

## **Disclaimer**

This is not a legally-binding document and is not for execution. It is intended purely to provide an overview of the kind of terms that might be included in any eventual final document and to serve as a basis for discussion and negotiation. Consequently, it is subject to change and might not reflect the terms of any such final document.

In issuing this document, National Grid Electricity Distribution (“NGED”) makes no representation that it will execute any legally binding deed with the recipient of it and reserves the right to withdraw from discussions or negotiations without incurring any liability at any time prior to the execution and unconditional delivery by NGED of any such deed.

DATED

20

(1) [ ]

and

(2) NATIONAL GRID ELECTRICITY DISTRIBUTION [AREA] PLC

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**LEASE**

of the electricity substation site at [Description of the land]

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Term [ ] years

Commences

Expires

Annual Rent £[ ] (if demanded)

**nationalgrid**

**geldards**

[Our Ref]



<b>LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b>	None
<b>LR9.2 Tenant's covenant to (or offer to) surrender this lease</b>	None
<b>LR9.3 Landlord's contractual rights to acquire this lease</b>	None
<b>LR10. Restrictive covenants given in this Lease by the Landlord in respect of land other than the Property</b>	Schedule 3
<b>LR11. Easements</b>	
<b>LR11.1 Easements granted by this lease for the benefit of the Property</b>	Schedule 1
<b>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</b>	None
<b>LR12. Estate rentcharge burdening the Property</b>	None
<b>LR13. Application for standard form of restriction</b>	None
<b>LR14. Declaration of trust where there is more than one person comprising the Tenant</b>	None

## PARTICULARS

- |                           |   |   |
|---------------------------|---|---|
| <b>1. The Landlord</b>    | : | The party described as Landlord in clause LR3   |
| <b>2. The Tenant</b>      | : | The party described as Tenant in clause LR3   |
| <b>3. The Property</b>    | : | Shown coloured pink on the Plan at<br>Address: [Description of the land]<br>Area: [ ] square metres |
| <b>4. The Annual Rent</b> | : | £[ ] ([ ] Pounds Only) (if demanded)  |
| <b>5. The Term</b>        | : | [ ] years from the date of this Lease   |

### 1.1 Definitions

- Accessway** means the land shown coloured dark green on the Plan.
- Adjoining Land** means the adjoining land of the Landlord contained within the Landlord's Title Number excluding the Property.
- Easement Strip** means the land two metres in width on each side of and including the [area coloured brown][continuous brown line[s]] shown on the Plan.
- Group Company** means any company that is a member of the same group (within the meaning of Section 42 of the Landlord and Tenant Act 1954).
- Permitted Use** means the use of the Property by the Tenant for the distribution of electricity and its other permitted activities under its Undertaking.
- Plan** means the plan attached hereto.
- Rights** means the rights set out in Schedule 1 granted for the benefit of the Tenant and its Undertaking and which may be exercised by the Tenant and its employees agents contractors sub-contractors and licensees as are properly engaged in the Undertaking.
- Roads** means until adoption by the appropriate body any roads carriageways footways verges pavements services strips service areas or footpaths now or at any time after the date of this Lease constructed on the Adjoining Land linking the Property with the public highway and until constructed the intended site of such roads carriageways footways verges pavements services strips service areas or footpaths.

**Substation** means the enclosure and building (if applicable) constructed or to be constructed on the Property within on or over which the Tenant's electrical plant and Underground Electric Lines as defined by Section 64 of the Electricity Act 1989 are or will be situated.

**Tenant's Covenants** means the covenants on the Tenant's part set out in Schedule 2.

**Underground Electric Lines** means the underground electric lines for transmitting electricity at a pressure up to [ ] volts within the meaning of Section 64 of the Electricity Act 1989 and telephone signalling fibre optic cables lines inspection covers manholes joint boxes and all apparatus appertaining thereto.

**Undertaking** means the undertaking of the Tenant within its area pursuant to the Tenant's distribution licence granted, or treated as granted, under Section 6(1)(c) of the Electricity Act 1989 (as amended, supplemented, novated or replaced from time to time), and each and every part of it.

## 1.2 Interpretation

In interpreting this Lease:

- (a) words importing the masculine and feminine shall be construed as importing any other gender;
- (b) words importing the singular shall be construed as importing the plural and vice versa;
- (c) any reference to a colour is to one on the Plan;
- (d) any covenant by the Landlord or the Tenant not to do an act or thing is deemed to include an obligation not to permit or suffer such act or thing to be done;
- (e) any reference to any legislative provision includes any subsisting re-enactment or amending provision;
- (f) the terms "Landlord" and "Tenant" shall include successors in title and where the Landlord comprises more than one party any obligations on the Landlord's part shall be joint and several;
- (g) where the Tenant installs or has installed more than one underground electric line reference to "the Underground Electric Lines" in this Lease shall be to each and every underground electric line installed or to be installed (as appropriate);
- (h) the Particulars form part of this Lease and the words and expressions contained therein shall have the meanings specified;
- (i) it is hereby certified that there is no agreement for lease to which this Lease gives effect;

- (j) any reference to "the Property" includes the Substation constructed on the Property (if any).

### 1.3 Demise and Term

- (a) The Landlord with full title guarantee **HEREBY DEMISES AND GRANTS** to the Tenant the Property together with the benefit of the Rights and all incidental rights and consequences which flow from such grant for the benefit of and appurtenant to the Undertaking for the Term the Tenant yielding and paying to the Landlord the Annual Rent without any deduction by yearly payments on each anniversary of this Lease the first payment of which being made on the date of this Lease.
- (b) The Tenant covenants with the Landlord that it will observe and perform the Tenant's Covenants.
- (c) The Landlord covenants with the Tenant that it will observe and perform the matters in Schedule 3.
- (d) The Landlord and the Tenant agree and declare as set out in Schedule 4.

#### Schedule 1 - Rights

- 1 A vehicular and pedestrian right of way at all times and for all purposes with or without vehicles equipment and materials of any description over and along the Accessway and the Roads.
- 2 A right to park vehicles on the Accessway and the Roads (but not so as to obstruct the same nor cause any unnecessary congestion or inconvenience to other users thereof) at all times during which the Tenant is exercising the Rights.
- 3 A right to enter at all times and be upon so much of the Adjoining Land as is reasonably necessary (with or without vehicles equipment and materials) for the purpose of erecting and thereafter for the purpose of inspecting maintaining repairing renewing rebuilding and supplementing the Property.
- 4 A right to lay retain maintain use and from time to time adjust repair alter relay renew supplement inspect examine test and remove the Underground Electric Lines:
- (a) in under or over the approximate position indicated by the [area coloured brown][continuous brown line[s]] on the Plan; and
- (b) in on or under the Accessway and the Roads where applicable.
- 5 A right to enter at all times onto and break up so much of the surface of the Adjoining Land as is reasonably necessary from time to time (with or without vehicles equipment and materials) for the purpose of exercising the Rights referred to in paragraph 4 of Schedule 1.
- 6 A full right of subjacent and lateral shelter support and protection from the Adjoining Land and any buildings thereon to support uphold and maintain the Property and any of the Tenant's electrical plant and machinery on the Property and the Underground Electric Lines.

- 7 A right to the uninterrupted and unimpeded access of air to the Property over the Adjoining Land.
- 8 The benefit of any exceptions and reservations in favour of the Landlord or statutory undertakers or equivalent licensed bodies contained in any assurance of land formerly belonging to the Landlord and forming part of the Adjoining Land and/or the Property to lay and maintain the Underground Electric Lines.
- 9 The right to make noise and cause vibrations from the operation of the Substation on the Property without giving rise to any right for the Landlord to complain of any noise, vibrations, interference or nuisance and without giving the Landlord any right to compensation or any other claim against the Tenant **PROVIDED THAT** the Tenant operates the Substation in accordance with the relevant statutory requirements.

## **Schedule 2 - Covenants on the part of the Tenant with the Landlord**

- 1 To pay and discharge all rates and taxes of an annual or recurring nature which may be charged upon or payable in respect of the Property or any building or structure erected thereon.
- 2 Not at any time during the Term without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) to assign underlet part with or share possession of the Property or any part thereof **PROVIDED ALWAYS** that the Tenant may without consent:
  - (a) do any of the above with a body carrying on the Undertaking in succession to the Tenant or a body carrying out the same licensed undertaking as the Tenant under statute or any regulation made under such statute, or with a Group Company;
  - (b) share occupation of the Property with a Group Company provided that no relationship of landlord and tenant is created between the Tenant and the Group Company and the Group Company is occupying the Property for the purposes of the Permitted Use; and
  - (c) grant temporary licences to occupy the Property or any part thereof to third parties provided that no relationship of landlord and tenant is created between the Tenant and the licensee.
- 3 On the expiration or sooner determination of the Term (unless released by the Landlord at the Tenant's request from compliance with this covenant) if so requested by the Landlord to remove the Substation and to reinstate and make good the Property and to restore the Property to its state and condition immediately prior to the grant of this Lease.
- 4 At all times during the Term to keep the Underground Electric Lines and the Substation constructed on the Property in good repair and condition (unless removed in accordance with paragraph 3 of Schedule 2) and to deliver up the Property at the expiration or sooner determination of the Term in such repair and condition.
- 5 Not to use or permit the use of the Property or any part thereof for any purpose other than for the Permitted Use but nothing herein contained shall be deemed to imply any representation or warranty on the part of the Landlord that the Property may be lawfully used for the Permitted Use.

- 6 On every occasion that the Tenant shall enter onto the Adjoining Land in exercise of the Rights the Tenant will:
- (a) do so in accordance with any statute rule order instrument or regulation applicable thereto from time to time in force; and
  - (b) where the Landlord has indicated its requirements by relevant and visible notices on the Adjoining Land comply with any reasonable health and safety or security regulations relating to the Adjoining Land provided that these do not in the reasonable opinion of the Tenant prejudice its statutory duties in respect of its Undertaking; and
  - (c) exercise the Rights diligently; and
  - (d) do as little damage as reasonably practicable and make good to the reasonable satisfaction of the Landlord as soon as possible any damage to the Adjoining Land or to the buildings trees hedges fences crops or livestock (if any) of the Landlord caused as a result of the exercise of the Rights and if for any reason any such damage cannot be made good or if the Tenant so chooses it shall in lieu of making good such damage compensate the Landlord for the same.
- 7 Save where due to an act default or omission of the Landlord the Tenant will keep the Landlord indemnified against all actions, claims, costs and expenses which may be made against or suffered by the Landlord by reason of any default or negligence on the part of the Tenant in exercising the Rights under this Lease **PROVIDED THAT** the Landlord shall:
- (a) as soon as possible notify the Tenant in writing about any claims or potential claims or actions of which the Landlord becomes aware; and
  - (b) permit the Tenant to have exclusive conduct of any matters arising under paragraph 7(a) of Schedule 2; and
  - (c) take all necessary steps to mitigate its actual or potential loss arising out of or in connection with any matters arising under paragraph 7(a) of Schedule 2; and
  - (d) not admit liability in respect of, nor settle or compromise any such action or claim without the consent of the Tenant.

For the avoidance of doubt the Tenant may at its own expense defend any such action or claim in the name of the Landlord.

### **Schedule 3 - Covenants on the part of the Landlord with the Tenant**

- 1 That the Tenant having paid the Annual Rent and performing and observing the Tenant's Covenants and conditions contained in this Lease shall and may peaceably and quietly hold and enjoy the Property together with the Rights during the Term without any interruption or disturbance from or by the Landlord or any person with title paramount.
- 2 Not to commence any action in nuisance in connection with the installation retention existence or proper operation of the Substation and/or the Underground Electric Lines in accordance with the terms of this Lease.

- 3 Not to do anything in or upon the Adjoining Land which will interfere with the exercise by the Tenant of the Rights or cause damage to the Property and/or the Underground Electric Lines or affect the electrical performance of the Substation and/or the Underground Electric Lines and in the event of such damage being caused to notify the Tenant immediately upon becoming aware of such damage.
- 4 Not without the prior written consent of the Tenant (such consent not to be unreasonably withheld or delayed) to excavate under or alter the level of the ground over nor construct or permit to be constructed any building structure or erection or plant or materials of any kind whatsoever over or within the Easement Strip other than any car parking roads footpaths building structures or erections shown on the Plan and low level landscaping.
- 5 Not without the prior written consent of the Tenant (such consent not to be unreasonably withheld or delayed) to plant any tree hedge bush coppice or wood within the Easement Strip **PROVIDED ALWAYS THAT** the Tenant shall be permitted to cut and/or remove any tree hedge bush coppice or wood within the Easement Strip if in the Tenant's reasonable opinion the electrical performance operation or safety of the Underground Electric Lines is or may be affected but for the avoidance of doubt this paragraph shall not apply to the planting of crops.
- 6 To keep the Tenant indemnified from and against all costs charges and expenses incurred or hereafter to be incurred in respect of the construction and adoption of the Roads (and any pipes drains mains channels gutters watercourses sewers wires cables laser optical fibres electronic data or impulse transmission communications or reception systems and all other conducting media save for the Underground Electric Lines thereunder).
- 7 Not to make any alterations or additions to the Adjoining Land that may interfere with the access of air to the Property.
- 8 To keep the Tenant indemnified against all liabilities reasonably and properly incurred by the Tenant in respect of the Tenant having to carry out or comply with any obligations contained in any planning agreements including but not limited to an agreement pursuant to Section 106 of the Town and Country Planning Act 1990.
- 9 To comply promptly with and to indemnify the Tenant in respect of any breach or non-performance of any notice regulation or order of any government department local public regulatory or other authority or court imposed on the Landlord affecting the Property and/or the Rights compliance with which is not the direct liability or responsibility of the Tenant.

#### **Schedule 4 - Provisos and Stipulations**

The Landlord and the Tenant hereby agree and declare as follows:

- 1 with the exception of a Group Company pursuant to paragraph 2 of Schedule 2, a party which is not a party to this Lease shall not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999;
- 2 the benefit of this Lease is to run with the Undertaking and be attached to each and every part of it;
- 3 the burden of this Lease is to run with the Adjoining Land and bind every part of it;

- 4 the Tenant's Covenants are given in consideration of the grant of this Lease and benefit the Landlord and constitute valuable consideration for the purposes of the Land Registration Act 2002 and the Land Registration Rules 2003;
- 5 the Tenant will apply to the Chief Land Registrar for the entry of notice of the Rights on the Landlord's Title Number and the Landlord will provide any assistance required as soon as reasonably practicable to enable the Tenant to deal with any requisitions raised by the Land Registry regarding such application;
- 6 nothing contained in this Lease shall prejudice, restrict or otherwise affect the statutory rights, powers and duties of the Tenant under the Undertaking or the means by which it exercises those rights and powers or performs those duties;
- 7 if at any time during the Term the Tenant no longer requires the Property it may determine this Lease by giving the Landlord not less than six months' prior written notice and upon expiry of that notice the Term shall end without prejudice to either party's rights against the other for any prior breaches;
- 8 the provisions of Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to all notices required or authorised to be served or given under this Lease but for the avoidance of doubt any notice served on the Tenant shall be addressed to the "Property Manager" at its registered office or any alternative address which the Tenant may specify by notice;
- 9 this Lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales; and
- 10 any dispute or difference arising under this Lease between the Landlord and the Tenant shall be submitted to arbitration under the provisions of the Arbitration Act 1996 by an arbitrator appointed jointly by the Landlord and the Tenant or failing agreement an arbitrator nominated by the President for the time being of the Royal Institution of Chartered Surveyors (or his nominee) on the application of either party. If the arbitrator declines to act becomes incapable of acting or dies either party may apply to the President to make another nomination. The decision of such arbitrator shall be final and binding on the Landlord and the Tenant.

