

Letter of confirmation

From,  
Mr. Ashish Vohra,  
Managing Director,  
Onora Hospitality Pvt. Ltd.,  
4H, Beledere Court,  
Freezer Town,  
Bangalore – 5.

Date: 09.08.2014

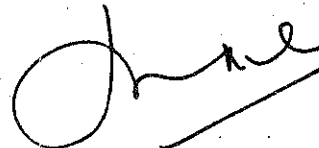
To,  
Mr. Rajesh Kadakia, Mr. Sharad Kadakia,  
Mr. Valmiki Desai HUF, Mr. Vinod Desai HUF,  
Mr. Mahesh Desai HUF, Mr. Subodh Desai HUF,  
Represented by Mr. Soham Modi,  
Modi Properties & Investments Pvt. Ltd.,  
5-4-189/3&4,  
Soham Mansion, M.G. Road,  
Secunderabad – 500 003.

Sub.: Confirmation of terms of lease with M/s. Onora Hospitality Pvt. Ltd.,

- Ref.: 1. Lease deed dated 17<sup>th</sup> February, 2006 for 19,000 sft of built-up area in the building known as S M Modi Commercial Complex, bearing municipal nos. 5-4-187/5/15, 16, 17, 18 & 19, situated at Karbala Maidan, Necklace Road, Secunderabad – 500 003, registered as document no. 430/2006 at SRO Secunderabad between the Lessors and M/s. CSR Hotels Pvt. Ltd.,
2. Security deposit agreement for the said premises dated 17<sup>th</sup> February, 2006 between the Lessors and M/s. CSR Hotels Pvt. Ltd.,
  3. Business alliance agreement between M/s. Onora Hospitality Pvt. Ltd. (formally known as M/s. The Residence, a Partnership firm) represented by Mr. Ashish Vohra and M/s. CSR Hotels Pvt. Ltd., dated 1<sup>st</sup> April 2007.
  4. Agreement dated 10.10.2007 between M/s. Justa Hotels and Ms/ CSR Hotels Pvt. Ltd.
  5. Supplementary agreement dated 16<sup>th</sup> June, 2010 between M/s. Justa Hotels and M/s. CSR Hotels Pvt. Ltd.
  6. Month to month tenancy for about 782 sft of built-up area, being shop no. 8 & 9 in the basement floor of the building known as S M Modi Commercial Complex, bearing municipal nos. 5-4-187/5/11, situated at Karbala Maidan, Necklace Road, Secunderabad – 500 003 between Lessors and M/s. CSR Hotels.

Dear Sir,

1. M/s. CSR Hotels had taken on lease about 19,782 sft in the building known as S M Modi Commercial Complex (Said Premises) referred to above. The lease deed given in reference 1 above has expired and they were paying rent as a month to month tenancy.
2. We are aware that Mr. Soham Modi, Managing Director of Modi Properties & Investments Pvt. Ltd., is duly authorised by the owners/Lessors (namely Rajesh J Kadakia, Sharad J Kadakia, Valmick Desai HUF, Vinod Desai HUF, Subodh Desai HUF and Mahesh Desai HUF) of the Said Premises to represent them. We shall not raise any objections on this count hereafter.

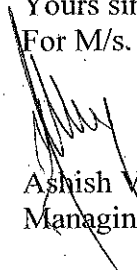


3. M/s. CSR Hotels has handed over the day to day operations of the hotel consisting of 40 rooms and relevant amenities (excluding the restaurant on the top floor) to M/s. The Residence / M/s. Onora Hospitality Pvt. Ltd., on certain terms and conditions agreed to and mentioned in references cited above.
4. M/s. The Residence / M/s. Onora Hospitality Pvt. Ltd., has requested the Lessors to directly lease the Said Premises to them by suitably compensating to M/s. CSR Hotels.
5. M/s. CSR Hotels has confirmed that the month to month tenancy/lease stands terminated from 31.07.2014 and the possession of the said premises is deemed to be handed over to the Lessors on the said day.
6. M/s. CSR Hotels had spent about Rs. 300 lakhs on fixtures and fittings in the said premises to make it suitable for operation as a hotel with 40 rooms along with kitchen and restaurant area. In lieu of the expenditure incurred by M/s. CSR Hotels the Lessors have agreed to compensate M/s. CSR Hotels. M/s. CSR hotels has confirmed that in lieu of the said compensation the Lessor shall become owners of all the fixtures and furniture that has been erected by M/s. CSR Hotels in the said premises with immediate effect.
7. The Lessors herein have agreed to lease the premises to M/s. Onora Hospitality Pvt. Ltd., on the terms and conditions given hereunder:
  - a. Lease rent : Rs. 7.00 lakhs per month. Concessional rent of Rs. 2.50 lakhs for the months of August & September 2014. Concessional rent of Rs. 5 lakhs from October 2014 to July 2015. Full rent from August 2015.
  - b. Deposit: Rs. 50 lakhs paid to M/s. CSR Hotels. The Lessor shall take the liability of repaying this deposit.
  - c. Rent increase: 15% every three years. First increase from 1.8.2017.
  - d. Area: 19,000 sft of space plus 1,250 sft on the basement floor along with terrace rights for restaurant and kitchen. Front open space for exclusive use of Lessee.
  - e. Lease Period: 9 year
  - f. Lock in period: 3 years
  - g. Notice period: Lessee may cancel the lease at any time after the lock-in period with 6 months advance notice.
  - h. AC repair: Chiller unit is not working. Estimated cost of replacement Rs. 36 lakhs. The same may be repaired for Rs. 3 lakhs. In either case cost to be shared on actuals in the ratio 65:35 between Lessor : Lessee
  - i. External painting of building and general clean up around the building: By Lessor at its own cost (one time only).
  - j. All repairs and maintenance inside the building including up-gradation of rooms / furniture, etc: By Lessee at its cost.
  - k. Bathroom up-gradation: Lessor to give upto Rs. 2 lakhs for purchase of tiles to Lessee on production of bills. Additional cost to be borne by Lessee
  - l. Roof waterproofing + leakages in OHT area: Lessor to give upto Rs. 2 + 1 lakhs to Lessee on production of bills. Additional cost to be borne by Lessee.
  - m. Electric power connection up-gradation cost: Lessor to give upto Rs. 5 lakhs to Lessee on production of bills. Additional cost to be borne by Lessee.
  - n. Restaurant: The lessee shall construct, upgrade, renovate restaurant and kitchen at its own cost.

- o. Renewal of trade license and police NOC: Lessor to help Lessee in liaisoning. However, risk at the risk and cost of the Lessee.
- p. Service lift on rear side: To be repaired by Lessor at its cost. AMC to be paid by Lessee.
- q. Provision of LED / Palsma TVs in rooms: Estimated cost 40 nos. x Rs. 25,000/- Lessor and Lessee shall jointly bear the cost in the ration 75:25.
- r. Provision of electronic door locks in rooms: Estimated cost about Rs. 5 lakhs. Lessor and Lessee shall jointly bear the cost in the ration 75:25.
- s. Ownership of assets within the said premises: The Lessor shall be the absolute owner of all fittings and fixtures in the said premises like beds, desks, TVs, air conditioners, light fittings, false ceiling, doors, windows, mattresses, upholstery, curtains, sofa-sets, lifts, dining table, chairs, kitchen equipment, generators, electric panels, bathroom fixtures, etc. A separate list shall be drawn up for the items belonging to the Lessee. The Lessee shall be permitted to remove only items given in the list at the time of termination of the lease. All fixtures and furnitures installed in the premises including fixtures and furnitures of all rooms, reception, restaurant, kitchen shall be handed over to the Lessor on termination of the lease subject to normal wear and tear. It is clearly understood between the Lessor and the Lessee that in case of termination of lease or on expiry of lease, the Lessee shall handover a functional hotel with 40 rooms and a restaurant with appurtenant fixtures and furnitures subject to normal wear and tear.
- t. Registration of lease: Lease to be registered by 30.08.2014. Registration cost to be borne equally between Lessor and Lessee.
- u. NOC: The Lessee shall give a NOC/undertaking stating that they have no claims against M/s. CSR Hotels.

Please sign a copy of this letter as confirmation of the above.  
Thank You.

Yours sincerely,  
For M/s. Onora Hospitality Pvt. Ltd.,

  
Ashish Vohra,  
Managing Director.

Accepted & confirmed

Sign. 

Soham Modi

Managing Director

Modi Properties Investments Pvt. Ltd.,

Authorised Representative of the Lessors