

Permitted Use	Except as otherwise agreed in writing with Council, the Lessee shall ensure that the Premises are used solely for the purpose of a camping ground and holiday accommodation for the public. The Lessee will not allow the Premises to function as a transit housing area or a permanent/semi-permanent housing area nor allow the development of additional Semi-permanent Sites.
Development Plan	<p>The Lessee’s Response Form shall include the Lessee’s proposed development plan for the Premises. This development plan should include:</p> <ul style="list-style-type: none"> • Plans and timeframes for demolition or repair and refurbishment of the Existing Improvements; • Plans and timeframes for installation of new improvements (“New Improvements”); • Plans and timeframes for the cancellation of some or all of the Site Holder Agreements and/or the consolidation of some or all of the Semi-permanent Sites to allow for increased temporary camping or holiday accommodation; and • Innovative alternate concepts / proposals over and above core campground services that add value to the commercial viability of the proposal as a whole and or add value in some other respect (noting requirements to comply with the Reserves Act 1977). <p>The Lease will require the Lessee to comply with the final agreed development plan for the Premises (“Development Plan”) and the Development Plan will be attached as a Schedule to the Lease. The Lease will specify the agreed timeframes for completion of the Development Plan.</p> <p>Any variation to the Development Plan during the Term will require Council’s prior written consent. The Lessee’s obligations to complete the Development Plan within the agreed timeframes will be an essential term of the Lease.</p>
Term of the Lease	10 years from 1 March 2025 to 28 February 2035.
Rights of Renewal	One qualified right of renewal of 10 years. For example, Council will be entitled to have regard to whether there is public interest in using the Land for another purpose and/or whether there is sufficient need for camp ground facilities when considering whether to grant a renewal of the Lease.
Annual Rent	<p>The Annual Rent will be an agreed figure or agreed percentage of turnover, plus GST.</p> <p>The Lessee shall include its proposed rental and/or proposed turnover rent percentage in the Response Form.</p>
Rent Reviews	<p>Where the Annual Rent is an agreed figure, the Annual Rent will be subject to:</p> <p>(a) fixed increases of 3% on each anniversary of the Commencement Date (except for the market rent review dates); and (b) market review every five years from the Commencement Date (including on the renewal date), provided that the Annual Rent following a market review must not be lower than the Annual Rent payable immediately before the relevant review date.</p> <p>If any hybrid rental structure is agreed between the parties (eg a base rent</p>

	component and a turnover rent component), the rent review mechanism may require modification accordingly.
Provision of Information	<p>Where the Annual Rent is (or includes) a turnover rent, the Lessee shall be required to provide Council with:</p> <ul style="list-style-type: none"> • a Goods and Services Tax invoice for the rent amount as calculated in a quarterly statement of Accommodation Revenue include details of turnover by activity and revenue type, supplied by the lessee within five (5) working days of the end of the quarter for which rent is due; and • A copy of its annual financial statements for each year during the Term, such accounts to comply with generally accepted accounting principles and include details of turnover by activity and revenue type. Council requires a copy of such accounts within four months of the conclusion of the immediately preceding financial year of the Lessee; and • Every three years during the Term, a copy of its audited financial statements, such accounts to be provided to Council within four months of the conclusion of the immediately preceding financial year of the Lessee.
Outgoings	The Lessee is to pay certain Outgoings on demand by Council, including all rates and levies payable to any local or territorial authority and any other costs incurred by Council which are specific to the management and operation of the Premises.
Utility and Service Charges	The Lessee is to pay to the relevant authority or supplier all charges for Utilities and Services which are separately metered or charged to the Premises. If they are not separately metered or charged, the Lessee must pay a fair and reasonable proportion of those charges.
Costs	Each party shall pay its own legal costs for the preparation, negotiation and execution of the Lease and ancillary documents (including the assignment documentation for the Site Holder Agreements and the sale and purchase documentation for the Existing Assets). If the Lessee breaches the Lease, the Lessee must pay to Council on demand all costs Council incurs as a result.
Insurance	<p>The Lessee will be obliged to maintain insurance for the Existing Improvements on the Premises, the New Improvements constructed pursuant to the Development Plan and any other improvements which have been approved by Council in accordance with the Lease, to the full insurable value thereof against all loss and damage. In the event of any of the Existing Improvements, New Improvements or other permitted improvements being destroyed or damaged the Lessee shall rebuild, replace or repair the destroyed or damaged improvements, such work to be done with all due speed and in a proper workmanlike manner.</p> <p>Further, the Lessee must keep current a public risk insurance policy applicable to the Premises for a minimum amount of two million dollars (being the amount which may be paid out arising from any single event) or such higher amount as Council may, acting reasonably, require during the Term of the Lease.</p> <p>The Lessee must provide to Council upon request satisfactory evidence of the</p>

	Lessee's compliance with the above insurance requirements.
The Lessee's maintenance obligations	<p>The Lease will include maintenance and other obligations which the Lessee must comply with during the Term. The Lessee will be required to maintain (at its cost):</p> <ul style="list-style-type: none"> the Existing Improvements in good condition having regard to their condition at the commencement of the Term, (as evidenced by a premises condition report to be prepared by Council (the costs of which will be shared equally between the parties) and attached to the Lease), subject to the requirement that following the upgrade of any of the Existing Improvements as per the Development Plan, these will then be treated as New Improvements; and the New Improvements in good condition (as evidenced by a supplementary premises condition report prepared on the same basis as set out above) following the date of installation or completion of construction of such improvements; <p>in each case excluding fair wear and tear and otherwise in accordance with any specific maintenance requirements or limitations on maintenance obligations included in the Development Plan. The Lessee will also be required to undertake landscaping, redecoration, and other general site maintenance obligations in accordance with the Lease.</p>
Limitations on maintenance obligations	The Lessee, as part of the proposed development plan it submits with its Response Form, must specify any limitation on the Lessee's maintenance obligations with regards to the Existing Improvements in the context of the Lessee's proposed development plan for the Premises.
Restrictions on Use	The Lease will include certain key restrictions on the activities which may be carried out by the Lessee in relation to the Premises. The Lessee must do all things reasonably necessary as the occupier of the Premises to comply with applicable laws and regulations including, relevant health and safety legislation from time to time.
No Building Alterations other than agreed Development	Subject to the Lessee being permitted to undertake the development of the Premises in accordance with the agreed Development Plan attached to the Lease, the Lessee must not carry out any building alterations or the construction of any other improvements on the Premises without Council's prior written consent. If Council grants consent it can impose conditions as it thinks fit and the Lessee indemnifies Council for costs and liabilities arising from a breach of its obligations to only carry out building alterations/other improvements as consented by Council.
Expiry or Termination of the Lease	<p>At the end or earlier termination of the Term, the Lessee must yield up the Premises in accordance with its maintenance obligations and otherwise leave the Premises in a clean and tidy condition to Council's reasonable satisfaction.</p> <p>The Lessee may, and if Council requires, (by notice not less than three months prior to the expiry of the Lease or within 10 days of earlier termination of the Lease), must as Council specifies either:</p> <ul style="list-style-type: none"> Remove the Lessee's improvements (including the Existing Improvements

	<p>and any New Improvements) from the Premises; or</p> <ul style="list-style-type: none"> • Subject to compliance with the below process, forfeit to Council those of the Lessee's improvements which Council notifies the Lessee that it wants to acquire, in which case, Council must pay compensation for such improvements. <p>The compensation payable by Council for the Lessee's improvements that Council wishes to acquire shall be proposed by an expert appointed by Council. If the Lessee disputes the compensation amount proposed, it may serve notice and require the compensation to be determined by two valuers and an umpire. Following determination of the compensation, Council will have three weeks to decide whether it does or does not wish to proceed with the acquisition of the relevant Lessee's improvements.</p>
Assignment / Subleasing	<p>The Lessee will not assign its interest in the Lease or all or any part of the Premises to any person without Council's prior written consent which may be given or withheld at Council's absolute discretion. Any assignment must include the transfer/sale of all of the Existing Improvements and the New Improvements to the assignee. The Lease will also include a first right of refusal in favour of Council in these circumstances and (where the Lessee is a company) in circumstances where the Lessee intends to sell its business by way of share sale.</p> <p>If the Lessee is a company, a change in the shareholding of the company or its parent company or the issue of new capital where in any case there is a change in the effective management or control of the Lessee or its parent will require the prior written consent of Council (acting reasonably).</p> <p>The Lessee is absolutely prohibited from subleasing its interest in the Lease to any person (it being acknowledged that allowing individuals a short term stay in the ordinary course of the campground business is not prohibited).</p>
The Lessee's Acknowledgements	<p>The Lessee acknowledges asbestos containing materials have been identified within certain buildings. Council is unable to give any warranties or representations as to these particular matters. Council also does not warrant that the Premises or local authority infrastructure remains adequate for the Permitted Use. The Lessee will occupy the Premises at its own risk.</p>
Special conditions	<p>The Lease will incorporate agreed special conditions arising from the Lessee's Response Form and subsequent negotiations between the Parties.</p>
Standard Terms	<p>The Lease will include standard general terms relating to matters such as Council's rights of entry to inspect the Premises, quiet enjoyment, default (including the Lessor's rights to remedy a Lessee default), breach of essential terms of Lease, compensation, dispute resolution, confidentiality, compliance with laws and regulatory requirements, obligations to remediate Lessee caused contamination, ensuring public access to certain areas, requirements relating to operational plans and rules for the campground, Council's capacity as administering authority of the Land and not regulatory authority and the like.</p>
Status of this Terms Sheet	<p>This Terms Sheet sets out the basis on which Council and the Lessee intend to enter into a lease of the Premises, but this Terms Sheet does not create any legally binding obligations on the Parties (including without limitation an</p>

	obligation to enter into such a lease).
Confidentiality	This Terms Sheet and the information provided by all Parties in connection with it are confidential. None of the Parties may disclose the fact or existence of this Terms Sheet or its terms to any other Party except to their professional advisers, as agreed in writing by the other Party to this Terms Sheet or as required by law.
Governing Law	This Terms Sheet is governed by the laws of New Zealand.

Executed as an Agreement.

SIGNED for and on behalf of)
THE LESSEE)

in the presence of:

Witness:

Signature:

Name:

Occupation:

Residential Address:

SIGNED for and on behalf of)
SOUTH WAIRARAPA DISTRICT COUNCIL)
by its Authorised Officers:)

Name of Authorised Officer

Signature of Authorised Officer

in the presence of:

Witness:

Signature:

Name:

Occupation:

Residential Address:

PLAN OF LAKE FERRY HOLIDAY PARK

Lake Ferry Holiday Park



June 29, 2023