shall, at the whole cost and expense of the Landlords, renounce the Lease and shall remove the Electric Lines and apparatus and equipment and, if required, decommission (but not remove) and make safe the Electric Lines as expeditiously as possible and relocate to the said alternative site. The Landlords will be deemed to accept the Electric Lines as they stand and subject to removal of the Substation equipment therefrom and decommissioning and making good of the Electric Lines and making good any damage caused by such removal and decommissioning, the Landlords shall have no claim against the Tenant in respect of the Substation and/or Electric Lines and without prejudice to the foregoing generality and no claim in respect of any other environmental or contamination liabilities arising therefrom. The Tenants will be under no obligation to decommission the Substation until such time as the relocated Substation site is fully operational. The Landlords and the Tenants will enter into a fresh Lease of the relocated substation on the same terms *mutatis mutandis* as the Lease for the then unexpired duration of the period of let hereunder without this Clause Nineteenth. For the avoidance of doubt, reference to whole costs and expenses shall include but not be limited to all engineering and other costs incurred by the Tenants in decommissioning the existing Substation and in relocating the Substation, the costs of renouncing the existing Lease and entering into the new Lease for the

unexpired period and all reasonable legal costs and expenses incurred by the Tenants.

TWENTEITH

The Landlords shall have no right to irritate this Lease whether on grounds of non-payment of rent or otherwise;

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The Landlords and the Tenants agree that nothing contained in this Lease shall affect abridge, diminish or lessen the powers of the Tenants under the Electricity Act 1989 or any statutory modification or re-enactment thereof for the time being in force;

LASTLY

The Landlords grant absolute warrandice: IN WITNESS WHEREOF

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