

Decision released from confidential session			
Recommendation from (agenda report)	Date of meeting	Recommendation to (decision-making meeting)	Date of meeting
Strategic Development and Property Subcommittee	03 August 2021	Council	12 August 2021
Report Title and number			
Tahuna Beach Camp - Community Engagement on the Proposed Lease of the Campground (R22722)			
Documents released			
Decision CL/2021/153, Report R22722 and Attachment A2710240			
Decision			
That the Council			
<ol style="list-style-type: none"> 1. Approves the consultation approach (set out in section 5 paragraphs 5.13 to 5.3 and Attachment (A2710240) of Report R22722) and agrees: <ol style="list-style-type: none"> (a) the approach includes sufficient steps to ensure the proposed Lease of the Tahuna Beach Camp to the Tahuna Beach Camp Incorporated, will be reasonably accessible to the public and will be publicised in a manner appropriate to its purpose and significance; and (b) the approach will result in the proposed Lease of the Tahuna Beach Camp to the Tahuna Beach Camp Incorporated being as widely publicised as is reasonably practicable as a basis for community engagement. 2. Agrees that Report (R22722), Attachment (A2710240) and the decision be made publicly available once negotiations are concluded. 			

3 August 2021

REPORT R22722

Tahuna Beach Camp - Community Engagement on the Proposed Lease of the Campground

1. Purpose of Report

- 1.1 To approve the undertaking of community engagement on the proposed lease of the Tahuna Beach Camp to the Tahuna Beach Camp Incorporated (TBCI).

2. Summary

- 2.1 The current Deed of Lease between Council and the TBCI is due to expire on the 31 December 2021. TBCI wish to lease the camp and the proposed new lease term is 33 years.
- 2.2 The land occupied by the Tahuna Beach Camp is considered a Park as defined in section 138 of the Local Government Act 2002 (LGA 02) and Council is required to consult on the proposal to grant a lease for more than six months.

3. Recommendation

That the Strategic Development and Property Subcommittee

- 1. Receives the report Tahuna Beach Camp - Community Engagement on the Proposed Lease of the Campground (R22722) and its attachment (A2710240).***

Recommendation to Council

That the Council

- 1. Approves the consultation approach (set out in section 5 paragraphs 5.13 to 5.3 and Attachment (A2710240) of Report R22722) and agrees:***

(a) the approach includes sufficient steps to ensure the proposed Lease of the Tahuna Beach Camp to the Tahuna Beach Camp Incorporated, will be reasonably accessible to the public and will be publicised in a manner appropriate to its purpose and significance; and

(b) the approach will result in the proposed Lease of the Tahuna Beach Camp to the Tahuna Beach Camp Incorporated being as widely publicised as is reasonably practicable as a basis for community engagement.

2. Agrees that Report (R22722), Attachment (A2710240) and the decision be made publicly available once negotiations are concluded.

4. Exclusion of the Public

4.1 This report has been placed in the confidential part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to:

- Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
- Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

5. Background

5.1 The Tahuna Beach Kiwi Holiday Park (Tahuna Beach Camp) has been operated by the TBCI, previously the Tahuna Sands Association for over 90 years and the current lease is due to expire on 31 December 2021. The TBCI have advised that they would like to enter into a long term lease with Council to continue to operate the Tahuna Beach Camp.

5.2 The current lease was recently extended by a period of six months to allow for community engagement to be undertaken and for the proposed new lease to commence.

5.3 The proposed lease term for the Tahuna Beach Camp is 33 years. This will be comprised of an initial 11 year term with two rights of renewal of 11 years each. There will be a rent review at each renewal date and the annual rent will remain as a percentage of gross income with a fixed base rate.

- 5.4 Officers have recommended a lease term of 33 years as it is in line with the maximum term that can be granted under the Reserves Act 1977. If a decision is made in coming years to classify the area as a Reserve then the lease term would fit the requirements of the Reserves Act. Officers consider operating the area as a campground is considered the best use of the land at this time.
- 5.5 The land the Campground occupies is considered a Park as defined in section 138 of the Local Government Act 2002 (LGA 02). The section states that a local authority proposing to 'sell or otherwise dispose of a park or part of a park must consult on the proposal before it disposes of the park or part of the park'. The term 'dispose of' includes the granting of a lease for more than six months.

6. Discussion

Community engagement process

- 6.1 The proposed new lease term is over six months, therefore Council must consult on the proposal and the consultation must meet the principles as set out in section 82 of the LGA 02 as well as the decision making requirements of sections 76-81.
- 6.2 The proposed leasing of the campground to the TBCI has been determined as having low significance to Councils significance and engagement policy for reasons set out below:
- 6.2.1 The activity on the land will not be changed.
 - 6.2.2 The impact on the community is low as the Campground has been based at the site for over 90 years and the community are used to the campground operating in the area.
 - 6.2.3 The decision does not impact Councils ownership of the asset and the impact on rates is low.
 - 6.2.4 There is low impact on Councils financial capacity and capability.
- 6.3 It is therefore recommended that community engagement rather than a special consultative procedure be undertaken.
- 6.4 The community engagement process must give consideration to the views and preferences of persons likely to be affected by or have interest in the matter.
- 6.5 The community engagement will run for three weeks from 13 August 2021 to the 10 September 2021 through a range of means including:
- 6.5.1 Council's social media channels and Council's website with a draft of the proposed deed of lease linked for review.

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- 6.5.2 Our Nelson feature including notice of the opportunity to provide feedback.
 - 6.5.3 Email details about the community engagement to the Iwi Managers Forum and the Tahunanui Business and Citizens Association.
 - 6.5.4 Letter delivered to every household within 100m of the boundary of the Tahuna Beach Camp advising of where details about the proposed Deed of Lease can be viewed.
 - 6.5.5 Hard copies of the proposed Deed of Lease made available at all libraries and the Council Customer Service Centre.
- 6.6 The community engagement documentation will be comprised of a map showing the area of the proposed lease at the Tahunanui Recreation Reserve, details about the lease term and the proposed draft deed of lease between Council and the TBCI.
- 6.7 The Council Kaihautu has confirmed that due to the low level of significance it will be sufficient to email the Iwi Managers Forum the details about the community engagement. A separate report to the forum regarding the engagement is not required.

7. Draft Deed of Lease

- 7.1 The draft Deed of Lease has been prepared by Fletcher Vautier Moore.
- 7.2 Negotiations with the TBCI have resulted in some changes to clauses in the draft Deed of Lease compared to the current Deed of Lease. The reasoning for this was to empower the TBCI to manage the campground effectively and to promote a more collaborative approach between the parties.
- 7.3 The main changes to note are the following:
- 7.3.1 s.7(2)(h) - enable any local authority holding the information to carry out without prejudice or disadvantage commercial activities
[Redacted]
 - 7.3.2 s.7(2)(h) - enable any local authority holding the information to carry out without prejudice or disadvantage commercial activities
[Redacted]
 - 7.3.3 Revenue that has been excluded is defined in clause 4.5(b)(i-xv) of the draft lease.
 - 7.3.4 The lease comprises three terms of eleven years each and renewals are conditional upon the Lessor and Lessee agreeing both the base fee and the percentage of gross income.

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- 7.3.5 Annual stakeholder meetings will be held with the TBCI, Property Services and Parks and Facilities staff to discuss capital/renewal/maintenance works, landscaping and for the TBCI to provide an improvements list and a list of health and safety issues addressed during the year. These meetings replace the current requirement for the TBCI to seek Council approval for all proposed works at the Property and promotes a more collaborative approach.
- 7.3.6 All improvements made by the TBCI will be held on Trust by them for Council and these improvements will be passed to Council ownership on expiration or earlier termination of the Lease. In the current agreement all improvements made by the TBCI immediately pass to Council ownership. The TBCI requested this amendment due to proposed changes to the Incorporated Societies Act. If the improvements pass directly to Council ownership, the TBCI balance sheet shows very little equity and they are concerned that this would make it difficult to recruit board members.
- 7.3.7 The clause relating to a Business Advisor has been retained allowing the Council's Chief Executive to make such an appointment to provide governance support to the TBCI board if required. The lease may be terminated by three months' notice in writing at any time on the advice of the Business Advisor which gives Council protection should the TBCI be operating outside of the Councils governance requirements during the course of the lease term.
- 7.3.8 New subleases and assignments to other parties will be agreed to in writing by email to the TBCI and any changes to the TBCI constitution/rules will be agreed at an officer level as per the delegations.
- 7.3.9 Additional clauses have been included that deal with compliance with laws relevant to a relocatable home park and buildings within it.

8. Options

- 8.1 Two options are presented below for consideration. Officers support option 1.

Option 1: Approve community engagement on the proposed lease of the Tahuna Beach camp	
Advantages	• Complies with requirements of the LGA 02

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Risks and Disadvantages	<ul style="list-style-type: none">• May receive negative feedback from the public and need to address issues raised.
Option 2: Do not approve community engagement on the proposed lease of the Tahuna Beach camp	
Advantages	<ul style="list-style-type: none">• Nil
Risks and Disadvantages	<ul style="list-style-type: none">• In breach of the LGA 02• Tahuna Beach Camp Incorporated may choose to walk away at the current final expiry date meaning Council would need to take over as camp operator.

9. Conclusion

9.1 Officers recommend that the community engagement be approved.

10. Next Steps

When the community engagement period has closed officers will collate any feedback received and include this in a report to the Strategic Development and Property Subcommittee. There will not be hearings as Council is seeking feedback only not submissions and objections.

Author: Jules Read, Leases Officer

Attachments

Attachment 1: A2710240 Tahuna Beach Camp - Draft Deed of Lease

Important considerations for decision making

1. Fit with Purpose of Local Government

Decisions in this report are necessary to allow Council to engage with the community to seek feedback on the proposal to enter into a new lease for the Tahuna Beach Camp with the TBCI as per the principles set out in section 82 of the LGA 02 as well as the decision making requirements of sections 76-81.

2. Consistency with Community Outcomes and Council Policy

The recommendations in this report fit with the community outcome:

- *Our communities have access to a range of social, educational and recreational facilities and activities where we have high quality and accessible recreation, education, health and community facilities*

3. Risk

Approval to commence with community engagement on the proposed deed of lease of the Tahuna Beach Camp to the TBCI is in line with section 138 of the LGA 02. There is a risk that some negative feedback may result from the community engagement, but officers perceive this risk to be low. The Campground has been in operation for over 90 years and since the current lease commenced in 2004 there have been very few complaints received about its operation.

4. Financial impact

There will be no additional costs incurred by Council for the community engagement.

5. Degree of significance and level of engagement

The matter is considered of low significance as there is no proposed change to the activity occurring on the land, there are no significant changes to the proposed new lease, therefore informal community engagement is planned in line with legislation.

6. Climate Impact

Erosion is addressed in the lease and Council is not obliged to undertake works to protect the Property from erosion or to repair erosion damage.

7. Inclusion of Māori in the decision making process

The link to the community engagement page on the Council website will be sent through to the Iwi Managers Forum when the engagement is approved. Further consultation was not undertaken due to the low level of significance as determined by working through the Councils significance and engagement policy and through discussion with the Council Kaihautu.

8. Delegations

The Strategic Development and Property Subcommittee has the delegation to consider matters around campgrounds

Areas of responsibility

- *Campgrounds*

Powers to Decide

- *Undertaking informal community engagement on matter within the areas of responsibility*

Released 11 October 2024

DATED

2021

BETWEEN NELSON CITY COUNCIL
("Lessor")

AND TAHUNA BEACH CAMP INCORPORATED
("Lessee")

DEED OF LEASE
TAHUNA BEACH CAMP

FLETCHER VAUTIER MOORE
LAWYERS
NELSON

DEED made the day of 2021

BETWEEN **NELSON CITY COUNCIL** a local authority pursuant to the Local Government Act 2002 and having its offices at 110 Trafalgar Street Nelson ("the Lessor");

A N D **TAHUNA BEACH CAMP INCORPORATED** an incorporated society having its registered office at 70 Beach Road, Tahunanui, 7011, Nelson ("the Lessee").

PREAMBLE

The parties to this lease acknowledge the long-term relationship that has existed between the Lessor and the Lessee. They further acknowledge that the Lessee has, on behalf of the Lessor, developed and operated the Tahuna Beach Holiday Park.

WHEREAS

A The Lessor is the owner of the land described in the First Schedule hereto as the Land ("the Land").

B The Lessor leases to the Lessee and the Lessee takes on lease that part of the Land described in the First Schedule as the Property comprising a camping ground known as "Tahuna Beach Camp", on the terms and conditions of this Lease.

THIS DEED WITNESSES

The Lessor and Lessee covenant as follows:

1. Interpretation

- | | |
|------------------------|---|
| 1.1. Commencement Date | means the date provided in the First Schedule as the Commencement Date. |
| Final Expiry Date | means the date provided in the First Schedule as the Final Expiry Date. |
| Goods and Services Tax | means all that tax from time to time payable under the Goods and Services Tax Act 1985. |
| Improvements | means in relation to the Property, all work done or material used at any time, whether before or after the commencement of this Lease, on or for the benefit of the Property by the expenditure of capital or labour by any owner or occupier thereof, and includes, but not by way of limitation, the buildings, fixtures and fittings, fixed playground equipment and other structures on |

	the Property.
Land	means the land described in the First Schedule as the Land.
Lease	means this deed of lease and includes any schedules annexed as part of this deed, and any variations and renewals of this Lease, in writing.
Lessee	means the Lessee and includes the Lessee's executors, administrators and successors.
Lessor	means the Lessor and includes the Lessor's successors and assigns.
Permitted Use	means the permitted use described in the First Schedule.
Property	means the property described in the First Schedule.
Persons under the control of the Lessee	means all employees, contractors, agents and invitees of the Lessee, and all users of the facilities on the Property.
Rules	means the Lessee's rules as uploaded to the Companies' Office register as at the date of this Lease, and as varied from time to time in accordance with clause 33 of this Lease.
Working day	means any day of the week other than: <ul style="list-style-type: none"> (a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and (b) If Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and (c) A day in the period commencing with 24 December in any year and ending with 5 January in the following year; and (d) Nelson Anniversary Day.

1.2 In this Lease:

- (a) Where words appear in this Lease and also in the First Schedule then the words shall mean and include the details provided after those words in the First Schedule;

- (b) words importing the singular shall include the plural and vice versa, and words importing the masculine, feminine or neuter shall include all three;
- (c) any schedules to this Lease shall have the same effect as if set out in the body of this Lease;
- (d) clause headings are inserted for reference only and shall not affect the interpretation of this Lease;
- (e) to "perform" a covenant includes to keep observe and fulfil that covenant;
- (f) words and expressions defined are indicated by capital letters for convenience. The absence of a capital letter shall not alone imply that the word or expression is used with a different meaning from that given by its definition;
- (g) references in this Lease to "month" or "monthly" shall mean calendar month and calendar monthly respectively;
- (h) references to statutes, regulations, rules, and bylaws of central or local government, or provisions thereof, includes that legislation or provision as from time to time amended, re-enacted or substituted.

2. Lease of Property

- 2.1. The Lessor leases to the Lessee and the Lessee takes on lease the Property upon the terms and conditions of this Lease.

3. Term

- 3.1. The term of this Lease shall commence on the Commencement Date and, subject to earlier termination in accordance with this Lease, shall be for the term described in the First Schedule.
- 3.2. If the Lessee, with the written consent of the Lessor, continues to occupy the Property beyond the expiry of this Lease, the lease may be terminated by 20 Working days' notice in writing given at any time by either party to the other. Otherwise, the lease shall be on the same terms and conditions as this Lease.

4. Rent and Outgoings

- 4.1. The Lessee shall pay annual rental to the Lessor at the rate and in the manner provided in this clause 4 (or as varied as a result of a rent review).
- 4.2. The Lessee shall also pay the outgoings described in the First Schedule. If any such outgoings are not separately assessed or levied in respect of the Property then the Lessee shall pay such fair proportion thereof as shall be agreed upon or failing agreement, determined by arbitration.
- 4.3. The Lessee shall pay the Lessee's outgoings direct to the service provider concerned where the contract for such services is between the Lessee and the service provider. Where the contract for services is between the Lessor and the service provider, the Lessee shall pay the relevant Lessee's outgoings to the Lessor, as invoiced by the Lessor to the Lessee, by the 20th day of the month following the date of the invoice.

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4.4. Rental and other monies payable by the Lessee under this Lease shall be paid without deduction or set off.

4.5. In this Lease:

s.7(2)(h) - enable any local authority holding the information to carry out without prejudice or disadvantage commercial activities



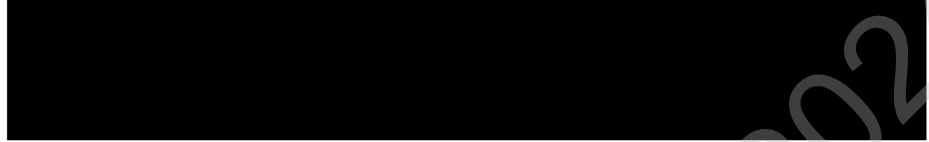
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(c) A Lease year shall be the period 1 July in one year to 30 June the following year. The first Lease year is the period 1 July 2021 to 30 June 2022.

4.6. Payment of the annual rent shall be made by direct debit from the Lessee's bank account to the Lessor's bank account, and in accordance with the following provisions:

(a) s.7(2)(h) - enable any local authority holding the information to carry out without prejudice or disadvantage commercial activities



(b) The Lessee will, in accordance with clause 32, within two months of the expiration of each Lease year, supply the Lessor, free of charge, with a statement by a chartered accountant certifying the Lessee's gross income for that Lease year. The Lessor will use this information to establish whether the gross income is greater than the Base Fee for the relevant Lease year.

(c) If the gross income payable in respect of any Lease year is greater than the Base Fee, the difference shall be payable by the Lessee to the Lessor within 20 working days' of written demand by the Lessor.

5. Goods and Services Tax

5.1. The Lessee shall pay to the Lessor, or as the Lessor shall direct, the Goods and Services Tax payable by the Lessor in respect of the rental and other payments payable by the Lessee hereunder. The tax in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.

5.2. If the Lessee shall default in payment of rental or other monies payable hereunder and the Lessor becomes liable to pay additional Goods and Services Tax, penalty, or other sum as a result of the default, then the Lessee shall on demand pay to the Lessor the additional amount.

6. Permitted Use

6.1. The Lessee shall use the Property solely for the purposes of the Permitted Use described in the First Schedule. The Lessee shall not change the use of the Property from the Permitted Use.

6.2. If at any time the Lessor is of the opinion that the Property is not being used or is not being sufficiently used for the purposes of the Permitted Use the Lessor, after making such enquiries as the Lessor thinks fit and giving the Lessee the opportunity to explain the usage of the Property and remedy the breach of this subclause, may terminate this Lease without prejudice to the other rights and remedies of the Lessor for any antecedent breach by the Lessee of the provisions of this Lease.

6.3. The Lessee shall use its reasonable endeavours to keep the Property open, used and occupied for the Permitted Use at all times (subject to seasonal demand) during the term of this Lease. During off-peak periods, the Lessee shall allow reasonable public use of that part of the Property not occupied for the purposes of accommodation provided such use does not interfere with the Lessee's primary revenue generation. For the avoidance

of doubt, nothing in this clause 6.3 shall require the Lessee to provide accommodation services or campground sites when it is uneconomic to do so.

7. Assignment / Subletting

- 7.1. The Lessee shall not sublet, assign, mortgage, charge, grant a licence of, or part with possession of the Property or any part of the Property or this Lease or any estate or interest of this Lease to any person except pursuant to clause 7.2 or for letting out individual sites and units in the ordinary course of business of the Lessee.
- 7.2. The Lessee may, with the prior written approval of the Lessor, sublet part of the Property to a respectable, responsible, solvent and suitable sublessee for the purposes of operating a retail shop selling appropriate merchandise for a camping ground, or a café, or a mini-golf course, or such other activity as is approved in writing for the purposes of this clause by the Lessor. Before giving consent and as a condition precedent, the Lessor may require performance and satisfaction of the following conditions:
- (a) The Lessee shall demonstrate to the satisfaction of the Lessor that the proposed sublessee is responsible and of sound financial standing and intends to use part of the Property for a purpose permitted by the Lessor;
 - (b) All rental and other moneys payable by the Lessee under this Lease, up to the date of the proposed subletting, have been paid;
 - (c) There is not any existing unremedied breach of any of the terms of this Lease;
 - (d) All reasonable costs incurred by the Lessor (whether or not the proposed sublease proceeds to completion) have been paid by the Lessee;
 - (e) The Lessor may stipulate that the sublease contains a condition that it not be assigned or the area sublet be further sublet without the prior written consent of the Lessor and the terms of this clause 7.2 shall apply to such consent.
- 7.3. For the purposes of clause 7.1, if the Lessee is an incorporated society, any change of the membership of the Society or of the Rules of the Society having the effect of altering the effective management or control of the Lessee shall be deemed an assignment of this Lease in breach of clause 7.1 provided that nothing in this subclause shall apply to a change of officers of the Lessee where such change is the result of an election held in accordance with the Rules of the Lessee.
- 7.4. Any sublease shall not release the Lessee from its responsibilities, liabilities and obligations pursuant to this Lease and the Lessee shall be liable for any acts, omissions or delay of any sublessee, its agents, contractors and employees as fully as if they were an act, omission or delay of the Lessee.

8. Lessee's Obligations

- 8.1. The Lessee shall at the Lessee's expense keep and maintain the interior and exterior of all buildings, fences delineating the boundaries of the Property, gates, structures and other facilities on the Property in good order repair and condition including the Improvements. All grounds shall be kept in a clean and tidy condition. The Lessee is responsible for structural repairs to all buildings and other structures of the Property.
- 8.2. The Lessee shall not:

- (a) Subject to the Lessee's other obligations under this Lease, cut down, damage, remove or in any way interfere with (works) any trees or shrubs on the Property that have been mapped and are described in and attached as the Third Schedule, unless such works are reasonably requested by Nelson Airport Limited in order to address flight path concerns, or unless the Lessee has been advised to undertake such works by an arborist featured on the pre-approved list (as updated from time to time by the Lessor) and attached as the Fourth Schedule;
 - (b) Bring upon the Property any plant, machinery or other equipment which is not reasonably necessary or proper for the conduct of the Lessee's use of the Property; or
 - (c) Erect or allow to be erected any significant building or other structure on the Property, or make or allow to be made any alterations or additions to the Property (including the Improvements) without the prior written consent of the Lessor.
- 8.3. In seeking the Lessor's approval under subclause 8.2(c) the Lessee shall submit plans and specifications of the proposed work. The Lessor may require as a condition of approval that:
- (a) the Lessee obtains all approvals or permits necessary to enable the proposed work to be lawfully effected and on request produces to the Lessor copies of them;
 - (b) upon completion of the work the Lessee produces to the Lessor any certificates of compliance issued by the relevant authorities.
- 8.4. Nothing in this Lease shall be deemed to amount to a consent, approval or permission by the Lessor in its capacity as a consent authority or other similar capacity under the Resource Management Act 1991, Building Act 2004, Sale and Supply of Alcohol Act 2012 or any other Act, regulation or bylaw which relates to the Property, or the use of the Property, or a representation or warranty that any consent, approval or permission shall issue. It is the sole responsibility of the Lessee to satisfy itself as to the requirements of the local authority's Resource Management Plan and to obtain all necessary consents, approvals, and permits in respect of the Lessee's use of the Property.
- 8.5. The Lessee shall not during the currency of this Lease call upon the Lessor to erect or repair or contribute towards the cost of erection or repair of any dividing fence or boundary wall between the Property and any adjoining land for the time being vested in the Lessor.
- 8.6. If the Lessor is obliged by any statute or regulation or by-law to expend any moneys on any improvement, alteration or addition to the Property the Lessor may charge in addition to the rental an annual sum equal to the Improvements Rental Percentage provided in the First Schedule of the amount so expended by the Lessor. The payments of rental provided in the First Schedule shall increase from the next rental payment date after the date such expenditure or parts of such expenditure is made. If the Lessor is obliged to expend an amount which in the reasonable opinion of the Lessor, after consultation with the Lessee, is unreasonable the Lessor may, upon the giving of three months' notice in writing to the Lessee, determine this Lease.

- 8.7. The Lessee shall maintain a manager of the Property, together with such assistants as are necessary, and ensure that the manager carries out, or arranges, maintenance of the Property to an acceptable standard.
- 8.8. The Lessee shall require that the manager takes all reasonable steps to control the Property and persons using the Property in such a manner as to enhance the amenities of the Property for the persons using the same and to avoid undue disturbance to persons occupying land adjoining the Property.
- 8.9. Subject to the Lessee's other obligations under this Lease, all money received by the Lessee as a result directly or indirectly of the Lessee's use of the Property, shall be applied to the objectives of the Lessee as provided for in the Lessee's Rules.
- 8.10. The Lessee and the Lessor's authorised representative(s) shall hold an annual stakeholder meeting at the end of each financial year (30 June) during the Term, including any renewed term (Annual Stakeholder Meeting), where the Lessee will provide the Lessor with the following:
- a) The Lessee's proposed capital/renewal/ maintenance works and plans for landscaping for the coming year, along with any updates to the Master Plan.
 - b) Assets Improvements List.
 - c) H&S List (as defined in clause 19.5).
- 8.11. The purpose of the Annual Stakeholder Meeting is:
- a) For the Lessee to provide the Lessor with the Assets Improvements List and the H&S List.
 - b) To allow the Lessor to provide suggestions or comments on the proposed works, for consideration by the Lessee.
 - c) To allow a co-ordinated approach to be taken to development of the Property and its environs by the Lessor and the Lessee.
 - d) To address any relationship issues between the parties.

For the avoidance of doubt, Lessor's approval of the Lessee's plans pursuant to clause 8.10a) is not required but the Lessee will act in good faith when considering feedback from Lessor.

- 8.12. For the purposes of this clause, the Lessor's authorised representatives may be any of the Leases Officer, Manager Property Services, Team Leader Parks and Facilities, or Manager Parks and Facilities, or such other representative as nominated by the Lessor from time to time

9. Insurance and indemnity

- 9.1. The Lessor shall not be bound to repair any damage to the Property caused by fire, flood, explosion, lightning, storm, earthquake or volcanic activity.
- 9.2. The Lessee shall insure and keep insured the Property against destruction or damage by fire, explosion, flood, lightning, volcanic activity, earthquake, storm, water damage

and malicious damage, and such other risks as the Lessor may from time to time require, under a policy of full replacement and reinstatement (including loss damage or destruction of windows or other glass). The Lessee shall, if requested, provide evidence to the Lessor that premiums have been paid and that such insurance has been effected. For the avoidance of doubt, the Property includes all Improvements on the Property.

- 9.3. The Lessee agrees to occupy and use the Property at the Lessee's risk and releases to the full extent permitted by law the Lessor, its employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any damage or injury occurring to any person or property in or about the Property.
- 9.4. To the extent permitted by law, the Lessee shall indemnify and keep the Lessor indemnified against all claims, actions, losses, damages, fines, penalties, costs and expenses (including legal costs) of any nature which the Lessor may suffer or incur or for which the Lessor may become liable directly or indirectly as a result of:
- (a) Any act or omission of the Lessee or Persons under the control of the Lessee;
 - (b) Damage to property or injury to any person at or in the vicinity of the Property wholly or partly caused by any act or omission by the Lessee or Persons under the control of the Lessee;
 - (c) Damage to property or injury to any person caused by the use of the Property by the Lessee or Persons under the control of the Lessee;
 - (d) Damage to property or injury to any person caused by the condition of the Property such as may be attributable to the Lessee; or
 - (e) Any injury to any person as a result of the failure by the Lessee to comply with its obligations under clause 19 of this Lease.
- 9.5. The Lessee at the Lessee's expense shall effect and keep current in respect of the Property and the Lessee's use of the Property a policy of public risk insurance for an amount not less than that provided in the First Schedule, or such other amount from time to time reasonably required by the Lessor, for any one event, or series of events, with a substantial reputable insurance office or company first approved in writing by the Lessor (such approval not to be unreasonably or arbitrarily withheld). The Lessee shall, if requested by the Lessor, provide evidence to the Lessor that premiums have been paid and that such insurance has been effected.

10. Use of Property

10.1. The Lessee shall not:

- (a) Store or use any flammable or dangerous or hazardous substances upon the Property except such substances (if any) that are reasonably required to carry out the Permitted Use. When storing and using hazardous substances the Lessee must comply with the Hazardous Substances and New Organisms Act 1996; or
- (b) Do or permit to be done on the Property or in or on any buildings on the Property anything which in the opinion of the Lessor may become a nuisance, disturbance or obstruction or cause damage whether to the Lessor or to other tenants or users of the Property or the Land, or to neighbouring owners or occupants nor do or suffer to permit or allow to be done any act matter or thing which shall annoy

or disturb or in any way interfere with the quiet enjoyment of the Lessor or the occupiers of any lands adjoining the Property; or

- (c) Place, or permit to be placed, any television or radio antenna, dish aerial, or new sign, or any advertisement unrelated to the Permitted Use on any part of the Property, without the prior written consent of the Lessor; or
- (d) Carry on or permit or suffer or allow to be carried on in or upon the Property any noisy, noxious or offensive activity, trade or business.

11. Entry by Lessor

11.1. The Lessor and its employees, contractors, agents and invitees may enter upon the Property with all necessary materials and equipment at all reasonable times and on reasonable notice (but at any time and without notice in the case of an emergency):

- (a) To view the state of the Property, including Improvements, and the condition thereof;
- (b) To carry out repairs or other works on the Property;
- (c) For the purposes of complying with any laws;
- (d) To make surveys of the Property or the Land;
- (e) To check the Lessee's compliance with the terms and conditions of this Lease.

11.2. The Lessor may elect at any time without notice to remedy any default by the Lessee under this Lease and whenever the Lessor so elects all reasonable costs and expenses incurred by the Lessor (including legal costs and expenses) in remedying such default shall be paid by the Lessee to the Lessor within four weeks of the Lessor remedying the default.

11.3. The Lessee shall permit the Lessor to come onto the Property at all reasonable times within the period of six months preceding the expiry of this Lease for the purpose of showing the Property to prospective lessees.

12. Default by Lessee

12.1. If at any time:

- (a) The rental or any part of the rental payable by the Lessee pursuant to this Lease shall be in arrears and unpaid for the space of 10 Working days after any of the days appointed for payment of the rental and the breach has not been remedied within the period specified in a notice given by the Lessor in accordance with section 245 Property Law Act 2007; or
- (b) There is a breach of one or more of the covenants in this Lease and the breach has not been remedied within the period specified in a notice given by the Lessor in accordance with section 246 Property Law Act 2007; or
- (c) Repairs required by any notice given by the Lessor under this Lease are not duly commenced within 21 days of such notice having been given or if having been commenced are not diligently prosecuted and completed; or

- (d) The Lessee (if an individual) shall be declared bankrupt or insolvent according to law; or
- (e) Any assignment shall be made of the Lessee's property for the benefit of the Lessee's creditors or if the Lessee shall compound with the Lessee's creditors; or
- (f) The interests of the Lessee in or under this Lease or in the Property shall be attached or taken in execution or under any legal process; or
- (g) The Lessee (if it is a company or incorporated society or trust board) shall have a resolution passed or an order made by the Court for the liquidation of the Lessee (except for the purposes of a reconstruction of the Lessee approved by the Lessor) or if the Lessee is placed in receivership or under official or statutory management,

the Lessor may terminate this Lease. Upon such event this Lease shall cease and determine but without releasing the Lessee from liability in respect of any breach of any express or implied covenant.

- 12.2. (a) Any breach of the following covenants or clauses by the Lessee shall be a breach of an essential term of this Lease:
- (i) the covenant to pay rental and other moneys due to the Lessor throughout the term;
 - (ii) the covenants dealing with assignments, subletting and parting with possession (7.1-7.4);
 - (iii) the covenants in clauses 8.1 – 8.12;
 - (iv) the covenants dealing with the use of the Property (6.1, 6.2, 6.3 and 10.1)
 - (v) the covenants in clauses 33.1 and 33.2.
- (b) The Lessee shall compensate the Lessor for any breach of an essential term of this Lease and the Lessor is entitled to recover damages from the Lessee in respect of such breaches. The Lessor's entitlement under this clause is in addition to any other remedy or entitlement to which the Lessor is entitled (including the right to terminate this Lease).
- (c) In respect of the obligation referred to in paragraph 12.2(a)(i) acceptance by the Lessor of arrears or of any late payment of rental shall not be a waiver of the essentiality of the Lessee's obligation to pay rental in respect of those arrears or late payment or the Lessee's continuing obligation to pay rental throughout the term.
- 12.3. (a) In the event the Lessee's conduct (whether acts or omissions) constitutes a repudiation of this Lease (or of the Lessee's obligations under this Lease) or constitutes a breach of any of the covenants contained in this Lease, the Lessee shall compensate the Lessor for the loss or damage suffered by reason of the repudiation or breach.
- (b) The Lessor shall be entitled to recover damages against the Lessee in respect of repudiation or breach of covenant for the damage suffered by the Lessor during the term of this Lease.

- (c) The Lessor's entitlement to recover damages shall not be affected or limited by any of the following:
 - (i) the Lessee abandons or vacates the Property;
 - (ii) the Lessor elects to re-enter or to terminate the Lease;
 - (iii) the Lessor accepts the Lessee's repudiation;
 - (iv) the parties' conduct constitutes a surrender by operation of law.
- (d) The Lessor shall be entitled to recover damages against the Lessee in respect of the entire term including the periods before and after the Lessee has vacated the Property.

12.4. Default Interest

Upon default by the Lessee in payment of rent, or other monies payable hereunder, the Lessor may charge default interest, as described in the First Schedule, on such money due and owing from the due date for payment to the date of full repayment.

13. Quiet enjoyment

- 13.1. The Lessee paying the Rent hereby reserved and observing and performing the Lessee's obligations under this Lease shall peaceably possess and enjoy the Property without any undue interruption or disturbance from the Lessor.

14. Lessee to pay Lessor's Costs

- 14.1. In addition to the rental and other monies reserved by this Lease the Lessee shall pay:
 - (a) the Lessor's reasonable legal costs of preparation, negotiation, execution and stamping of this Lease and any variation or renewal of this Lease (including stamp duty) and the Lessor's reasonable costs in obtaining any consents or approvals associated with this Lease; and
 - (b) all costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee of this Lease, including but not limited to legal costs.

15. Notices

- 15.1. (a) Any notice or other document required to be given or served under this Lease may (in addition to any other method permitted by law):
 - (i) in the case of the Lessee be given or served by registered post or by delivery to the Lessee at the address of the Lessee stated in the First Schedule or by delivery to the Property; and
 - (ii) in the case of the Lessor be given or served by registered post or by delivery to the Lessor's principal place of business 110 Trafalgar Street, Nelson or such address as may be notified in writing to the Lessee from time to time.

- (b) Any notice or other document shall be deemed to have been served on the other party three working days after the date of posting or delivery.
- (c) In the case of any notice or document required to be served or given by the Lessor the same may be signed on behalf of the Lessor by the Chief Executive of the Lessor, any authorised officer of the Lessor, or by the Lessor's solicitors.

16. No Warranty

- 16.1. No representation or warranty express or implied has been given by the Lessor that the Property is or will remain suitable or adequate for any of the purposes of the Lessee. To the extent permitted by law all implied warranties as to suitability are expressly excluded.

17. Arbitration

- 17.1. (a) If any dispute or difference shall arise between the parties as to:
 - (i) the meaning or application of any part of this Lease; or
 - (ii) the performance or exercise by either party to this Lease of any obligations or rights under this Lease; or
 - (iii) any other matter in connection with or which may have an effect on this Lease,

and the dispute or difference ("the Issue") is not resolved by the parties within ten (10) working days from the date one party receives notice from the other party giving details of the Issue and requesting negotiation then the Issue shall be referred at the request of either party for determination by a single arbitrator to be agreed upon between the Lessor and the Lessee.

- (b) The party wishing to have an issue arbitrated ("Notifying Party") shall notify the other party ("Receiving Party") of the name of the arbitrator nominated by the Notifying Party. If the Receiving Party fails to nominate its arbitrator within 21 days of receiving notice from the Notifying Party then the Notifying Party may by notice in writing to the Receiving Party have the Issue determined solely by the Notifying Party's arbitrator.
- (c) Subject to 17.1(b), if the parties are unable to agree on the arbitrator then the arbitrator shall be appointed, at the request of a party by the President for the time being of the Nelson branch of the New Zealand Law Society.
- (d) If any arbitrator appointed pursuant to 17.1(a) or (b) or (c) refuses or fails to act in pursuance of the arbitration within a reasonable time of their appointment then either the Lessor or the Lessee may (provided the defaulting arbitrator has first been given in writing a reasonable time in which to act) request the President of the Nelson branch of the New Zealand Law Society to appoint a replacement arbitrator.
- (e) Time shall be of the essence under this clause 17.1.
- (f) The parties agree to be bound by any decision or award completed pursuant to this clause but either party may appeal to the High Court on any question of law arising out of the award.
- (g) This provision shall survive the expiration or earlier determination of this Lease.

- (h) Any referral to arbitration under this clause shall be a submission to arbitration in New Zealand under the Arbitration Act 1996 which Act shall, to the extent not inconsistent with anything in this clause, apply to any such submission.

18. No Compensation

- 18.1. On the termination of this Lease under the provisions of this Lease, or by the effluxion of time, surrender, breach of conditions or otherwise, the Property together with all of the Improvements thereon shall revert to the Lessor without compensation payable to the Lessee.

19. Compliance with Laws

- 19.1. The Lessee shall comply with all statutes, ordinances, regulations, rules, codes of practice, by-laws, and the provisions thereof (as amended, substituted or re-enacted), requisitions and notices affecting or relating to the Property or to the use thereof, and with all requirements or notices or orders which may be given by any competent authority in respect of the Property or to the use thereof, and to the extent permitted by law the Lessee shall indemnify and keep indemnified the Lessor from and against all liability, actions, suits, claims, demands, fines, penalties and payments suffered or incurred by the Lessor arising directly or indirectly out of or relating to non-compliance by the Lessee or Persons under the control of the Lessee.

- 19.2. The Lessee shall at all times during the term of this Lease comply with its duties and obligations under:

- (a) The Health and Safety at Work Act 2015, any amendments thereof, and any Act in substitution therefor (the Act); and
- (b) All regulations, rules, guidelines and codes of practice made under the Act from time to time and any amendments thereof.

- 19.3. Without limiting anything in clause 19.2, the Lessee shall:

- (a) Provide and maintain a work environment at the Property that, so far as is reasonably practicable, eliminates risks to health and safety;
- (b) Ensure that persons on the Property, and on land in the vicinity of the Property, as far as is reasonably practicable, are not exposed to risks to their health and safety that are under the control of the Lessee;
- (c) Develop procedures for dealing with emergencies that may arise on the Property, and ensure that Persons under the control of the Lessee, and employees of such persons, understand and comply with those procedures;
- (d) Ensure that there are in place effective methods for regularly identifying existing and new risks to the health and safety of persons at and in the vicinity of the Property, and inform the Lessor in writing of all such risks identified by the Lessee;
- (e) Co-operate with and assist the Lessor to comply with the Lessor's duties and obligations in relation to the Land and the Property (if any) under the Act and all regulations, rules, guidelines and codes of practice made thereunder, any amendments thereof, and anything in substitution therefor;

- (f) Provide training, information, instruction and supervision necessary to protect Persons under the control of the Lessee, and employees of such persons, from risks to their health and safety arising from activities carried out at the Property;
- (g) Acquire, and keep up to date, knowledge of work health and safety matters; and
- (h) Ensure that it has appropriate processes for receiving and considering information regarding incidents, hazards, and risks, and for responding in a timely way to that information.

19.4. In clause 19.3 'health' shall have the meaning given to that word by the Act.

19.5. The Lessee shall as soon as practicably possible after becoming aware of the following give notice to the Lessor of:

- (a) Any more than minimal damage to property as a result of the Lessee's activities on the Property;
- (b) Any circumstances occurring within the Property likely to cause more than minimal damage to property;
- (c) Any notifiable event (as defined in the Act) occurring at the Property.

Provided however that any non-notifiable event does not need to be reported by the Lessee to the Lessor immediately, but must be provided to the Lessor in writing (H&S List) at the next Annual Stakeholder Meeting.

19.6. If the Lessee shall default in carrying out any of its obligations under clauses 19.1 to 19.5 and if the Lessor shall choose to carry out any necessary work to remedy the default then the Lessee shall forthwith upon demand reimburse to the Lessor all money so expended or incurred by the Lessor, without prejudice to any other rights and remedies of the Lessor.

20. No Caveat

20.1. The Lessee shall not register a caveat against the Property or the Land.

20.2. The Lessor shall not be required to register this Lease under the Land Transfer Act 2017.

20.3. The Lessee shall have no right of acquiring the fee simple of the Land.

21. Building Safety

21.1. Without limiting anything in 19.1 the Lessee and its contractors shall at all times during the term of this Lease, at its own cost, comply with the Building Act 2004, the Fire and Emergency New Zealand Act 2017, and any regulations made thereunder including, but not by way of limitation, the Fire Safety and Evacuation of Buildings Regulations 2018.

22. No Mortgage or Charge

- 22.1. The Lessee shall not mortgage, charge, create a lien over, or otherwise grant as security, the Property or the Land owned by the Lessor without the prior written approval of the Lessor.

23. Entire Understanding

- 23.1. This Lease embodies the entire understanding and agreement between the parties hereto and any previous representations and arrangements whether express or implied in respect of the subject matter of this Lease are merged herein.
- 23.2. The Lessor shall not be bound by this Lease until this Lease has been signed by the Lessor.

24. Alcohol

- 24.1. The Lessee shall not, during the term of this Lease, supply or sell alcohol on the Property and shall not apply for a licence to supply or sell alcohol on the Property without the prior written approval of the Lessor whose consent shall not be unreasonably withheld. In this clause the word 'alcohol' has the meaning given to that word by the Sale and Supply of Alcohol Act 2012.

25. Destruction

- 25.1. Subject to clause 25.2, in the event of the Improvements upon the Property or any part thereof being damaged or partially destroyed by fire, tempest, earthquake, act of God or by any other cause but not so that the same may be repaired or reinstated without having to wholly rebuild, and if the policy or policies of insurance effected by the Lessee on the said Improvements shall not have been vitiated or payment of the policy monies refused in consequence of some act omission or default of the Lessee or employees, contractors, agents, customers or invitees of the Lessee, and if the insurance monies are paid to the Lessor the Lessor shall repair and reinstate the said Improvements (but so that the Lessor shall not be bound to expend on the said repair and reinstatement a greater sum than the insurance monies received by the Lessor) and **PROVIDED THAT** the Lessee shall not have committed any breach of the provisions of this Lease, a fair and just proportion of the rent, according to the damage sustained to the said Improvements and the extent to which the said Improvements may be rendered unfit for use by the Lessee shall, as from the date of such damage or destruction, be suspended until the said Improvements shall have been repaired and reinstated and if any question shall arise as to whether by reason of any destruction or damage the said term shall be deemed to have ceased and determined or what proportion of rent ought to be suspended or for how long on account of such destruction or damage then such dispute shall be referred to arbitration.
- 25.2. If the Improvements during the term of this Lease are totally destroyed by fire, storm, earthquake, act of God or by any other cause or is so damaged thereby as to be rendered totally untenable or unfit for use and the insurance monies (if any) paid to the Lessor having been received by the Lessee, under any policy or policies of insurance effected by the Lessee, shall not be sufficient to meet the cost of such repairs and reinstatement or if by any reason by the bylaws in force the same cannot be repaired or reinstated then, and in either one of such cases, the term hereby created shall forthwith cease and determine without compensation by the Lessor but without releasing the Lessee from liability for rent then due or in respect of the breach or non-

observance or non-performance of any covenant, condition or agreement herein contained or implied made or occurring prior to the date of such damage or destruction.

25.3. If the Lessee is unable to use the Property for the Permitted Use or is unable to gain access to the Property to carry on the Permitted Use because of:

- (a) A prohibited or restricted access cordon applying to the Property; or
- (b) A prohibition or restriction on using the Property imposed by a competent authority; or
- (c) A storm, fire, earthquake or other natural disaster,

then a fair proportion of rent and outgoings shall cease to be payable commencing on the date the Lessee becomes unable to use the Property for the Permitted Use or becomes unable to access the Property to carry on the Permitted Use, until the date the Lessee is able to use the Property for the Permitted Use or becomes able to access the Property to carry on the Permitted Use.

If this clause 25.3 applies and the Lessee is unable to use the Property for the Permitted Use, or is unable to access the Property to carry on the Permitted Use, for a period of 9 months then either party may terminate the Lease by notice in writing to the other without prejudice to the rights and remedies of either party against the other for any prior breach of this Lease.

Provided however that should there be any conflict between this clause 25.3 and clauses 25.1 and 25.2, then those clauses 25.1 and 25.2 shall prevail.

26. Ownership of Improvements

26.1. Any improvements made to the Property by, or on behalf of the Lessee, at any time during the Term of the Lease, including any renewed term, shall be held on trust by the Lessee for the Nelson City Council. All improvements shall vest in the Nelson City Council upon the earlier of the expiration or earlier termination of the Lease or the dissolution of the Tahuna Beach Camp Incorporated, without compensation payable to the Lessee by the Lessor.

26.2. All Improvements on the Property are to be recorded in a list as at 30 June each year (Assets Improvements List) and will be provided to the Lessor prior to the Annual Stakeholder Meeting.

26.3. Clauses 26.1 to 26.2 shall survive the expiry or termination of this Lease.

27. Erosion

27.1. The Lessor may do all things the Lessor considers necessary to protect the Property from erosion and the Lessee shall do nothing which may affect the stability of the Property except with the Lessor's prior written consent.

27.2. Nothing in this Lease, express or implied, shall oblige the Lessor to undertake works to protect the Property from erosion or to repair erosion damage.

27.3. The Lessee may with the prior written approval of the Lessor, and at the Lessee's cost, carry out works on the Property to protect the Property from erosion. In seeking the

Lessor's approval under this clause, the Lessee shall submit plans for the proposed work. The Lessor may impose such conditions on any approval given under this clause as the Lessor thinks fit including, but without limitation, the conditions described in clause 8.3 of this Lease.

28. Meetings

- 28.1. If requested by either party, representatives of the parties shall meet, such meeting to be at a time and place suitable to both parties.

29. Access

- 29.1. The Lessor is responsible for the sealing and maintenance of the access road to the Property from the corner of Beach and Golf Roads to the entrance to the camping ground.

30. Fixtures and Chattels

- 30.1. A list of fixtures and chattels situated on the Property as at the Commencement Date and the ownership thereof is attached as the Second Schedule to this Lease. The Lessee and the Lessor agree to update such list annually on or about the 30th day of June in each year. Where the updated list has been approved in writing by the Lessor and the Lessee it shall be deemed to form the Second Schedule to this Lease, without a formal variation of this Lease, and to be in substitution for all previous lists.

31. Renewal

- 31.1. If the Lessee has not been in breach of this Lease and has given to the Lessor written notice to renew the Lease nine (9) calendar months before the end of the term, and the terms of clause 31.3 below are satisfied, then the Lessor will grant to the Lessee a renewal of this Lease for the further term commencing on the renewal date.
- 31.2. A renewed Lease granted pursuant to 31.1 shall be on the same terms and conditions as are herein expressed or implied except that the term of the Lease plus further terms shall expire on or before the Final Expiry Date.
- 31.3. The renewal of the Lease pursuant to clause 31.1 above, is conditional upon the Lessor and Lessee agreeing upon the percentage of gross income and the Base Fee to be payable by the Lessee pursuant to clause 4.5 (a) during the renewed term.

32. Accounts

- 32.1. The Lessee shall keep up to date and accurate accounting records relevant to and describing the business carried on by the Lessee on the Property and the financial position of the Lessee, including, but without limitation, information from which the gross income, as described in clause 4.5(b), can be ascertained and determined.
- 32.2. The Lessee shall keep for at least one year after the end of each Lease year, as defined in clause 4.5(c), all receipt books, sales slips, dockets, bank deposit records and other evidence of gross income for that Lease year.
- 32.3. The Lessee shall, when requested by the Lessor, provide the Lessor and its agents with access to the accounts, budgets and records, described in clauses 8.11, 32.1 and 32.2 for the purposes of inspection and audit, and shall permit the Lessor and its agents to take copies of such records and shall provide such further information as may be

requested by the Lessor to verify financial statements for the Lessee's business, gross income and the Lessee's compliance with the terms of this Lease.

- 32.4. Within three months of the expiration of each Lease year, as defined in clause 4.5(c), the Lessee shall supply the Lessor, free of charge, with a statement by a chartered accountant certifying the Lessee's gross income for that Lease year.
- 32.5. The Lessee is to produce audited accounts to the Lessor within three months of the end of each Lease year. The Lessor acknowledges the audited accounts comprise confidential information and unless required by law, the Lessor shall not disclose the audited accounts to any person without the prior consent of the Lessee.

33. Rules of the Society

- 33.1. The Lessee shall not alter the Lessee's Rules without the prior written consent of the Lessor, which shall not unreasonably be withheld or delayed.
- 33.2. The Lessee shall at all times comply with the Lessee's Rules and, without limiting the generality of the foregoing, shall not carry on or propose to carry on any operation which is beyond the scope of the objects of the Lessee as defined in its Rules.

34. Business Advisor

- 34.1. The Lessor, or the Lessor's Chief Executive, may at any time and from time to time appoint a **Business Advisor** to provide governance advice to the Board of the Lessee (described in the Rules of the Lessee as the Executive), and to assist in achieving the Lessor's governance requirements, during the term (including any renewed term) of this Lease. The Lessee accepts the appointment of the Business Advisor.
- 34.2. The Lessor may at any time, on the advice of the Business Advisor acting reasonably, terminate this Lease by 3 months' notice in writing to the Lessee. Termination of this Lease pursuant to this clause shall be without prejudice to the rights and remedies of the Lessor against the Lessee for any prior breach of this Lease.
- 34.3. The Lessee shall reimburse the Lessor for half the costs and expenses payable by the Lessor to the Business Advisor. The Lessor may, at its discretion, invoice the Lessee on a monthly basis. In respect of each and every invoice issued pursuant to this sub-clause, payment shall be made by the Lessee to the Lessor by the 20th day of the month following the date the Lessee receives the invoice from the Lessor.

35. Possession of Lessee's chattels upon expiry or termination of lease

- 35.1. The Lessee agrees that all chattels owned by the Lessee as at the Commencement Date, and all chattels purchased by the Lessee thereafter (**Lessee's Chattels**), can be used by the Lessor and/or an incoming Lessee of all or part of the Property following the expiration or termination of this Lease. Accordingly, possession of the Lessee's Chattels shall be given by the Lessee to the Lessor and/or an incoming Lessee nominated by the Lessor immediately upon expiration or termination of this Lease to ensure continuity of trading of the Tahuna Beach Camp with a minimum of inconvenience and disruption, pending the Lessor becoming the owner of the Lessee's Chattels upon the winding up of the Lessee.
- 35.2. Clause 35.1 shall survive the expiry or termination of this Lease (irrespective of the reason for termination) and may be enforced by either party as if this Lease was still in force.

36. Further Compliance with Specific Laws

36.1. Without limiting any other provisions within this Lease, the Lessee shall at all times comply with its duties and obligations under the following:

- (a) Camping Grounds Regulations 1985 (Regulations), including but not limited to, the Lessee keeping and maintaining all records that are required to be kept under the Regulations.
- (b) Health (Registration of Premises) Regulations 1966, including but not limited to, the Lessee ensuring that at all times during the term of this Lease (and any renewed term), that it holds a current certificate of registration in respect of the Property.
- (c) Any resource consent relating to the Property or the Permitted Use, including but not limited to, any relocatable home park being situated on the Property.
- (d) Nelson Resource Management Plan, any amendments thereto and any plan in substitution thereof.

36.2 The following clause shall apply to any relocatable home park situated on the Property:

- i. Unless stipulated otherwise, all definitions contained within the Regulations, shall apply to this clause 36.
- ii. All relocatable homes situated within the relocatable home park on the Property must comply with the Building Regulations 1992 (unless an exemption has been granted and remains in effect pursuant to clause 14 of the Camping Ground Regulations 1985).

This Deed was executed the day and year hereinbefore written.

Signed by **NELSON CITY COUNCIL**
as Lessor:

Mayor / Councillor

Deputy Mayor / Councillor

**THE COMMON SEAL of TAHUNA
BEACH CAMP INCORPORATED**
was hereunto affixed in the presence
of two members of the Board and
the Secretary:

Board Member

Board Member

Secretary

FIRST SCHEDULE

Name and Address of Lessor:	Nelson City Council 110 Trafalgar Street/PO Box 645 Nelson.
Name and Address of Lessee:	Tahuna Beach Camp Incorporated 70 Beach Road, Tahunanui 7011 Nelson.
Commencement Date:	1 July 2021.
Term of Lease:	11 years.
Further Terms:	Two rights of renewal of 11 years each.
Renewal Dates:	1 July 2032, 1 July 2043.
Final Expiry Date:	30 June 2054.
Property:	That part of the Land outlined in red on the plan attached to this schedule, including the walkway to Golf Road.
Land	Means the land contained: <ul style="list-style-type: none"> • In record of title NL 2B/1146; • In record of title NL 2B/1147; and • Lot 116 DP 288 (formerly held in NL 33/88).
Annual Rent:	Refer clause 4 of this Lease.
Frequency of Rental Payment:	Refer clause 4 of this Lease.
Outgoings:	(a) All land tax and other taxes in respect of the Property; (b) All power, telephone, sewerage, water, stormwater, refuse disposal and collection charges and all other utility and service charges in respect of the Property; (c) All costs associated with complying with all statutory, regulatory, code or by-law requirement concerning the use and occupation of the Property and/or Improvements, including compliance with the Building Act 2004; (d) All costs associated with testing of electrical equipment as required by AS/NZ3760:2010 In-service safety inspection and testing of electrical equipment; (e) New Zealand Fire Service charges and the maintenance charges in respect of

all fire detection and fire fighting equipment; and

- (f) Charges payable to the Local Authority pursuant to the Camping Group Regulations 1985 including but without limitation, the cost of obtaining and keeping current any Certificate of Registration in respect of the Property issued in accordance with the Health (Registration of Premises) Regulations 1966, and any renewal of such Certificate.

Permitted Use:

Camping ground, that may include tent sites, accommodation units, mini golf, petanque courts, a retail shop from which the Lessee sells appropriate merchandise for the business of a camping ground, and conference centre, all in compliance with the requirements of the Lessor's Tahunanui Reserve Management Plan and any use that from time to time is approved in writing by the Lessor.

In addition, ancillary to the Permitted Use, the Lessee may undertake the following activities on the Property:

- Community based events, such as, markets, fairs or "walkathons".
- Outdoor concerts and festivals.
- Outdoor ceremonies, such as, weddings.
- Adventure playgrounds.
- Stock grazing.
- Mobile food and drink vending.
- Caravan, motorhome and vehicle storage.
- Community gardens.
- Bicycle hire and repair.
- Relocatable home park.

Improvements Rental Percentage: 10%

Public Risk Insurance Amount: \$2 million or such greater amount as considered appropriate by the Lessee.

Default Interest Rate: 10%

SECOND SCHEDULE

[List of fixtures – owned by Lessor, owned by the Lessee, List of chattels – owned by Lessor]

This list to be updated annually as at 30 June each year.

Released 14 October 2024

THIRD SCHEDULE

[map of trees – refer clause 8.2(a)]

Released 14 October 2024

FOURTH SCHEDULE

List of Nelson City Council approved arborists

Nelson Tree Specialists Limited.

Treescape Limited.

Nelmac Limited.

Manor Property Services Limited.


Released 14 October 2024



This map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Nelson City Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of this data or plan, and no warranty or any kind is given as to the accuracy or completeness of the information represented. Nelson City Council information is provided under a Creative Commons Attribution 4.0 International License, and the use of any data or plan or any information downloaded must be in accordance with the terms of that license. For more information please contact us. Additional information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED

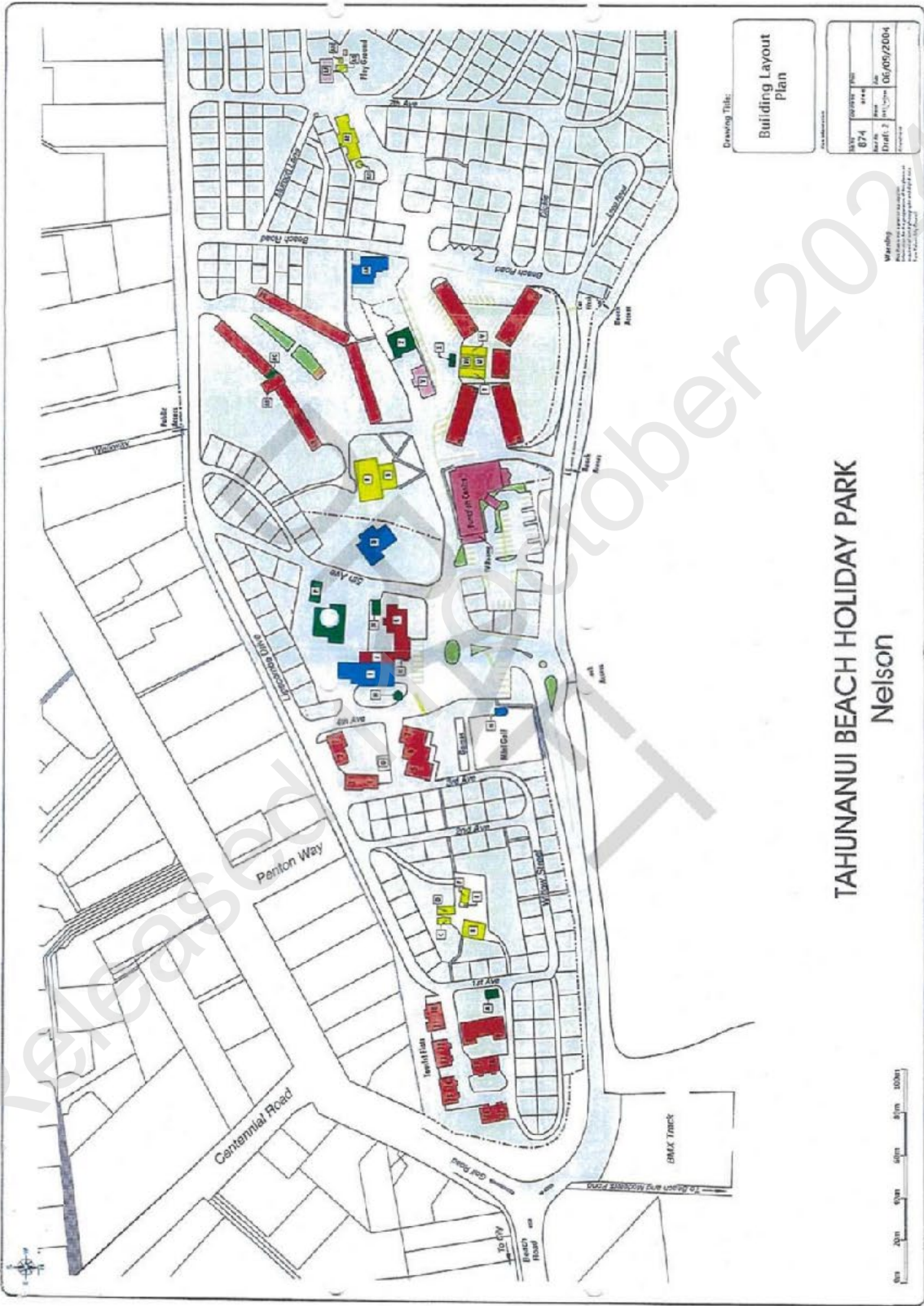
Lease – Tahuna Beach Camp Incorporated



 Lease area 16,654m²



File Ref: A2652166
KS. Original map size: A4.

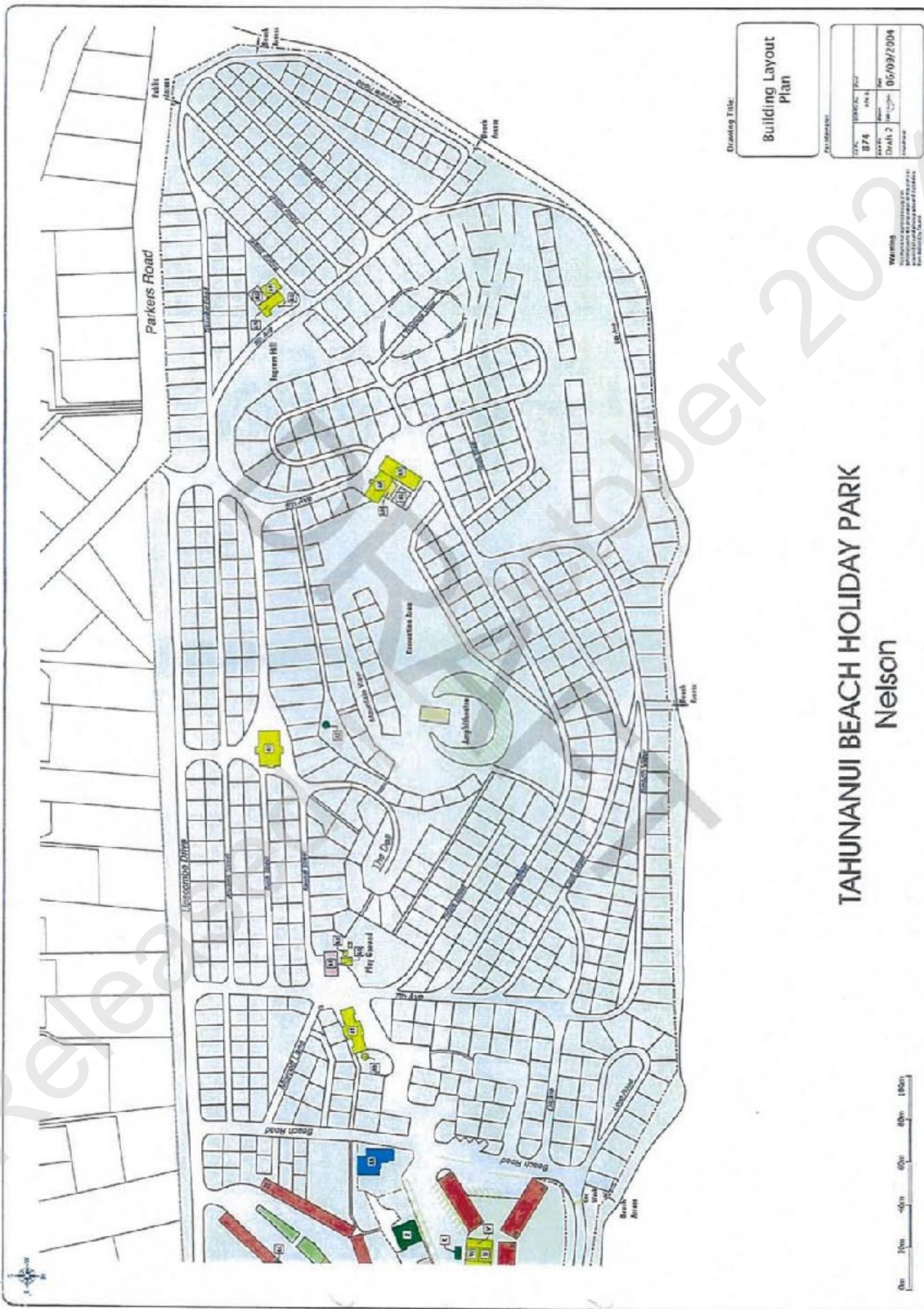


Drawing Title:
**Building Layout
 Plan**

NO.	DATE	BY	CHKD
074			
Draft: 2		06/09/2004	

Project:
 Tahunanui Beach Holiday Park

TAHUNANUI BEACH HOLIDAY PARK
 Nelson



Drawing Title:
**Building Layout
 Plan**

DATE:	ISSUED:	REVISED:	DATE:
05/09/2004			
DRAWN BY:		CHECKED BY:	
D. J. B. B.		D. J. B. B.	

TAHUNANUI BEACH HOLIDAY PARK
Nelson



SECOND SCHEDULE

[List of fixtures – owned by Lessor, owned by the Lessee, List of chattels – owned by Lessor]

This list to be updated annually as at 30 June each year.

Released 14 October 2024

SECOND SCHEDULE

TAHUNA BEACH CAMP – LESSOR OWNED BUILDINGS

1-7	Motel Units
8-9	CCS Disability Motel Units (gifted by Rotary)
10-19	Tourist Flats
20- 31	Studio Flats
32-47	Tourist Cabins
48-64	Cabins
A	Electrical switchboard/linen storage
B	Kitchen
C	Shower
D	Toilets
E	Laundry
F	Toilets
G	Laundry/Storeroom
H	Traffic Control
I	Shop and associated storage
J	Storeroom
K	Reception
L	Offices
M	Garage
N	Mini Golf Office
O	Workshop
P	Garages
Q	Staff Accommodation
R	Toilet/Showers
S	Laundry
T	Toilets/Showers
U	Laundry
V	Toilets/Showers
W	Storeroom
X	Boiler Room
Y	Kitchen
Z	Storeroom
AA	Staff Accommodation
AB	Kitchen
AC	Storeroom
AD	Water Tower
AE	Toilets/Shower
AF	Kitchen
AG	Mothers Room
AH	Accessible Shower
AI	Toilets/Showers
AJ	Showers
AK	Toilets
AL	Kitchen
AM	Showers
AN	Toilets

AO	Kitchen
AP	Showers
AQ	Laundry
AZ	Water Tower

Released 11/19/2024

ASSETS GIFTED TO LESSOR IN 2020 FINANCIAL YEAR

Block 4 hot water upgrade and ceiling repair	39,980
Block 6 hot water upgrade	24,642
Block 4 replace water tank	8,091
Works resulting from cycleway construction	15,313
Stage floor replacement	4,117
Entrance road markings replacement	7,393
Road repairs	23,060
New pedestrian crossings	2,557
New directional signage	11,207
Fuse box upgrades	6,405
Total	\$393,716

Released 14 October 2024

THIRD SCHEDULE

[map of trees – refer clause 8.2(a)]

Released 14 October 2024

THIRD SCHEDULE

[map of trees – refer clause 8.2(a)]

Released 14 October 2024

THIRD SCHEDULE
Important Landscape Trees – Tahuna Beach Camp



Group of conifers at western end of campground.



Two English oaks (periodically reduced) at plot 273 and above plot 554.



Eucalyptus adjacent cabin 46 & 47 and Banksia rear of cabin 23 & 24



Banksia (reduced) on plot 59



Cedar and Banksia west of reception



Arbutus Group on mound near plot 437 and Arbutus trees on plot 398, 595, 354

FOURTH SCHEDULE

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