

HEADS OF TERMS FOR THE ACQUISITION OF A LEASE OF AN ELECTRICITY SUBSTATION SITE

Date :
Customer :
Company :
Property :

1. The Customer requires a connection to the Company's electricity distribution network ("Network").
2. In order for the Company to connect the Customer to the Company's Network the Company requires a lease of the Property on the following heads of terms which are to be read in connection with the [attached] Guidance Note for New Connections Legal Process.
3. These heads of terms are not intended to create any legally binding obligations. They are subject to contract.
4. The proposed lease may contain such further terms as the Company requires, including additional terms on matters that are covered in this document.

AGREED TERMS

1. TERM

- 1.1 The lease will be for a term of 99 years beginning on the date of completion of the lease.
- 1.2 The security of tenure provisions of Part II of the Landlord and Tenant Act 1954 will apply.
- 1.3 The Company will have the right to break the lease on giving the landlord not less than 6 months' notice.

2. RENT

- 2.1 The rent will be a commuted sum of £1.00 (one pound only), exclusive of any VAT that may be payable on the transaction.

3. USE

- 3.1 The Property can only be used for the distribution of electricity and the Company's other permitted activities under its distribution licence.

4. ASSIGNMENTS AND UNDERLEASES

- 4.1 The Company can assign, underlet, part with or share possession of the whole or part of the Property with the prior written consent of the landlord.
- 4.2 The Company can assign, underlet, part with or share possession of the whole or part of the Property with a body carrying out the same licensed undertaking or with a group company without the landlord's consent.

- 4.3 The Company can share occupation with a group company without the landlord's consent.
- 4.4 The Company can grant temporary licences to occupy the Property without the landlord's consent.

5. RIGHTS TO BE GRANTED TO THE COMPANY

5.1 The lease will grant the following rights in respect of the Property for the benefit of the Company and its licensed undertaking over the landlord's adjoining land:

- (a) of way on foot or with vehicles;
- (b) to park vehicles;
- (c) to erect, inspect, maintain, repair, renew, rebuild and supplement the electricity substation site;
- (d) to lay, maintain, use, adjust, repair, alter, relay, renew, supplement, inspect, examine, test and remove underground electric lines in the positions indicated on the plan to be attached to the lease and in on or under any roads;
- (e) to enter onto and break open the surface of so much of the landlord's adjoining land as is reasonably necessary for the purpose of exercising the rights at paragraph 5.1 (d) of these heads of terms;
- (f) of subjacent and lateral shelter and support for the substation, the underground electric lines and any electrical plant and machinery;
- (g) to unimpeded access of air;
- (h) the benefit of any exceptions and reservations in favour of the landlord or other statutory undertakers contained in any assurance of land forming part of the Property or the landlord's adjoining land to lay and maintain underground electric lines;
- (i) to make noise and cause vibrations.

6. COVENANTS TO BE GIVEN BY THE COMPANY

6.1 The Company will covenant with the landlord to:

- (a) pay and discharge all rates and taxes of an annual or recurring nature which may be payable in respect of the electricity substation site;
- (b) keep any substation and underground electric lines in good repair and condition and to deliver up the Property at the expiration or sooner determination of the term in such repair and condition;
- (c) enter onto the landlord's adjoining land and exercise the rights in accordance with applicable statutes or regulations;

- (d) comply with the landlord's reasonable health and safety and/or security requirements where the landlord has indicated the requirements by relevant and visible notices on the landlord's adjoining land;
- (e) exercise the rights diligently;
- (f) do as little damage as reasonably practicable and to make good any such damage or compensate the landlord in respect of the same;
- (g) to indemnify the landlord on the Company's standard terms in respect of any default or negligence on the Company's part in exercising the rights under the lease.

7. COVENANTS TO BE GIVEN BY THE LANDLORD

7.1 The landlord will covenant with the Company to:

- (a) allow the Company to peaceably and quietly hold and enjoy the Property;
- (b) not commence any action in nuisance in connection with the substation or the underground electric lines;
- (c) not interfere with the exercise of the rights or cause damage to the substation or underground electric lines and to notify the Company immediately on the landlord becoming aware of any such damage;
- (d) not within 2 metres on either side of and including the position of the underground electric lines to:
 - (i) excavate, construct, or alter the level of the ground; or
 - (ii) plant trees, hedges, bushes, coppice or wood;
- (e) indemnify the Company in respect of:
 - (i) construction and adoption of infrastructure, including but not limited to roads, sewers and pipes;
 - (ii) the Company having to comply with any obligations contained in planning agreements;
 - (iii) any breach or non-performance of any notice, regulation, or order affecting the Property and/or the rights compliance with which is not the Company's direct responsibility;
- (f) not make any alterations or additions to the landlord's adjoining land that may interfere with the access of air to the electricity substation site.

Signed by

Signed by

For and on behalf of the Company

For and on behalf of the Customer