

हरियाणा HARYANA

DEVELOPMENT AGREEMENT

A 588213

This Development Agreement is made at Gurgaon on this 16th day of August, 2009

BETWEEN

M/s Alaska Constructions Private Limited, a Company incorporated under the Companies Act, 1956, having its registered office at RZ-8A, Block A2, Chanakya Palace, Pankha Road, Janakpuri, New Delhi - 110 059 represented by its Director Mr. Anupam Nagalla, duly authorized vide resolution passed in the meeting of the Board of Directors (hereinafter referred to as the "Owner Company" (which expression shall, unless excluded by or repugnant to the context or meaning thereof, be deemed to include its executors and assigns), being the **FIRST PARTY**;

AND

Vatika Limited, a company registered under the Companies Act, 1956 having its registered office at Flat No. 621-A, 6th Floor, Devika Towers, 6, Nehru Place, New Delhi - 110019, and its corporate office at 7th Floor, Vatika Triangle, Sushant Lok-I, M.G. Road, Gurgaon - 122002 through its Director Mr. Gautam Bhalla (hereinafter referred to as "Developer", which expression shall, unless excluded by or repugnant to the context or meaning thereof, be deemed to include its executors and assigns), being the **SECOND PARTY**.

WHEREAS,

The Owner Company has represented that through purchase and collaboration agreements with its associates, it has acquired the right to develop, market and sell in whole or in parts a parcel of land admeasuring about 165 acres approx situate in the revenue estates of villages Jandli, Kanwali, Saral Mehmood and Sonda of District Ambala, Haryana (hereinafter being referred to as the **SAID LAND**).

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For Alaska Construction Pvt Ltd.

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For VATIKA LIMITED

Director

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- B. The Owner Company has further represented that along with its collaborators, it has procured License No 256/2007, dated 17th November, 2007 from Director Town and Country Planning Haryana, Chandigarh (DTCP) for developing the said land into a residential township.
- C. The Developer is a well known real estate company and is engaged in the business of promotion, development and construction of real estate and is well established in this business in North India.
- D. The Developer is also a part equity shareholder in the Owner company and holds 1,22,500 number of equity shares of Rs. 10/- each fully paid up amounting to Rs. 12,25,000/-. However, this agreement is being entered into by the Developer purely as Developer for undertaking development of the project 'Vatika City Central' at Ambala, Haryana, a project owned by the 'Owner Company'.
- E. As per general understanding between the partners of the Owner Company, the Developer as a partner shall contribute towards Land and Licensing, a contribution that may not be necessarily an equal proportion to the funds induced by the other stakeholders. At the same time, the other partners shall be responsible for getting the licenses and all projects related approvals granted from various statutory bodies, whether at Chandigarh or at Ambala.
- F. In the process, the Developer as stakeholder in the Owner Company has by 31 Mar 09, pooled in Rs. 35.10 Crores towards contribution for land purchase and another Rs. 19.19 crores for licenses and EDC/IDC/ other approvals, which is advanced as an unsecured loan to the Party of the First Part and does not carry any interest thereon.
- G. Since the Owner Company does not have the requisite infrastructure and expertise to undertake the development of the said land as per the terms and conditions of the said license it has approached the Developer with a request to develop the said land into a residential plotted colony and to market and sell the same to prospective buyers.
- H. The Developer has accepted the said offer of the Owner Company.

NOW THEREFORE, THIS INDENTURE WITNESSES AND IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERE AS FOLLOWS:

1. That the objective of this DEVELOPMENT AGREEMENT is to develop the said land and to construct thereupon a residential colony with such common amenities and facilities as stated hereinafter, which is being referred to as the "Said Project".
2. That the said project shall involve development of a modern township with amenities that are generally available in any present day township.

For doing so, the Owner Company shall:

- (a) Execute all documents / applications as may be required to be executed by the Govt Authorities / Statutory bodies and the Developer for the successful completion of the said project.

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Director

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- (b) Provide need based assistance to the Developer in development of the project and shall provide the necessary administrative infrastructure at site to the developer.

The Developer shall :

- (a) Develop the said land into a residential colony in accordance with the terms and conditions of the licenses, approvals and sanctions obtained by the Owner Company from DTCP and other Central/ State/ Local authorities.
- (b) Prepare detailed plans of the said project through its Architects/ Engineers and submit for approval to the competent authorities from time to time as may be required.
- (c) Ensure that the development of the project is of good quality.
3. That it has been agreed between the Developer and the Owner Company that the Developer would be entitled to 350 sq yds of developed plots per acre as consideration for undertaking the development work at the project. For this, the Developer will be required to carry out following activities :-
- (a) Road Works
- (b) Plumbing Works
- (c) Storm water drainage works
- (d) Electrical Works
- (e) Miscellaneous civil works (Signages, garbage rooms, water tanks, electrical rooms, security rooms)
- (f) Landscaping and horticulture
- (g) Architects / Consultants / Project Management

That if any infrastructure / facility over and above what is enunciated hereinabove is required to be provided / setup due to site conditions or Government regulations coming in force from time to time, the same shall be provided / setup by the Developer as an additional work and shall be separately paid for by the Owner Company to the Developer. At the same time, if the government provides any infrastructure like a sub-station etc. the proportionate cost shall be reduced out of that specific head.

4. That upto 31 March '09, the Developer has spent a total of Rs. 7,02,54,302/- (Rupees Seven Crore Two Lakhs Fifty Four Thousand Three Hundred Two only) towards development expenditure for Vatika City Central - Ambala which expenditure also contain certain payments towards site related assets / equipments etc. The details of these items is being worked out and necessary accounting entries shall be passed upon receiving complete details from the site. The owner company duly acknowledges the expenditure of Rs. 7,02,54,302/- done by the Developer for the project.
5. **Marketing and Sales.** That the Developer shall undertake marketing of the said colony, enter into discussion with prospective buyers, finalize and execute sale thereof and receive sale consideration from the purchasers. It is agreed between the parties that the entire marketing expenditure to be incurred by the Developer, direct

and indirect shall not exceed 2% of the revenue of the project. The marketing / sales shall include expenditure for Advertisement / Publicity / Printing & Stationary / Brochures / Hoardings / Displays / Coverage by print / electronic media / Salary & Wages of Sales & Marketing staff, rentals etc. However, brokerage paid to the channel partners and general sales agents shall be as per rates determined from time to time in consultation with the Owner Company. The expenses incurred by the Developer for marketing cost / brokerage etc shall be reimbursed to the Developer out of the sale proceeds collected.

Also the Developer shall be entitled to retain the expenditure it has actually incurred on the development of the project from the monthly sale revenues. However, it shall have to make available a statement of expenditure to the Owner Company, month-to-month. Upon the development of the project and allocation of developed plots to the Developer, the Developer shall be required to reimburse the development expenses so retained by the developer to the Owner Company. If the developer gets part allocation of developed area, then in that case it would be required to retain only proportionate money out of the revenue as is applicable to the allotted plots. For example, if the developer is entitled to an area of 35000 sq yds for 100 acre development and if it has incurred Rs. 50.00 lacs on the project, which it has retained out of the revenue proceeds, upon the developer getting allotment of 10000 sq yds developed plots, the Developer shall reimburse back 14,28,571/- to the Owner Company and retain the remaining Rs. 35,71,429/- which would be reimbursed by it, proportionately upon subsequent allotment of developed plots.

6. That the Owner Company shall always fix the selling price band of the project and brokerage / volume incentives payable to selling agents. As such the Developer shall undertake the sale of the said project in consultation with the Owner Company. However, the Developer may advise the Owner Company from time to time on matters of sales.
7. That if so required, the Owner Company agrees to execute a Power of Attorney in favour of the Developer authorizing it to undertake the said developmental work and sale of the project areas on its behalf.
8. That as and when payments and fund related obligations like expenditure on Bank Guarantee on licenses, EDC, IDC, environment clearance, permissions and sanctions fall due the same shall be to the account of the Owner Company and paid by the Owner Company on the due date.
9. That the Developer shall deal with the banks for project approval and housing loans for the clients and enter into agreements with the bank, receive money by way of Buyers loans directly from the bank. This however, shall form part of revenue of the project and would be released to the Owner Company as per clause 8 hereinabove.
10. That the Owner Company shall make available physical possession of the said land to the Developer along with copies of all licenses/ approvals/ title documents of land.
11. That the Developer shall be entitled to name the proposed residential colony by the name "Vatika City Central" or any other similar name and the Owner Company shall not object to the same. The Developer shall also be entitled to advertise/ publicize the proposed residential colony through newspapers and other forms of print and electronic media.

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Director

For VATIKA LIMITED

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12. That there could be certain general administrative staff, accounting/ banking staff at site or in the office at Ambala which the Owner Company may require. The expenditure on such staff shall be borne by the Owner Company and not the Developer.
13. That the Owner Company further undertakes that it shall not deal with the said land in any manner whatsoever which would create obstruction or impediment in the development of the said land by the Developer. Similarly, the Developer also would not do anything that would adversely affect the interests of the Owner Company.
14. That the proposed development of the Said land shall be of good quality. The Owner Company and / or its representatives / agents shall be fully entitled to visit the site of the development and get the quality parameter inspected.
15. That the Developer shall make its best efforts for early completion of the project.
16. That this Agreement is subject to Force-Majure Clause i.e. in any unforeseen adverse eventuality, the Developer shall not be held responsible for any consequences or liabilities under this Agreement if it is prevented in performing its obligations under the terms thereof by reason of future restrictive government laws or regulations, riots, insurrection, war, terrorist action, acts of God, inability to procure or general shortage of energy, material, failure of transportations, strikes, lock outs or any other causes not within reasonable control of the Developer.
17. That this Agreement is subject to provisions of various Acts, rules, regulations, laws, bye-laws, guidelines and instructions of various authorities concerned and contained in various Acts applicable in the State of Haryana in general and Ambala in particular.
18. That the Parties undertake to keep confidential and not to divulge or communicate to any person, except in the performance of its obligations under this Agreement, or use for its own purposes, trade secrets, confidential commercial information, financials, operations, plans, know-how or any other information concerning the Parties or any of its affiliates, which is not in public domain.
19. That all notices, requests, demands, statements and other communications required or permitted to be given under the terms of this Agreement shall be in writing and delivered by hand against receipt or sent by registered mail at the addresses of the parties mentioned above or at such other addresses as from time to time designated by notice from the respective party to the other party. Any such notice or communication shall be deemed to have been duly given and served at the date and time of receipt of first refusal of delivery, if sent by registered mail or delivered by hand against proper acknowledgement.
20. That the parties have signed this agreement after reading and understanding all its contents and admit that this transaction is being entered into by them voluntarily and without any outside pressure, coercion and / or undue influence. Further, this Agreement supersedes all prior oral or written arrangement(s) / correspondence etc., if any, and records the entire arrangement between the parties fully and finally.

For Alaska Construction Pvt L.d.

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For VATIKA LIMITED

Director

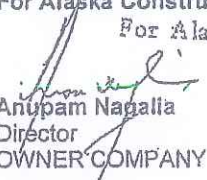
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IN WITNESS WHEREOF, THE PARTIES HAVE SET THEIR HANDS AND SEAL TO
THESE PRESENTS ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

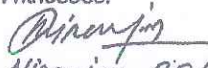
For Alaska Constructions Pvt Ltd

For Alaska Construction Pvt L.d.

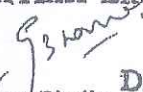

Anupam Nagalia
Director
OWNER COMPANY


Authorized Signatory

Witnesses:


Niharjan Behera
1355, Sector-17C
Gurgaon, Haryana

For Vatika Ltd
For VATIKA LIMITED


Gautam Bhalla
Director
DEVELOPER


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New Delhi - 110075

For VATIKA LIMITED


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