

DATE: DRAFT

**SUBLEASE –
RELATING TO LAND FOR SUBSTATION AT []**

Between

[]

and

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC

(SSE REF:[])

Legal Services
SSE plc
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ
FAS 8428

SUBLEASE

BETWEEN:

1. [●] incorporated under the Companies Acts in [] (Company Number [●]) whose registered office is at [●] (the “**Landlord**” which expression shall include their successors in the landlord’s interest in this Lease and where the context so admits include all persons deriving title from them).
2. **SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC** incorporated under the Companies Acts in Scotland (Company Number SC213460) whose registered office is at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ (the “**Tenant**” which expression shall include (in substitution) their successors and permitted assignees).

IT IS CONTRACTED AND AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Lease (including the Schedule) the following words and expressions shall have the following meanings:

“**Access**”: the land shown coloured yellow on the Plan, and all roads, footpaths and other areas providing access to and egress from the Property [and the Cable Strip];

“**Cables**”: all electrical plant and underground electric lines (as defined in section 64 of the Electricity Act 1989) and all apparatus appurtenant to the Permitted Use installed or to be installed along and within [the Cable Strip] [and/or the Access];

“**Cable Strip**”: the strip of land shown coloured blue on the Plan;]

“**Entry Date**”: [];

“**Head Landlord**”: [] or their successors as landlords under the Head Lease and (where context admits) all superior landlords however remote;

“**Head Landlord’s Property**”: the subjects known as and forming [] being the subjects [described in [Disposition / other deed details] recorded in the Division of the General Register of Sasines for the County of [] on [] [/ registered in the Land Register of Scotland under Title Number []];

“**Head Lease**”: the lease of the Head Lease Property entered into between [] and [] dated [] and registered in the Land Register of Scotland under Title Number [];

“**Head Lease Property**”: the subjects leased to the Landlord under the Head Lease [which subjects are shown edged [] on the Plan, and are more particularly described in the Head Lease];

“**Lease**”: this lease as varied and amended from time to time;

“**Outgoings**”: all existing and future rates, duties, taxes and charges for utilities;

“**Permitted Use**”: use in connection with the transformation and distribution of electricity, the transfer of data in connection with the distribution of electricity and ancillary uses;

“**Plan**”: the plan annexed and executed as relative hereto;

“Property”: the subjects described in Part 1 of the Schedule;

“Retained Land”: the Head Lease Property excluding the Property;

“Schedule”: the schedule in 2 parts annexed and executed as relative hereto;

“Term”: the period of [] years commencing on and including the Entry Date to [] and any continuation or extension of it, whether by statute, tacit relocation or otherwise;

1.2 Where any party to this Lease comprises more than one person their obligations shall be joint and several obligations but nothing in this Lease shall impose any joint and several liability on a party with its assignee for the implement of the Tenant’s obligations in regard to the period following the date of completion of a permitted assignation of the Tenant’s interest in the Lease.

1.3 Any obligation not to do any act or thing includes an obligation not to permit or suffer that act or thing to be done.

2. DEMISE AND RENT

2.1 In consideration of the rent and other provisions herein contained the Landlord hereby lets the Property to the Tenant for the Term, together with the rights set out in Part 2 of the Schedule. Notwithstanding the foregoing, in the event that the Tenant no longer requires the Property, the Tenant will be entitled at any time to terminate the lease on giving twelve months prior written notice to the Landlords in which event the Tenant shall comply with the obligations in Clause 3.7 hereof.

2.2 The Tenant shall pay to the Landlord a rent of £1 per annum annually in arrears (if asked only)

3. TENANT’S OBLIGATIONS

The Tenant undertakes to the Landlord throughout the Term to implement, perform and fulfil the obligations and undertakings as follows:

Outgoings

3.1 The Tenant shall pay all Outgoings in respect of the Property save for Outgoings arising from any dealing with the Landlord’s interest in this Lease.

Repair, maintenance and insurance

3.2

3.2.1 The Tenant shall keep the Property in good and substantial repair.

3.2.2 When exercising the rights granted in Part 2 of the Schedule, the Tenant shall take reasonable precautions to minimise undue damage or obstruction to or interference with the use of the Retained Property.

3.2.3 The Tenant shall, whenever necessary following exercise of the rights granted in Part 2 of the Schedule, either (at the Tenant’s option) (i) make good and restore the surface of the Retained Land to the reasonable satisfaction of the Landlord, or (ii) pay the proper and reasonable costs incurred by the Landlord in making good physical damage to the Retained Land.

3.2.4 The Tenant will at their own cost insure the Property together with all equipment and others installed by them on the Property, and will ensure that it holds public liability insurance in relation to its interest in the Property for not less than TEN

MILLION POUNDS (£10,000,000) with an established insurance company of repute against all claims and when reasonably required by the Landlord (but not more than once per annum) exhibit to the Landlord evidence of the existence of such insurance.

Disposals

- 3.3 The Tenant shall not assign or sublet the whole or any part of the Property without the prior written consent of the Landlord.
- 3.4 Notwithstanding the foregoing Clause 3.3, the Tenant shall be entitled to:-
- 3.4.1 assign or sublet their interest in the whole or any part of the Property to (i) a body carrying on the undertaking of the Tenant in succession to it, or (ii) any other body licensed to operate and maintain electricity distribution networks, and that without the consent of the Landlord being required; and/or
- 3.4.2 sublet any part of the Property to any third party, where such sublease is reasonably necessary for the purposes of allowing a connection by the third party to the Tenant's electricity distribution network.

Use

- 3.5 The Tenant shall not use the Property otherwise than for the Permitted Use.

Legal requirements

- 3.6 The Tenant shall comply with (i) the terms of the Head Lease (save for the payment of rents), and (ii) all legal requirements relating to the Property and the use of it, whether the requirements are imposed on the Landlord or the Tenant.

Yielding up

- 3.7 At the termination of the Lease, howsoever caused, the Tenant shall yield up the Property with vacant possession and with all apparatus and equipment either removed or rendered permanently safe.
- 3.8 Upon abandonment of the whole or any part of the Cables, the Tenant shall render them permanently safe.

Indemnity

- 3.9 The Tenant shall indemnify the Landlord in respect of all liabilities incurred, all damage and loss suffered, all claims, demands, actions and proceedings arising as a consequence of any breach by the Tenant of the Tenant's obligations under this Lease. The Tenant's liability under this clause 3.7 shall not exceed the Landlord's liability under the Head Lease.

4. LANDLORD'S OBLIGATIONS

The Landlord undertakes to the Tenant throughout the Term to implement, perform and fulfil the obligations and undertakings as follows:

Quiet enjoyment

- 4.1 The Tenant shall hold the Property peaceably and without any interruption by the Landlord or any person lawfully claiming under or in trust for it.

Warrandice

4.2 The Landlord grants absolute warrandice.

Alterations

4.3 **[Clause 4.3 only applicable where a blue coloured Cable Strip is in place]**

4.3.1 The Landlord shall not:

- (a) make any alteration to the Cable Strip, nor plant any tree or shrub or erect any structure on or over the Cable Strip, nor
- (b) do anything (other than normal agricultural operations) whereby the support of or the cover of soil over the Cables shall be altered

other than with the prior written consent and under the supervision of the Tenant (such consent not to be unreasonably withheld or delayed where such alteration, planting or erection is not likely to cause damage to the Cables or interfere with the safe operation thereof).

4.3.2 The Landlord shall not do anything that may or may be likely to cause damage to the Cables and it shall take all reasonable precautions to prevent any damage to the Cables.

4.3.3 The Landlord shall not interfere with or obstruct either the operation of the Cables, or the access to the Cables.

Head Lease

4.4

4.4.1 The Landlord shall pay the rents reserved by the Head Lease and observe and perform the obligations and conditions on the part of the tenant contained in the Head Lease.

4.4.2 On the request of the Tenant and at the Landlord's cost, the Landlord shall use reasonable endeavours to enforce the Head Landlord's obligations under the Head Lease in so far as they affect the Property, Access, [the Cable Strip] and the rights granted to the Tenant under this Lease.

4.4.3 The Landlord shall use reasonable endeavours to obtain the Head Landlord's consent required under the Head Lease when:

- (a) the Tenant has applied for consent under this Lease; and
- (b) the Landlord gives that consent or may not reasonably withhold it.

Access

4.5 The Landlord shall at the Landlord's cost:

4.5.1 supply to the Tenant all access codes and keys required to unlock and open any gates or barriers on the Access and shall immediately notify the Tenant of any new codes and supply to the Tenant any new keys as necessary;

4.5.2 connect any electronic gates and barriers on the Access to a back-up generator to ensure such gates and barriers are operational notwithstanding any power outage and maintain, repair and replace such back-up generator;

4.5.3 construct and maintain the Access in accordance with the Tenant's reasonable requirements and to the Tenant's reasonable satisfaction.

5. GENERAL PROVISIONS

It is agreed and declared as follows:

Irritancy

- 5.1 Without prejudice to any other remedies of the Landlord, if the Tenant is in material breach of any of the Tenant's obligations in this Lease then subject to the provisions of Sections 4, 5, 6 and 7 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985, the Landlord can by notice in writing bring this Lease to an end forthwith and enter the Property and uplift rents, eject tenants and occupiers and thereafter use, possess and enjoy the same free of all claims by the Tenant as if this Lease had never been granted, but without prejudice to the remedies available to either party against the other in respect of any antecedent claim..

Notices

5.2

- 5.2.1 Any notice to be given under this Lease to either party shall be in writing.
- 5.2.2 Any notice shall be sufficiently served if sent by registered post or recorded delivery to:
- (a) the party concerned at its registered office (if incorporated in the UK) and in the case of notices to the Landlord, marked for the attention of the company secretary, or
 - (b) it at its last known address in the UK (if an individual or partnership)
- 5.2.3 Any notice sent by registered post or recorded delivery shall be assumed to have been served 48 hours after it is posted.
- 5.2.4 To prove service it shall be enough to prove that the envelope containing the notice was correctly addressed and was posted to the place to which it was addressed.

Rei Interitus

- 5.3 Notwithstanding any other law to another effect, this Lease will not become inoperative and will continue in the event of any damage to or destruction of the Property.

Law of Scotland

- 5.4 This Lease shall be governed and construed in accordance with the laws of Scotland and the parties prorogate the jurisdiction of the Scottish Courts.

Dispute Resolution

5.5

- 5.5.1 Any dispute arising under this Lease shall be determined by a single expert, whose appointment is to be agreed upon between the Landlord and the Tenant or failing agreement, to be appointed on the application of either party (after notice in writing to the other) by the Chairman of the Scottish Branch of the Royal Institution of Chartered Surveyors.

5.5.2 The expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the expert) shall be borne by the Landlord and the Tenant in such proportions as the expert shall direct.

6. CONSENT TO REGISTRATION

6.1 The Landlord and the Tenant consent to the registration of this Lease for preservation and execution: **IN WITNESS WHEREOF** these presents consisting of this and the preceding [5] pages together with the Schedule of 2 Parts and the Plan annexed and executed as relative hereto are executed as follows:

Executed for and on behalf of []

AT

DATE

Signature: Signature:

Witness Director/Secretary/Authorised Signatory

Name: Name:

Address:
.....

Executed for and on behalf of **Scottish Hydro Electric Power Distribution plc**

AT

DATE

Signature: Signature:

Witness Director/Secretary/Authorised Signatory

Name: Name:

Address:
.....

This is the Schedule referred to in the foregoing Sublease between [] and Scottish Hydro Electric Power Distribution plc

SCHEDULE PART 1

THE PROPERTY

The land at [] shown shaded pink on the Plan, which land forms part and portion of the Head Lease Property.

SCHEDULE PART 2

RIGHTS GRANTED

1. For all proper purposes connected with the use of the Property or the exercise of the rights granted in Part 2 of the Schedule, a right of access to and egress from the Property [and the Cable Strip] with or without vehicles, plant and equipment over the Access and to temporarily park vehicles thereon.
2. [The right to lay, relay, construct, inspect, maintain, erect, install, divert, repair, protect, use, replace, renew, supplement, connect into, remove or render unusable the Cables and to break up so much of the surface of the Retained Land as is reasonably necessary from time to time for the purpose of exercising this right.]
3. The right to enter onto the Retained Land, with or without vehicles, plant and equipment at all reasonable times (and at any time in cases of emergency) for all proper purposes connected with the Property or the exercise of the rights granted in this Part 2 of the Schedule.
4. The benefit of the rights granted to the Landlord under the Head Lease in so far as they benefit the Property, the Access, [the Cable Strip] and the rights granted to the Tenant under this Lease.