

LEASE AGREEMENT FOR GREENFIELD

Land for Development and operation of Way Side Amenities Given on Lease to Private Investor

This agreement is made on day of year between the Managing Director, MP State Tourism Development Corporation (hereinafter called as the 'Lessor' which expression shall, where the context so permits, include its successor in office.) of the First Part

AND

M/s. (Address) through its Managing Director/ Partner/ Secretary/Proprietor **Shri/Smt** S/o/D/o/W/o and having its registered office at (herein after called as the 'Lessee' which expression shall, where the context so permits, include its successors and permitted assigns) of the Second Part.

The Lessor and Lessee shall individually be referred to as 'Party' and collectively be referred to as 'Parties'.

WHEREAS the State Government of Madhya Pradesh has issued the MP State Tourism Policy 2016 whereby the State has set the goal to provide a comprehensive tourism experience by creating way side amenities with assistance of the private sector.

AND WHEREAS it has been observed that large number of people use the national/ state highways/ rural roads constructed within the State and thus there is requirement of providing facilities such as restaurants, toilets, petrol pumps etc. to ease the journey of people travelling on these roads.

AND WHEREAS the MP State Tourism Development Corporation keeping in mind the need to provide amenities on the road network located within the State has decided to establish way side amenities and has prepared a master plan.

AND WHEREAS the Lessor has invited applications for establishing and operating the way side amenities. The Lessee has submitted its bid and has been selected to establish, run and operate the way side amenity on the land located at comprising of an area admeasuring..... situated in the village/ city ofdistrict....., more particularly described in the Schedule on the terms and conditions set forth herein.

Now therefore, the Parties have agreed to as follows –

1. TERM OF LEASE:

In consideration of the premium and lease rent and the terms and conditions of this lease agreement, the lessor shall demise to the lessee and the lessee shall accept a lease over the land as more particularly specified in the Schedule for a period of THIRTY YEARS commencing from the date of entering into this agreement.

2. LEASE RENT/PREMIUM etc.:

The Lessee shall pay the following amount through bank draft to the Lessor for the said land –

- i. Premium of Rs. (In words.....).+ Taxes.
- ii Annual Lease Rent, 1% of the upfront premium plus taxes as applicable.
- iii. Bank Guarantee: Irrevocable and unconditional Bank Guarantee of INR 10.00 Lakh against performance security. Bank Guarantee shall be valid initially for 1 (one) year and thereafter kept valid & effective up to 3 years from the date of commercial operation of the unit by renewing its validity three (3) months prior to its expiry. Bank Guarantee shall be refurbished every year. (The Bank Guarantee should be issued from Nationalized Bank or Scheduled Bank).
- iv. The first payment of such annual lease rent will fall due on the date of signing of lease deed. Thereafter, the payment of annual lease rent shall be due and payable during the lease period by the lessee to the Authority on 1st April every year. Failure to pay the annual lease rental upto 30 April every year will attract simple interest at the rate of 10% (ten percent) per annum for the delayed period.

3. FACILITIES/AMENITIES TO BE DEVELOPED/ PROVIDED BY THE LESSEE:

- 3.1 The Lessee shall mandatorily,construct, provide, operate and maintain the following amenities. The lessor shall provide a tentative decision & drawings to the lessee.
 - (a) Parking for cars/tourist coach/bus/ motorcycle etc;
 - (b) Food Plaza/ Restaurant;
 - (c) Separate toilets and washrooms for men, women & handicaps disable including changing rooms;
 - (d) First Aid;
 - (e) 24 x 7 Water and electricity facility.
 - (f) Disposal of waste.

3.2 The lessee may establish/run/ operate/provide the following amenities after informing the Lessor in writing –

- (a) Children's play area;
- (b) Telephone/ internet kiosk;
- (c) Souvenir/ handicrafts shop;
- (d) Baby/ handicap care room;
- (e) Fast food outlet/ Ice cream parlour;
- (f) Mini general store;
- (g) Vehicle repair shop/ car washing facility;
- (h) Travel desk;
- (i) Flower shop/ books-newspaper outlet;
- (j) Live art/ handicraft display;
- (k) Any other amenity which may be permitted by the Managing Director of the Lessor.

3.3 The Lessor may establish/run/ operate/provide the following amenities only after obtaining the consent of the Lessor in writing –

- (a) Petrol Pump;
- (b) Marriage Garden;
- (c) Residential rooms;
- (d) Bank ATM;
- (e) Any other amenity which may be permitted by the Managing Director of the Lessor.

3.4 PERIOD TO ESTABLISH THE PROJECT:

- (i). The lessee shall mandatorily construct & start commercial operation of the WSA within 24 months from the date of signing the lease agreement.
- (ii). In case of non completion of the aforesaid specified work in clause 3.1 within the stipulated time frame specified in clause 3.4(i), the duration may be extended by the Lessor upto 6(six) months on justified grounds. Even after expiry of the extended duration, if the project is not completed, the Lease agreement shall be liable to be terminated and all amount deposited along with performance security shall stand forfeited.

4. POWERS AND DUTIES OF THE LESSOR:

- 4.1 The Lessor shall provide experts for assisting in branding provide advertisement material and approved designs to the Lessee for publicity.
- 4.2 The Lessor shall prepare material for publicity and spreading information about the way side amenity and boards/ display/ hoardings shall be placed on roads and information about the way side amenities shall be provided at functions organized by the Lessor.
- 4.3 The lessor shall initially place boards/ display/ hoardings informing about the way side amenity at 1000/500/100 m on both sides of the way side amenity. However, maintenance of the displays shall be the responsibility of the Lessee.
- 4.4 The lessor shall ensure that the Lessee has established the infrastructure and is operating the way side amenity as per the prescribed criteria. In case, the Lessee does not create the infrastructure or operates the way side amenity in violation or contravention of the prescribed criteria, appropriate action would be taken against the Lessee.
- 4.5 The lessor may provide support and guidance for good management of the amenity and if required provide necessary training for skill development.
- 4.6 The lessor shall have the right and power to determine and prescribe the manner and contents of the application form, check list, inspection report, compliance report, operational manual and other formats that may be necessary.
- 4.7 The Managing Director of the Lessor may as per administrative exigencies specify additional conditions.

5. POWERS AND DUTIES OF THE LESSEE:

- 5.1 The lessee shall establish and operate the way side amenity as per the prescribed guidelines determined by the MP State Tourism Development Corporation.
- 5.2 The lessee shall ensure that all dues are paid as per the payment schedule prescribed by the Lessor.
- 5.3 The lessee shall maintain and use all structures created on the land leased to it, to provide services as per clause 3.1 of this agreement. The lessees may also create other infrastructure as per need according to the clause 3.2 & 3.3 of this agreement.

- 5.4 The lessee shall be responsible for obtaining all necessary permission/registrations/licenses for construction of infrastructure and activities provided.
- 5.5 The Lessee shall ensure that its / his staff maintain friendly behaviour with travellers and tourists and their security shall be of utmost importance.
- 5.6 The Lessee shall ensure that there is an arrangement to hear and redress the grievances/ complaints of the tourists/ travellers and the process shall be advertised at the site.
- 5.7 The Lessee shall ensure compliance of all terms and conditions mentioned in the lease Agreement, entered into with the Lessor and the instruction given by the lessor from time to time.
- 5.8 The Lessee shall use the services of the persons appointed by the Lessor and use the designs and publicity material provided by the Lessor for marketing of the way side amenity, apart from this, no other person or design etc. will be used by the Lessee.
- 5.9 The Lessee may use the benefit of the Lessor's expertise in construction, maintenance and management of the site.

6. GENERAL CONDITIONS OF LEASE:

- 6.1 The Lessee shall be liable to pay the annual lease rent on 1st April of each year. The annual lease rent must be paid by 30th April of each year otherwise, the same would be payable along with 10% simple interest per annum for the delayed period.
- 6.2 If the Lessee fails to pay the annual lease rent for 06 months from the due date, then the Lessor shall be at liberty to terminate the lease agreement. However, if the Lessee pays the due amount along with interest in lump sum manner, the authorised officer of the Lessor shall renew the lease agreement after taking 10% of the premium amount.
- 6.3 All sums, such as due amount of premium, lease rent or any other charges imposed by the lessor may be recovered as an arrears of land revenue, if the same is not paid before the due date.
- 6.4 If the lessee is a body corporate/ company then the promoter(s) of the body corporate/ company who holds atleast 51% of the shareholding in the body corporate/ company at the time of executing this agreement shall not dilute his/its shareholding to less than 51% for a period of 3 years from the date of starting operation of the WSA. However, the lessee may dilute/ change/ amend its remaining shareholding pattern. The promoter holding 51% of the shareholding in the body corporate may dilute its shareholding after 3 years of

starting operation of the WSA with the permission of the lessor. However, the name, registered office, business purpose shall not be altered during the validity of the lease period.

- 6.5 A proprietary firm may also be allowed to add partner, change condition/ownership after three years from the date of starting operation with the permission of lessor.
- 6.6 The lessee shall not undertake any construction work at the site without obtaining the necessary permissions/ approvals/ licenses from the competent authority or from the lessor under clause 3.3 hereinabove. The lessee shall not undertake any construction activity without obtaining necessary approvals of maps by the competent authority.
- 6.7 The lessee shall not raise any construction in contravention to the provisions of this agreement. The lessee shall not use the site for any purpose not mentioned in this lease agreement.
- 6.8 The lessee shall ensure that all activities are completed within the stipulated time period as may be prescribed by the lessor. If the lessee fails to implement the project to the satisfaction of the lessor, the lease agreement is liable to be terminated.
- 6.9 The lessee shall ensure that the site is continuously used for the purpose this lease is being granted. If, for a period of one year, the lessee fails to operate the land for the purpose of this lease or if the site is shut for a period of one year, then the lessor shall terminate the lease.
- 6.10 If the lessee uses the site for any other purpose than the one mentioned in this lease, the lease shall be terminated by the lessor.
- 6.11 The lessee shall be responsible for the safety and security of the way side amenity and shall be responsible for the upkeep and maintenance of the amenities at its own cost. The lessee shall also ensure that no cars are parked on the road and proper parking arrangements are provided within the site.
- 6.12 The lessee shall be responsible for maintaining adequate insurance cover for the way side amenity and shall keep all receipts of insurance paid safely and will be obligated to provide it to the lessor upon demand.
- 6.13 The lessee shall be responsible for protection of the environment at the site. The lessee shall not undertake any activity that causes harm to the environment. Further, atleast 10 percent of the land must be brought under green cover.
- 6.14 Upon cancellation/ termination of lease agreement or completion of lease period, the lessor shall have right to enter and take possession of the site and

re-allot/ tender the site. All fixed capital assets and infrastructure at the site (developed and created by the lessee) shall be peacefully removed by the lessee at own cost within 3 months from cancellation termination of lease agreement or upon completion of lease period. In case the lessee does not clear the site as stipulated above, the lessor will be free to get it removed at the cost of lessee.

- 6.15 Fixed capital assets for the purpose of this agreement shall mean all construction created on the land, water and electrical supply system with fixture, air conditioning system, water purification system, gas pipeline, parking and stairs, entry gate, fencing boundary wall, well, tube well, water storage tank.
- 6.16 The lessee shall ensure compliance of all rules/ regulations made by any department of the State Government, related to running of activities in WSA.
- 6.17 The lessee shall be responsible for any damage or loss caused at the site and if any loss or damage is caused to any person due to the activities of the lessee, the same shall be the responsibility and shall be borne by the lessee.
- 6.18 The lessee upon registration of this lease agreement shall deposit the certified copy of the registered lease agreement with the authorised officer of the lessor and keep the original with itself/ himself.
- 6.19 The lessee shall pay Rs. 1000 for any amendment of the lease agreement where no fees or premium has been specified.
- 6.20 The lessee shall from time to time and at all times during the term of the lease pay all taxes, rates, assessments and other charges which are charged, imposed or assessed on the said land.
- 6.21 The lessee shall not carry on any illegal trade or business on the said premises.
- 6.22 The lessee shall not sell, transfer, grant lease or otherwise dispose of any asset located at the site without the prior written permission of the lessor. The lessee shall not sub-lease any portion of the land specified in schedule, including the buildings constructed thereon.
- 6.23 The lessee shall abide and comply with the Operation Manual and Way Side Amenities (establishment and management) Policy 2016 of the Tourism Department, State of MP as specified in Schedule –I and II herein.
- 6.24 The RFP/ Tender document shall be treated to be a part of this agreement. Any condition specified therein and not mentioned here shall also be binding on the parties. However, if there is any conflict between the provisions of the RFP/ tender and this lease agreement, then the provisions of this lease agreement would prevail.

7. FINANCIAL LOAN FROM BANK AND FINANCIAL INSTITUTION:

Subject to the conditions prescribed in this Deed, the Lessee shall have all rights as provided in section 108(B)(j) of the Transfer of Property Act, 1882 in respect of the said Land only for the limited purpose of securing any loan from any Bank/ Financial Institution. The Lessee shall be bound to take prior consent of the Lessor before exercising its rights under this clause.

Provided that in the event the Bank/Financial institution auctions the said Land for recovery of dues, the auction purchaser shall step into the shoes of the present Lessee and shall be bound by the terms and conditions of this Deed as if it were the original Lessee. Such auction purchaser shall enjoy the lease rights only for the remaining period of the Lease and such auction purchaser shall not re-transfer the said Land.

Provided also that the balance of consideration received by the bank/financial institution from the auction, after satisfaction of the dues of the bank/financial institution shall be paid to the lessor and the lessee shall have no right to claim the same. It shall be the duty of the lessee to ensure that a specific term securing the right and interest of the lessor as provided herein is categorically mentioned in the loan agreement executed between the lessee and the bank/financial institution.

Provided further that, in all circumstances the charge of the Lessor on the said Land shall be over and above all other charges that may be created on the said Land subsequent to the execution of this Deed.

8. EVENT OF DEFAULT:

- 8.1 If the Lessee fails to pay any amount due, as per this agreement on the due date, the same shall be considered as an event of default.
- 8.2 If the Lessee breaches any term or condition of this deed or fails to comply with any provision of law mentioned in any Act, Rule, Regulation of the State Government/Central Government/Local Bodies or any other competent authority, the same shall be an event of default.
- 8.3 In the event of any breach in term & condition of lease including but not limited to, occurrence of an event mention in clause 9.1 and 9.2 of this deed, the Lessor has the right to impose penalty upto 5% of the premium amount, without prejudice to the right of Lessor to take other any other action permissible by law or by this agreement including, but not limited to termination of this agreement, forfeiture of security deposit etc.
- 8.4 Unless expressly provided otherwise herein, if the lessee has defaulted on any count not specifically dealt with in the agreement in performance of any term

or condition mentioned herein and such default has continued for a period of 60 days after notice given in writing thereof to the lessee by the lessor, the lessor may terminate the lease agreement.

9. TERMINATION OF LEASE AGREEMENT:

- 9.1** The lessor may terminate the lease on breach of any of the condition of this deed by giving 60 days prior written notice to the lessee. Upon termination of lease agreement, the lessor shall have right to enter and take possession of the site and re-allot/ tender the site. All fixed capital assets and infrastructure at the site (developed and created by the lessee) shall be peacefully removed by the lessee at own cost within 3 month from the date of termination of lease.
- 9.2 In case the lessee does not clear the site as stipulated above, lessor will be free to get it removed at the cost of lessee.

10. ASSIGNMENT:

The lessee may with the prior permission of the lessor assign or authorise any person to operate a specific amenity within the site. However, the lessee shall be responsible for the conduct and behaviour of the assignee and shall ensure that the assignee complies with all terms and conditions mentioned herein.

11. APPEAL:

- 11.1 If the lessor terminates/ cancels the lease agreement, the lessee may within 30 days from the date of issuance of termination/ cancellation order, prefer an appeal before the Secretary, Department of Tourism Government of Madhya Pradesh challenging the termination/ cancellation order. In case of Secretary Tourism and Managing Director being the same person, some other Secretary shall be appointed by Govt. of Madhya Pradesh for this purpose. If no appeal is preferred within 30 days of issuance of termination/ cancellation order, the right of the lessee to challenge the termination/ cancellation order shall be closed.
- 11.2 If the lessee files an appeal as per clause 21.1, the Secretary shall after granting an opportunity of hearing to the lessee be competent to pass any orders that may be deemed necessary. The decision passed by the Secretary shall be final and binding on both parties.
- 11.3 If the Secretary rejects/ dismisses the appeal filed by the lessee, the lessee shall peacefully hand over the land mentioned in Schedule to the lessor and remove all assets created by him on the land within 90 days. After expiry of 90 days all the assets will be forfeited and possession will be taken over by the lessor.

12. DISPUTE RESOLUTION:

- 12.1 In case of any dispute (except for cancellation of lease agreement) the parties will attempt in good faith to resolve any dispute initially through negotiations between the parties. If the dispute cannot be settled amicably within 14 days from the date on which either party has served written notice on the other of the dispute then the dispute shall be resolved as per clause 10.2.
- 12.2 In the event of a dispute between the parties which could not be amicably resolved. The aggrieved party shall refer the dispute to be resolved by arbitration. The arbitral proceedings shall be presided by a single arbitrator who shall be the Principal Secretary/ Secretary of the Tourism Department, Government of Madhya Pradesh.
- 12.3 If the lessor terminates/ cancels the lease agreement, the lessee may within 30 days from the date of issuance of termination/ cancellation order, prefer an appeal before the Secretary Department of Tourism Government of Madhya Pradesh challenging the termination/ cancellation order. The decision passed by the Secretary shall be final and binding on both parties. If no appeal is preferred within 30 days of issuance of termination/ cancellation order, the right of the lessee to challenge the termination/ cancellation order shall be closed.
- 12.4 If the lessee files an appeal as per clause 10.3, the Secretary shall after granting an opportunity of hearing to the lessee be competent to pass any orders that may be deemed necessary.
- 12.5 If the Secretary rejects/ dismisses the appeal filed by the lessee, the lessee shall peacefully hand over the property mentioned in Schedule to the lessor and remove all its/ his /her staff and employees within 10 days from issuance of rejection/ dismissal order.
- 12.6 The sitting of all challenges arising out of the agreement or its implementation shall be in Bhopal. The District court of Bhopal and High Court of Madhya Pradesh Principal seat at Jabalpur shall have Jurisdiction over matters arising out of arbitration.

13. JURISDICTION:

The sitting of all challenges arising out of the agreement or its implementation shall be in Bhopal. The District court of Bhopal and High Court of Madhya Pradesh Principal seat at Jabalpur shall have Jurisdiction over matters arising out of arbitration.

14. GOVERNING LAW:

This agreement is governed by and shall be construed in accordance with the laws of India.

SCHEDULE

Description of the properties under this lease agreement is as under.

1. Land-

Patwari Halka No.-
Khasra No. -
Village-
Tehshil-
District-
Area (Rakba) in Hect.-

2. Boundaries of the land

In the East-
In the West-
In the North-
In the South-

3. Khasra Map, Nakal and Station survey map of the land allotted above duly signed by both the parties.

IN WITNESS WHEREOF, the Parties herein above have set their hands entered into this Agreement the day and year first above written.

Witness 1----- ----- ----- -----	For Lessor, Managing Director, MP State Tourism Development Corporation Limited through
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2 ----- ----- ----- -----	For lessee M/Sthrough.....
1----- ----- ----- -----	
2----- ----- ----- -----	

Note: In case of discrepancy original / approved format shall be referred.