

## LEASE TERM

In accordance with the Government's announcement of 30 March 2002, lease term shall be commensurate with proposed use and investment. The table of criteria for determination of lease term below relates the maximum lease term with the level of development identified by the Board as appropriate for the site, and links these with conditions that must be met by the lessee in order for a lease proposal to be considered.

### **Criteria for determination of lease term**

The determination of lease term is subject to the proposed lessee being identified by the Board as a good lessee. This will be established through:

- assessment of the lessee's ability to meet the requirements of the lease (such as payment of rent);
- consideration of the submitted Business Plan;
- examination of records related to an existing lessee's past performance with regard to Standards of Occupancy; and
- other relevant considerations.

Having established that the proposed lessee is a good lessee, the following criteria shall assist the Board to make a determination with regard to lease term. This table of lease term criteria does not stand alone and must be applied in conjunction with all other requirements.

Level of development	Conditions for continuation of existing developments and current use	Conditions for new developments and/or use	Lease term
<b>Special cases considered on a case by case basis for exceptional levels of development and/or public benefit</b>	<ul style="list-style-type: none"> <li>▪ Value of current development on site plus capital outlay for refurbishment / redevelopment in excess of \$8 million</li> <li>▪ Development to optimum level</li> <li>▪ Detailed business case and financial evaluation required</li> <li>▪ Exceptional circumstances must exist</li> <li>▪ Public notification process</li> <li>▪ Consideration of past performance of lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capital outlay in excess of \$8 million</li> <li>▪ Development to optimum level</li> <li>▪ Detailed business case and financial evaluation required</li> <li>▪ Exceptional circumstances must exist</li> <li>▪ Land allocation subject to a public competition process</li> </ul>	More than 51 years**
<b>Optimum Level of Development: 100% of Strategically Identified Site Potential*</b>	<ul style="list-style-type: none"> <li>▪ Currently developed to an optimum level, and/or</li> <li>▪ Committed through formal agreement to refurbishment / redevelopment of the site to an optimum level within a specified time frame and/or to additional benefit through special conditions / requirements of the Board</li> <li>▪ Detailed business plan</li> <li>▪ Comprises extensive multi-seasonal or permanent residential use</li> <li>▪ Public notification process</li> <li>▪ Consideration of past performance lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capital outlay in excess of \$8 million, and/or</li> <li>▪ Development to an optimum level</li> <li>▪ Land allocation subject to a public competition process</li> <li>▪ Detailed business plan required</li> <li>▪ Comprises extensive multi-seasonal or permanent residential use</li> </ul>	Up to 51 years**
<b>High Level of Development: Between 75% and 99% of Strategically Identified Site Potential*</b>	<ul style="list-style-type: none"> <li>▪ Currently developed to a high level, and/or</li> <li>▪ Committed through formal agreement to refurbishment / redevelopment of the site to a high level within a specified time frame and/or to special conditions / requirements of the Board</li> <li>▪ Detailed business plan required</li> <li>▪ Public notification process</li> <li>▪ Consideration of past performance of lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development to high level</li> <li>▪ Detailed business plan required</li> <li>▪ Land allocation subject to a public competition process</li> </ul>	Up to 45 years**
<b>Moderate Level of Development: Between 40% and 74% of Strategically Identified Site Potential*</b>	<ul style="list-style-type: none"> <li>▪ Site currently developed to a moderate level, and/or</li> <li>▪ Committed through formal agreement to refurbishment / redevelopment of the site to a significant level within a specified time frame and/or to special conditions / requirements of the Board</li> <li>▪ Detailed business plan required</li> <li>▪ Public notification process</li> <li>▪ Consideration of past performance of lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development of site to moderate level</li> <li>▪ Detailed business plan required</li> <li>▪ Land allocation subject to a public competition process</li> </ul>	Up to 35 years**
<b>Low Level of Development: Between 25% and 39% of Strategically Identified Site Potential*</b>	<ul style="list-style-type: none"> <li>▪ Site currently developed to a low level, and/or</li> <li>▪ Committed through formal agreement to refurbishment / redevelopment of the site to a base level within a specified time frame and/or to special conditions / requirements of the Board</li> <li>▪ Detailed business plan required</li> <li>▪ Public notification process</li> <li>▪ Consideration of past performance lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development to low level</li> <li>▪ Detailed business plan required</li> <li>▪ Land allocation subject to a public competition process</li> </ul>	Up to 21 years**
<b>Minimum Level of Development: Less than 25% of Strategically Identified Site Potential*</b>	<ul style="list-style-type: none"> <li>▪ Site currently developed to a minimum level</li> <li>▪ Public notification process</li> <li>▪ Detailed business plan required</li> <li>▪ Consideration of past performance of lessee / Standards of Occupancy</li> </ul>	N/A	Up to 10 years**
<b>Negotiated Level of Development</b>	<ul style="list-style-type: none"> <li>▪ Permanent ongoing residential occupation</li> <li>▪ Consideration of past performance of lessee / Standards of Occupancy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Permanent ongoing residential occupation</li> </ul>	Up to 40 years**

\* "Strategically Identified Site Potential" is the maximum level of development able to be erected on the site as specified in the relevant provisions of the Alpine Resorts Planning Scheme.

\*\* All leases shall grant the lessee the first right to negotiate a further term (as outlined in 12.1.2 of the Leasing Policy)