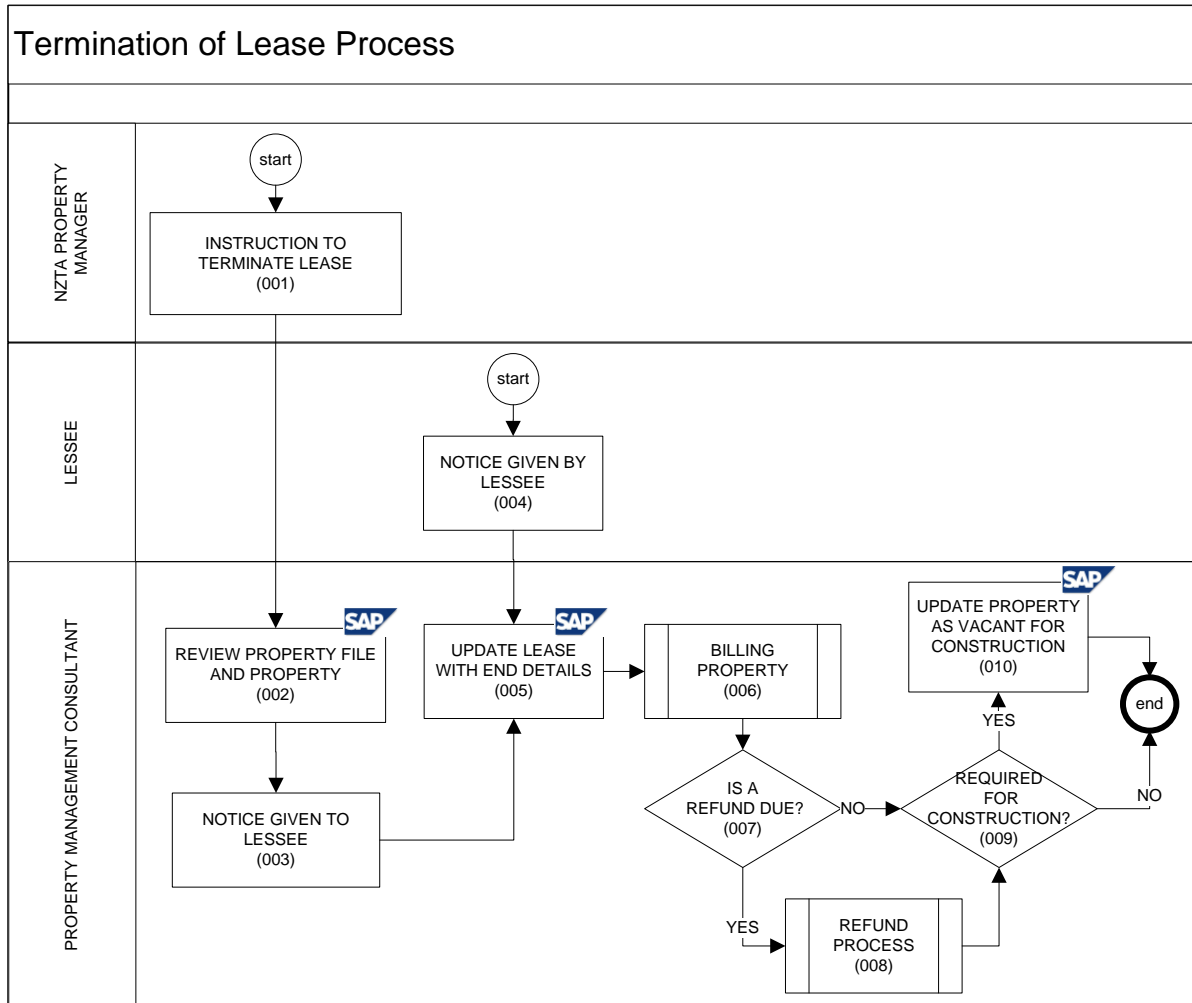


Termination of Lease/License (PM7.4)

This process details the steps required to complete the cessation of a License or lease when required. Often NZTA needs to terminate leases in order to vacate the property and build a road through the property. This process also covers leases ending naturally (end of term or tenant gives notice).

Process flow diagram

The process flow is shown below.



Process steps

The steps for this process are detailed below. All steps are completed by the Property Management Consultant (PMC).

| Step | Action |
|------|---|
| 1. | The NZTA Property Manager communicates the fact a property lease needs to be terminated. |
| 2. | Review the property file and property in terms of lease expiry (etc.) using transaction RE80. Refer to the RE80 (Maintain Lease - Termination) transaction guide for more detail. |

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| Step | Action |
|------|--|
| 3. | Give notice to the Lessees. |
| 4. | The Lessee gives notice to NZTA (this also encompasses a lease ending at its due date). |
| 5. | Record the following using transaction RE80 (refer to the RE80 (Maintain Lease - Termination) transaction guide): <ul style="list-style-type: none"> the date the Lessee was given notice, or the date the Lessee gave notice, and the date of expected vacancy. |
| 6. | The system automatically ends billing for rent based on the new end date of the lease. Refer to the AR07 Billing (Property) business process for more detail. |
| 7. | Determine if a refund is due to the lessee (e.g. Security deposits for commercial lessees). If: <ul style="list-style-type: none"> yes, go to step 8. no, go to step 9. |
| 8. | The refund process is followed to credit any funds due back to the Lessee. Refer to the AR16 Refunds business process for more details. |
| 9. | Generally speaking, if NZTA terminates the lease the property is required for construction, if the lessee gives notice, generally a new tenant will be sought to replace them. If: <ul style="list-style-type: none"> required for construction, go to step 10. not required for construction, no further steps. |
| 10. | Update the property as being 'Vacant for Construction' using transaction RE80. Refer to the RE80 (Maintain Unmanaged Property) transaction guide for more detail. |

Business rules

To determine when to terminate a lease, the Property Manager confirms the required dates with the NZTA Property Manager. In the absence of any input, the Property Manager should refer to the forecasted Construction Start Date in the Property Record and terminate the lease/licence to achieve vacancy of at least 90 days prior to construction.