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DATED 18 May **1996**

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copy of the original.

Dated 3 May 2005
Nathan Cole
Morgan Cole, Solicitors, Oxford

BRITISH STEEL plc (1)

to

NATIONAL POWER PLC (2)

LEASE

of

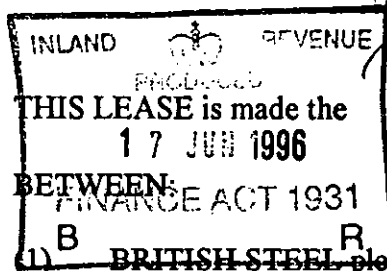
**Land and Buildings for water intake
and discharge facilities and pipelines at
British Steel's Works at Shotton Clwyd**

TERM : 99 YEARS
FROM : 20TH MAY 1993
RENT : ONE PEPPERCORN

**Kathleen Fraser
Legal Department
British Steel plc
9 Albert Embankment
London SE1 7SN**

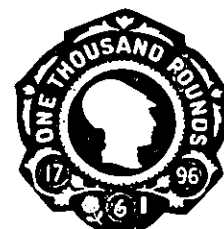
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day of May 1996



(1) **BRITISH STEEL** plc whose registered office is at 9 Albert Embankment London

7SN (hereinafter called "the Landlord"); and

(2) **NATIONAL POWER** plc whose registered office is at Windmill Hill Business Park

Whitehill Way Swindon Wiltshire SN5 6PB (hereinafter called "the Tenant")

WITNESSES as follows:

1. **Definitions and Interpretation**

IN this Deed unless the context otherwise requires:

- 1.1 the singular shall include the plural and the masculine shall include the feminine and neuter and where there are two or more individuals included in any party hereto any covenants herein expressed to be made by such party shall be deemed to be made by such persons jointly and severally;
- 1.2 words importing persons include firms companies and corporations and vice versa
- 1.3 the following expressions are used with the following meanings that is to say:
 - 1.3.1 "the Demised Land" means **FIRSTLY** all piece or parcel of land together with the buildings situate thereon or on part thereof comprising in total 800 square metres or thereabouts and situate adjacent to the River Dee at the Landlord's Works the approximate position of which is shown coloured blue on the Plan annexed hereto and **SECONDLY** such part of the subsoil and under-surface of land at the Landlord's Works as comprises a strip thereof of 11.5 metres in width in which the Pipe-lines are centrally situated the approximate position of which said strip is coloured red on the Plan annexed hereto

- 1.3.2 "the Pipe-lines" means two 600mm diameter water pipe-lines and one 800mm diameter water pipeline including all ancillary protective materials and associated electrical control and monitoring cables constructed by the Tenant in the land secondly described in clause 1.3.1
- 1.3.3 "the Easement Strip" means the topsoil and surface above the land secondly described in clause 1.3.2
- 1.3.4 "the Tenant" means National Power PLC and its successors and assigns in whom the Demised Land and the Specified Rights shall for the time being be vested
- 1.3.5 "the Landlord" means British Steel plc and its successors in title the owners for the time being of the Landlord's Works or of the reversion immediately expectant on the determination of the term hereby created
- 1.3.6 "the Landlord's Works" means the Landlord's freehold premises at Shotton Deeside in the County of Clwyd
- 1.3.7 "the Plan" means the plan annexed hereto
- 1.3.8 "the Specified Rights" means the easements and rights specified in the First Schedule hereto
- 1.3.9 "the Term" means the term of 99 years from and including the 5th day of July 1993
- 1.3.10 "the Rent" means one peppercorn per annum
- 1.3.11 "the Permitted Use" means as to the land firstly described in clause 1.3.1 use for water intake and discharge facilities and as to the land secondly described in clause 1.3.1 use for the Pipelines both for the purposes of the Tenant's Power Station at Deeside Industrial Park Shotton Clwyd

2. **Demise**

In consideration of the sum of Three hundred and twenty five thousand pounds (£325,000) now paid by the Tenant to the Landlord (the receipt and payment whereof the Landlord hereby acknowledges) the Landlord HEREBY DEMISES unto the Tenant ALL THAT the Demised Land TOGETHER WITH the Specified Rights EXCEPT AND RESERVING unto the Landlord the rights specified in the Second Schedule hereto TO HOLD the same unto the Tenant for the term of ninety nine (99) years from and including the 20th day of May One Thousand Nine Hundred and Ninety Three YIELDING AND PAYING to the Landlord the yearly rent of one peppercorn SUBJECT so far as thereby affected to the matters contained in the Deeds specified in the Third Schedule hereto

3. **Tenant's Covenants**

The Tenant hereby covenants with the Landlord as follows:

- 3.1 To pay the rent hereby reserved
- 3.2 To pay and indemnify the Landlord against all rates taxes duties charges assessments in impositions and outgoings whatsoever of an annual or recurring nature which are now or at any time during the Term shall be charged levied assessed or imposed on the Demised Land or the owner or occupier thereof or in respect of the Specified Rights and the same shall be recoverable by the Landlord in the same manner as rent in arrear
- 3.3 To pay for all services consumed or otherwise used at the Demised Land (if any) during the Term and to indemnify the Landlord fully in respect thereof and services for these purposes shall include (without limitation) gas and electricity PROVIDED

THAT nothing in this lease shall be construed as imposing on the Landlord an obligation to supply or provide such services to the Tenant

- 3.4 To pay to the Landlord any Value Added Tax or any other tax replacing the same which is or may at any time hereafter become payable (whether as a result of an election by the Landlord or otherwise) in respect of the Rent or any other sums reserved or payable hereunder by the Tenant to the Landlord or any persons acting on its behalf and to indemnify the Landlord against any such tax whether or not the service in respect of which such tax is payable has been rendered to the Tenant
- 3.5 To repair maintain and keep in good and substantial repair and condition the Demised Land and the Pipelines and to keep the Demised Land clean and tidy in all respects
- 3.6 At all times take all reasonable and proper precautions to ensure that in the exercise of the Specified Rights as little damage as possible is caused to the Landlord's Works or buildings or structures thereon or pipes wires cables drains and other service and conducting media thereunder and make good or pay compensation to the Landlord for any loss damage or injury suffered by it by reason of the exercise of the Specified Rights or any of them except to the extent that such loss damage or injury results from the neglect or default of the Landlord or its tenants or licensees or their respective servants or workmen or others authorised by them
- 3.7 With all practicable speed reinstate and put any part of the Easement Strip opened or broken up in the exercise of the Specified Rights into as good a condition in all respects so far as is practicable as the same was in prior to such opening or breaking up as aforesaid to the reasonable satisfaction of the Landlord and make compensation to the Landlord for any loss or damage suffered by it by reason of any such exercise as aforesaid except to the extent aforesaid

- 3.8 To permit the Landlord and all persons authorised by the Landlord with or without workmen vehicles materials and equipment at all reasonable hours in the daytime upon reasonable prior notice to the Tenant to enter the Demised Land to view the state and condition of the same and if the Landlord is agent or surveyor shall give or leave on the Demised Land notice of any defects wants of reparation and breaches of covenant for which the Tenant is liable hereunder then within two months after every such notice or sooner if requisite to commence to repair and to proceed to make good the same according to such notice to the reasonable satisfaction of the Landlord and in case of default it shall be lawful for the Landlord or its workmen or agents to enter the Demised Land to carry out or to cause to be carried out the works referred to in such notice and the cost of so doing and all expenses incurred in connection therewith shall be paid by the Tenant to the Landlord on demand and shall be recoverable as rent in arrear
- 3.9 To permit the Landlord and all persons authorised by the Landlord with or without workmen vehicles materials and equipment at all reasonable times upon reasonable prior notice (except in the case of emergency) to enter upon the Demised Land to execute any building works repairs or other works whatsoever upon or to any neighbouring or adjacent premises situate on the Landlord's Works or to all or any other pipes wires cables conduits other conducting or service media serving the same or damage occasioned to the Demised Land being made good by the Landlord as soon as reasonably possible to the reasonable satisfaction of the Tenant
- 3.10 Except as may be provided in the Specified Rights not to make or permit to be made any alterations or additions whatsoever in or to the Demised Land or any part thereof nor to erect any new building or new structure of any kind on the Demised Land or

any part thereof without the prior consent of the Landlord (such consent not to be unreasonably withheld) and to pay the Landlord's reasonable solicitors' and surveyors' costs incurred in considering whether or not such permission should be given irrespective of whether or not such permission is given (unless such permission is unreasonably withheld) and if so required by the Landlord in connection with any licence for alterations to reinstate the Demised Land upon the expiry of the Term

3.11 Not to use the Demised Land otherwise than for the purpose of the Permitted Use

3.12.1 Not to assign underlet or part with possession of the Demised Land or any part thereof or any of the Specified Rights PROVIDED THAT parting with or sharing possession or occupation with a company which is a member of the same group of companies within the meaning of Section 42 of the Landlord and Tenant Act 1954 as the Tenant PROVIDED THAT any such parting with or sharing of possession or occupation shall not create the relationship of Landlord and Tenant and PROVIDED FURTHER THAT the Tenant or its mortgagee (if any) may assign the whole of the Demised Land and the Specified Rights to the successors in title of the tenant's Deeside Power Station with the consent of the Landlord such consent not to be unreasonably withheld

3.12.2 On a permitted assignment to procure that the assignee enters into direct covenants with the Landlord to perform and observe all the Tenant's covenants contained or referred to in this Lease during the residue of the Term

3.12.3 Within three months of any assignment charge sub-lease or any transmission or dealing with this lease as hereinbefore permitted to give to the Landlord written notice thereof and the Tenant will pay the Landlord's solicitors a sum of not less than twenty pounds (£20) in respect of each such notice so delivered

- 3.13 To comply in all respects with the provisions of every statute order rule regulation and bye-law from time to time relating to or affecting the Demised Land and the Specified Rights and to execute all works which by or under any statute order rule regulation or bye-law or by Government Department local or public authority or duly authorised officer of the court or competent jurisdiction acting thereunder or in pursuance thereof as are or may be directed or required to be executed at any time during the Term upon or in respect of the Demised Land or the Specified Rights by the Tenant and not at any time during the Term to do or omit to be done on or about the Demised Land any act or thing by reason of which the Landlord may under any enactment become liable to pay any penalty damages compensation cost charges or expenses
- 3.14.1 To perform and observe all the provisions requirements of all statutes and regulations relating to Town and Country Planning in relation to the Demised Land and the Specified Rights and to obtain any development or other consent which may be requisite by reason of the development of or on the Demised Land by the Tenant
- 3.14.2 To indemnify the Landlord from and against all loss or expense suffered by the Landlord by reason of the Tenant's failing to obtain any necessary development or other consent as aforesaid
- 3.14.3 To give full particulars to the Landlord of any notice or proposal for a notice or order or proposal or an order made given or issued to the Tenant under or by virtue of any statute or regulation relating to Town and Country Planning or otherwise within seven days of receipt of any such notice by the Tenant and if so required by the Landlord to produce a copy of such notice or proposal to the Landlord
- 3.14.4 Forthwith to take all reasonable and necessary steps to comply with any such notice or order

3.14.5 At the request of the Landlord but at the cost of the Tenant to make or join with the Landlord in making such objections or representations against or in respect of any proposal for such a notice or order as the Landlord may deem expedient

3.15 At all times during the Term to keep the Demised Land and the Pipelines insured in some insurance office of repute against loss or damage by fire lighting explosion air craft (including articles dropped therefrom) riot civil commotion malicious damage earth quake storm tempest flood bursting and overflowing of pipes tanks and other apparatus impact or vehicles for the full cost of rebuilding or reinstating the same including professional fees and site clearance fees and such other risks as the Landlord may reasonably require from time to time and against all third party public and occupiers' liability risks including liability of the Landlord and the Tenant under the Defective Premises Act 1972 and the Tenant will procure that the interest of the Landlord is noted upon the policy of insurance and will whenever required by the Landlord (but not more than one per annum) produce to the Landlord a copy of the policy or policies of such insurance or other sufficient evidence of the nature extent and terms thereof and the receipt for other evidence of the payment of the last premium for the same and in the event of the Demised Land or any part thereof being destroyed by any of the risks described above at any time during the Term to lay out the full proceeds of such insurance in rebuilding repairing and reinstating the Demised Land as soon as practicable

3.16 Not to do or permit to be done or remain upon the Demised Land or any part thereof anything which may be or become a nuisance annoyance disturbance inconvenience injury or damage to the Landlord or the owners or occupiers of any neighbouring or adjacent premises

- 3.17 Throughout the Term maintain to the reasonable satisfaction of the Landlord steel palisade fencing along the boundary of the Demised Land and the Easement Strip marked on the Plan with a solid green line
- 3.18 To pay to the Landlord on demand all proper and reasonable costs charges and expenses (including solicitors' counsel's surveyors and bailiffs' fees and other professional costs and fees) properly and reasonably incurred by the Landlord in or in contemplation of
- 3.18.1 Any proceedings relating to the Demised Land under Sections 146 and 147 of the Law of Property Act 1925 (notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court)
- 3.18.2 The distraint for rent or any other sums payable hereunder and any associated proceedings or in connection with any breach of covenant by the Tenant under the terms of this Lease
- 3.18.3 The preparations and service of a schedule of dilapidations during or upon expiration or prior determination of the Term or within six months of such expiration or prior determination
- 3.18.4 Any grant or proper refusal of consent arising from any applications made by the Tenant hereunder including cases where such application is withdrawn
- 3.19 To pay the Landlord's reasonable legal and surveyors' costs and expenses of and incidental to the negotiation preparation execution and grant of this Lease and stamp duty on the counterpart thereof
- 3.20 Upon making any application for any written consent which is required under this Lease the Tenant shall disclose to the Landlord such information as the Landlord may reasonably require in respect thereof

- 3.21 At the end or sooner determination of the Term quietly to yield up the Demised Land to the Landlord in accordance with the covenants by the Tenant contained in this Lease and if so required by the Landlord to remove at the expense of the Tenant the Pipelines or such part or parts thereof as may be agreed with the Landlord and to make good any damage caused to the Demised Land or the Easement Strip by the removal of the Pipelines to the Landlord's reasonable satisfaction
- 3.22 To indemnify and keep indemnified the Landlord from and against all claims expenses liabilities actions compensation and charges whatsoever caused by or in any way arising out of
- 3.22.1 Any act or default of the Tenant whether arising directly or indirectly from a breach of the provisions of this Lease or any licence or consent issued hereunder or otherwise
- 3.22.2 Any use or development of the Demised Land by the Tenant which would not have been incurred by or brought against the Landlord but for the granting of this Lease and the exercise of the Specified Rights
- 3.23 At the end or sooner determination of the Term quietly to yield up the Demised Land to the Landlord in accordance with the covenants by the Tenant contained in this Lease and to remove the Pipelines and any other Tenant's fixtures fittings and equipment from the Demised Land and the Easement Strip

4. Landlord's Covenants

Subject to the provisions of the Second Schedule hereto the Landlord hereby covenants with the Tenant as follows:

- 4.1 That the Tenant paying the Rent and observing the covenants and conditions hereinbefore contained on the Tenant's part to be observed and performed may

peaceably enjoy the Demised Land and the Specified Rights without any lawful interruption from the Landlord or any person lawfully claiming through under or in trust for the Landlord

- 4.2 Not to erect construct or place or suffer to be erected constructed or placed any building or structure or carry out or suffer to be carried out any excavation or plant or suffer to be planted or otherwise permit to subsist any trees on the Easement Strip without the previous consent in writing of the Tenant such consent not to be unreasonably withheld
- 4.3 Not materially to raise or lower or suffer to be raised or lowered the existing level of the surface of the Easement Strip without the previous consent in writing of the Tenant such consent not to be unreasonably withheld
- 4.4 Not to undermine or damage or suffer to be undermined or damaged the Pipe-lines or do or suffer to be done anything which may interfere with the free flow and passage of water through the Pipe-lines

5. **Provisions**

Provided always and it is hereby agreed and declared as follows:-

- 5.1 The liability of the Tenant under the provisions of this Lease as to:
- (a) indemnity against claims and liabilities in respect of the exercise of the Specified Rights; and
 - (b) the making good of or paying compensation for loss damage and injury in the exercise of the Specified Rights or as a result of the grant of this Lease;
- shall extend to and include respectively claims and liabilities and loss damage and injury caused by reason of:

- (i) the negligence trespass or wilful act or default of any person or persons directly or indirectly employed by or under the control of the Tenant in connection with the exercise of the Specified Rights;
- (ii) the actions of the Tenant's contractors and their subcontractors and of all persons employed in connection with the exercise of the Specified Rights except for actions carried out expressly at the request of the Landlord; and
- (iii) any damage or destruction of the Pipelines or any escape of any material therefrom where such damage destruction or escape is caused by the acts or omissions (including any malicious damage by a third party) of any person other than the Landlord or his tenants or licensees or other occupier or occupiers for the time being of the Easement Strip or their respective servants or workmen or others authorised by them

5.2 Notwithstanding and without prejudice to any other remedies and powers herein contained or otherwise available to the Landlord if the Rent or any part thereof shall be unpaid after becoming payable (whether formally demanded or not) or if any covenant on the Tenant's part or condition herein contained shall not be performed or observed or if the Tenant shall enter into liquidation whether compulsory or voluntary (not being merely a voluntary liquidation while solvent for the purposes of amalgamation or reconstruction) or if a receiver or administrator shall be appointed of all or any part of the assets or undertaking of the Tenant then and in any such case it shall be lawful for the Landlord at any time thereafter to re-enter upon the Demised Land or any part thereof in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to any right of action of either party to this Lease in respect of

any breach non-observance or non-performance of any of the other's covenants or any conditions contained herein

5.3 Section 196 of the Law of Property Act 1925 (as amended) shall apply to any notices to be served under the terms of this Lease

5.4 Nothing contained in this Lease shall imply or warrant that the Demised Land may in accordance with any statutes relating to Town and Country Planning be used for the purpose herein authorised and the Tenant hereby acknowledges and admits that the Landlord has not given or made at any time any representation or warranty that any such use is will be or will remain a permitted user under the said statutes relating to Town and Country Planning

5.5 The demand for and/or the acceptance of rent by the Landlord or its agents shall not constitute and shall not be construed to mean a waiver of any of the covenants on the part of the Tenant herein contained or of any consequence attached to the non-performance thereof but any such breach for all purposes of this Lease be a continuing breach for so long as such breach shall be subsisting and no person taking any estate or interest under the Tenant shall be entitled to set up any such acceptance of or demand or receipt for rent as a defence in any action or proceedings by the Landlord

5.6 Nothing herein contained shall operate expressly or impliedly to confer upon or grant to the Tenant any easement right or privilege other than those expressly hereby granted

6. **Arbitration of Disputes**

Any difference (not being one affecting the construction of this Deed) which may arise between the Landlord and the Tenant shall be determined in accordance with the

Arbitration Act, 1950 or any statutory modification thereof for the time being of The Royal Institution of Chartered Surveyors Provided nevertheless that the Landlord and the Tenant shall be entitled to institute proceedings to restrain the other from doing anything which is contrary to the terms and conditions of this Deed

7. **Acknowledgement for Deeds**

THE Owner hereby acknowledges the right of the Tenant to the production of the documents of title specified in the Third Schedule hereto and to delivery of copies thereof of and hereby undertakes with the Tenant for the safe custody thereof

8. **No Agreement for Lease**

It is hereby confirmed that there is ~~no~~ Agreement for Lease to which this Lease gives effect

IN WITNESS whereof this Lease has been executed the day and year first before written

THE FIRST SCHEDULE

The Specified Rights

- 1 The right to excavate and open up so much of the Easement Strip and carry out such works thereon as may be reasonably required for the beneficial use of the Demised Land and for the purpose of laying constructing inspecting maintaining adjusting altering renewing repairing testing cleansing relaying diverting making safe making incapable of operation or removing any part or parts of the Pipe-lines

2. The right for the officers servants and agents of the Tenant at all reasonable times and in an emergency at all times with or without contractors surveyors employees and others and with or without motor or other vehicles plant apparatus and materials to enter upon the Easement Strip and to pass over any roads situate on the Landlord's Works as shall be agreed between the Landlord and the Tenant for the purpose of enjoying the beneficial use of the Demised Land and for the purpose of exercising or in connection with the exercise of any of the Specified Rights and temporarily to place on the Easement Strip any such plant apparatus and materials required to be used in connection with the purposes aforesaid PROVIDED THAT (except in case of emergency when a key to the gate crossing the track referred to below shall be obtainable from the Landlord's security personnel at the main gate to the Landlord's Works) vehicular access to the Demised Land over the track leading to the waste disposal site on the Landlord's Works between the hours of 3pm and 8am each day shall only be obtained by prior agreement (such agreement not to be unreasonably withheld) with the Landlord's Works' Civil Engineer at the Landlord's Works and it shall be a condition of such agreement that the gate shall be kept locked at all times during such access
3. The right to construct maintain and use on the Easement Strip ground and aerial marker posts of a type and in such positions as shall first be approved by the Landlord (such approval not to be unreasonably withheld) to facilitate inspection and maintenance of the Pipe-lines or for protecting them from damage

4. The right to continuous vertical and lateral support for the Pipe-lines and the appropriate part of the Demised Land from the Easement Strip
5. The right for the agents and servants of the Tenant at any time and the from time to time to enter upon the Easement Strip for the purposes of walking the line of the Pipelines
6. The right to remove any trees or scrub growth which or the roots of which may grow in on or under the Easement Strip which would if not felled or removed damage the Pipelines or interfere with the exercise of the Specified Rights

THE SECOND SCHEDULE

Rights to be Reserved to the Landlord

1. All rights of light and air support and protection enjoyed by the Demised Land and all other easements quasi easements rights and benefits now enjoyed or intended to be enjoyed by the Demised Land which would restrict or interfere with the free user of the Landlord's Works for any purpose by the Landlord or any purpose authorised by the Landlord or otherwise entitled
2. To right to lay use maintain and support all drains sewers pipes conduits wires and cables and other conducting or service media as are now or may at any time during the Term be laid in on over or under the Demised Land TOGETHER WITH the right at all reasonable times and upon reasonable notice (and at all times with or without notice in

case of emergency) to enter upon the Demised Land and the Easement Strip for the purpose of constructing connecting and laying inspecting repairing cleansing maintaining altering or renewing any such service or conducting media the person or persons exercising such rights causing as little inconvenience to the Tenant and doing as little damage to the Demised Land as possible making good forthwith any damage so caused

3. The right to carry on on the Easement Strip any normal industrial or other operations now or usually carried out by the Landlord on the Landlord's Works not causing damage to the Pipelines

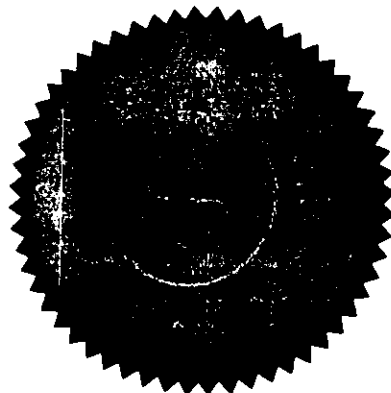
THE THIRD SCHEDULE

<u>Date</u>	<u>Document</u>	<u>Parties</u>
1 July 1907	Conveyance	Mary Jane Wright Charles William Wright William Dundas Gilpin-Brown (1) Charles William Wright (2) John Summers & Sons Limited (3)
14 December 1914	Conveyance	The Dee Conservancy Board (1) John Summers & Sons Limited (2)
2 February 1937	Conveyance	The Dee Conservancy Board (1) John Summers & Sons Limited (2)

The Common Seal of)
British Steel plc was)
hereunto affixed in)
the presence of:-)



Authorised Signatory



#37853.18

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(O.S. GRID)

DEA/KA/00057/B A3 (CAD)



PRINT ISSUE

drawn date chkd appvd filed original
PWH 27/07/93 02/09/93 A

YHP 96024 12.03.96 B

COLOUR ADDED

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Design & Construction Division
Swindon

Wiltshire

National Power

Sys
KA
S/s
01
F/n

SITE LAYOUT

BRITISH STEEL EASEMENT

C.W PIPES

Drawing Status

Client's Drawing Number

Job DEESIDE

Scale 1:2500

DEA/KA/00057/B



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Drawn 12-MAR-98 12.14.11