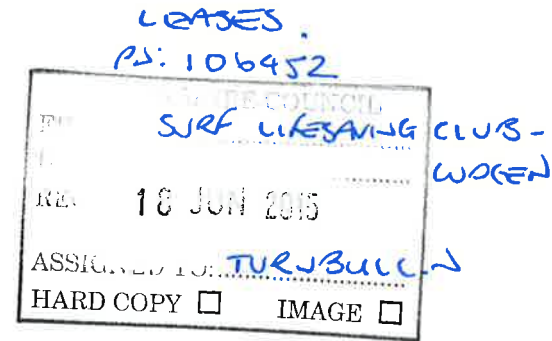


11 June 2015

Mr Adam Graham  
Director Clubhouse  
Cudgen Headland Surf Life Saving Club Ltd  
PO Box 548  
BALLINA NSW 2478



Dear Adam

**Options for continued use and occupation of Crown Lands  
upon expiry of Lease 390733 and Trust Licence**

I refer to the meeting held on 5 May 2015 between representatives of NSW Trade & Investment, Crown Lands, Tweed Coast Reserve Trust and yourself to discuss in detail the options available to Cudgen Headland Surf Life Saving Club Ltd upon expiry of Lease 390733 and Trust Licence on 31 December 2015.

Based on the information provided at the meeting I have attached the following for review and consideration by the Club:

- Annexure A: Diagram and Aerial Photo showing extent of the Club's holdings in relation to the adjoining Reserve, and
- Annexure B: Options for consideration upon expiry of Lease 390733 and Trust Licence.

As advised at the meeting Crown Lands preferred option upon expiry of these tenures is option 1 as outlined in Annexure B. Crown Lands considers this option to be the most practicable and viable for the Club as it will

- rationalise the use and occupation of the subject lands by the Club into a single tenure under a single Lessor, and
- align with the draft NSW Surf Life Saving Club Policy.

I have also enclosed a copy of information in relation to the preparation of a business case and public interest test, and rent concessions and hardship relief for Crown land tenure holders for your information and records.

As you are aware the tenures are due to expire on 31 December 2015 and each of the options provided may take up to six (6) months to finalise. As such could you please arrange review and consideration of these enclosed options as a priority and provide a written response confirming the Club's preferred option within twenty eight (28) days of the date of this letter.

I look forward to receiving the Club's preferred option and providing Crown Lands requirements as soon as possible.

Should you require any further information or clarification in relation to this matter I have arranged for Libby Welldon, Property Management Project Officer, Grafton to be available. Mrs Welldon can be contacted by phone on (02) 6642 9224.

Yours Sincerely

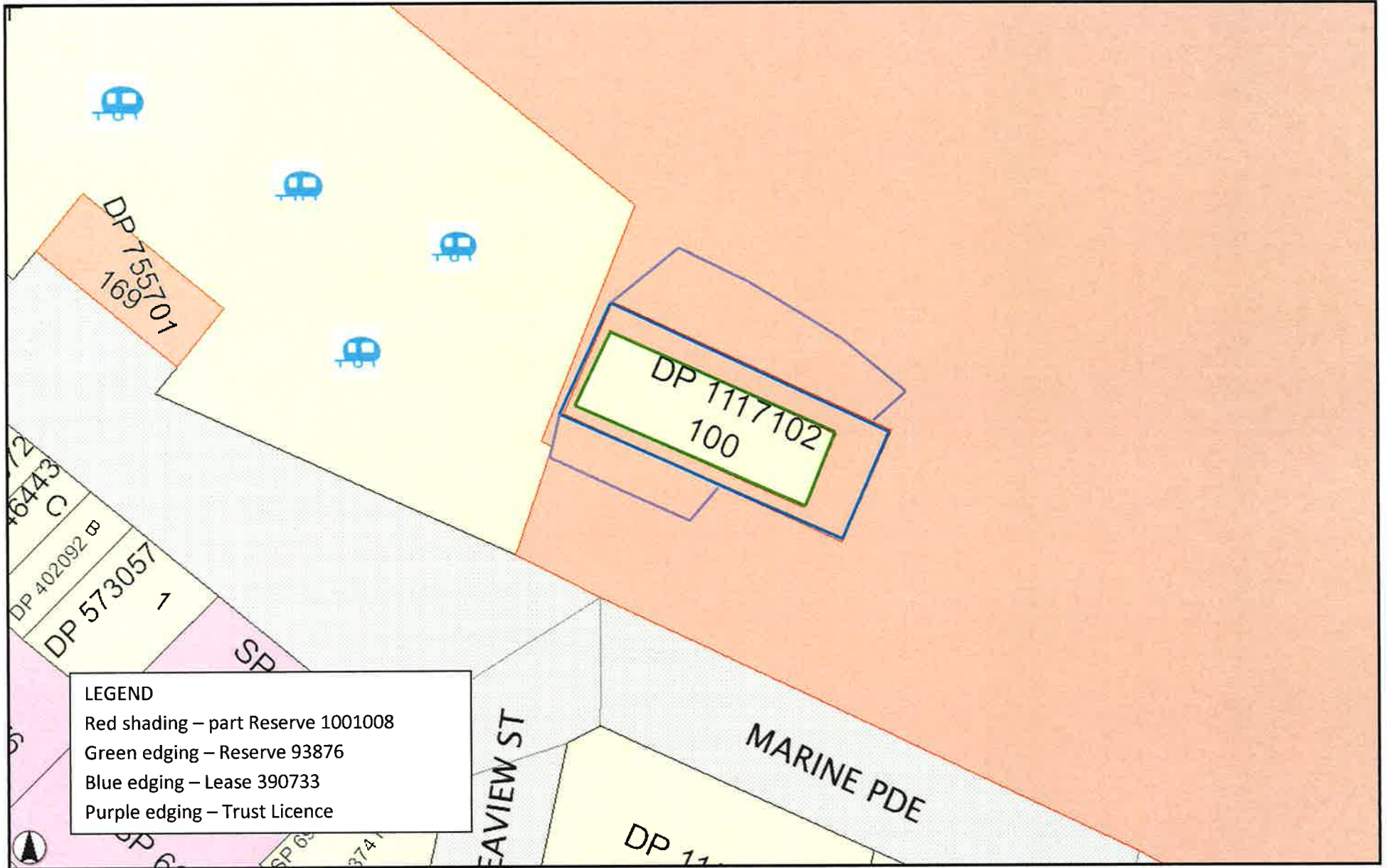


Kevin Cameron  
Area Manager  
Far North Coast  
Crown Lands

encs

cc: Ms Nela Turnbull  
Tweed Coast Reserve Trust  
PO Box 816  
MURWILLUMBAH NSW

Status Diagram







## Options for consideration for continued use and occupation of subject lands upon expiry of Lease 390733 and Trust Licence

No	Options	Information/Requirements	Comments
1	Request amalgamation of the Club's current tenures from 1 January 2016 (shown by blue and purple edging on Status Diagram) to be issued by Tweed Coast Reserve Trust (managed by Tweed Shire Council)	<ul style="list-style-type: none"> <li>• Club will not be required to provide a proposal for Direct Negotiation of a new Trust Lease.</li> <li>• New Trust Lease will be for land only, improvements remain the property of the Club whilst held under Trust Lease.</li> <li>• May result in reduced financial implications to the Club; <ul style="list-style-type: none"> <li>○ no application fees for Trust Lease,</li> <li>○ depending on the Trust providing assistance with associated costs and required survey for a new Trust Lease,</li> <li>○ a Trust Lease is subject to a market rent and standard application of CPI adjustments to the rent and redetermination of rent every 3 years,</li> <li>○ until the release of NSW Surf Club Policy the Trust is in a position to consider the application of a rebate on market rent down to Statutory Minimum (currently \$464.00 + GST), and</li> <li>○ a Trust may apply for funding through a loan or grant from the Public Reserves Management Fund and other fund providers.</li> </ul> </li> <li>• May require in principle support from Westpac Banking Corporation as Mortgagee.</li> <li>• Will require in principle support from Tweed Shire Council as corporate manager of Tweed Coast Reserve Trust.</li> <li>• Club provides written request to Crown Lands to amalgamate current tenures held by the Club into one tenure to be issued by the Trust and include support from Trust and if required Westpac.</li> <li>• The Trust will negotiate a Trust Lease with the Club and forward to Crown Lands for relevant approval and endorsement.</li> </ul>	<p>Based on the information provided by the Club to date, Crown Lands is in a position to consider the progression of this option.</p> <p>Low impact on time and resources (including financial) for the Club to progress this option.</p> <p>Rationalises the status and management of the subject lands. The Club will only have one Lessor, being Tweed Coast Reserve Trust.</p> <p>Aligns the use and occupation of the subject lands by the Club with the draft NSW Surf Life Saving Club Policy.</p> <p>Trust has the capacity to source and obtain funding from a broader range of fund providers.</p>

No	Options	Information/Requirements	Comments
2	Request amalgamation of the Club's current tenures from 1 January 2016 (shown by blue and purple edging on Status Diagram) to be issued by Crown Lands	<ul style="list-style-type: none"> <li>• Club will be required to provide a proposal for Direct Negotiation of a new Lease.</li> <li>• Upon expiry of the Lease 390733 all the improvements on the land become the property of the Crown. Any new Lease will be for land and improvements.</li> <li>• The Club will be responsible to pay all fees and costs associated with progressing an Application for Lease over Crown Land, which includes but not limited to lodgement of application, valuation (to determine initial market rent), advertising, preparation and lodgement of survey and registration of Lease on title.</li> <li>• May result in increased financial implications to the Club; <ul style="list-style-type: none"> <li>○ depending on the valuation for initial market rent,</li> <li>○ a Lease is subject to a market rent and standard application of CPI adjustments to the rent and redetermination of rent every 3 years, and</li> <li>○ until the release of NSW Surf Club Policy Crown Lands is in a position to consider the application of a rebate on market rent up to 50% as per current Policy for Rent concessions and hardship relief for Crown land tenure holders.</li> </ul> </li> <li>• May require in principle support from Westpac Banking Corporation as Mortgagee.</li> <li>• Will require support from Tweed Shire Council as corporate manager of Tweed Coast Reserve Trust.</li> <li>• Club provides written request to Crown Lands to amalgamate current tenures held by the Club into one tenure to be issued by Crown Lands.</li> <li>• If direct negotiation is support Crown Lands for relevant approval and endorsement</li> </ul>	<p>Based on the limited information provided by the Club to date, Crown Lands is not in a position to consider a direct negotiation at this stage.</p> <p>High impact on time and resources (including financial) for the Club to request consideration of a direct negotiation and offer of a new Lease.</p> <p>The Club will only have one Lessor, being Crown Lands.</p>

No	Options	Information/Requirements	Comments
3	Request a new lease from 1 January 2015 (shown by blue edging on Status Diagram) from Crown Lands and a new Trust Licence (shown by purple edging on Status Diagram) from the Trust	<ul style="list-style-type: none"> <li>• Refer to information/Requirements in option 2 for new Lease from Crown Lands.</li> <li>• The Trust is in a position to consider to either exercise the holding over clause for the current Trust Licence or issue a new Trust Licence to the Club.</li> <li>• Club provides written request to Crown Lands to issue a new Lease and include support from Trust and if required Westpac.</li> <li>• Club provides written request to Trust to either exercise holding over clause for the current Trust Licence or issue a new Trust Licence to the Club. The Trust will then seek consent from Crown Lands.</li> </ul>	<p>Based on the limited information provided by the Club to date, Crown Lands is not in a position to consider this option.</p> <p>High impact on time and resources (including financial) for the Club to request consideration of new Lease and Trust Licence.</p> <p>The Club will only have two Lessor's, being Crown Lands and the Trust</p>