

Letter of Intent

To,
S. Sambeshwar Rao & others,
LH-5,
903, Lanco Hills,
Manikonda,
Hyderabad

Date: 12.12.2017

Sub.: Offer for Joint Development of land admeasuring about 9,900 sq mtrs forming part of
Sy. no. 27, Pocharam Village, Ghatkesar Mandal, Telangana.

Dear Sir,

We are happy to confirm the terms of Joint Development for the said land. The details of the terms and conditions are given in Annexure – A attached herein.

The terms given in Annexure – A are final and binding on all the parties. Any change in the terms shall be made only on mutual agreement in writing. An amount of Rs. 5 lakhs has been paid as token advance on this day as per the details given below:

Sl. No.	Cheque no.	Date	Drawn on	Amount	Issued to
1	994094	12.12.2017	YES Bank	Rs. 5,00,000/-	S. Sambeshwar Rao

Please sign a copy of this LOI as confirmation of having accepted the terms and conditions.

Thank You.

Yours sincerely,
For Modi Properties Pvt. Ltd.,


Soham Modi.
Managing Partner.

Agreed and Confirmed by:

Sign : 
Mr. S. Sambeshwar Rao on behalf of all
the co-owners

Place : _____

Date: 12-12-2017.

ANNEXURE -A

Date: 12th December, 2017.

Builder / Developer : Modi Properties Pvt. Ltd. (or its nominees).

Owners : S. Sambeshwar Rao & others.

Land Area : About 9,900 sq mtrs.

Location : Sy. no. 27, Pocharam Village, Ghatkesar Mandal, Telangana.

Brief History:

The land was given for joint development to Gharonda Builders by way of registered agreement in 2007. Gharonda Builders have obtained sanction for a residential complex consisting of 2 basements, stilt + 9 upper floors in 2010. The sanction for construction has lapsed. Gharonda Builders proposed to construct about 3.50 lakh sft of salable area + parking area. However, due to market conditions the agreement was cancelled in 2015. Gharonda Builders had started construction for a small portion of the proposed complex. The Owners have agreed to give the land for joint development to a third party.

Proposed Development:

Land to be developed into a gated community. Land shall be used for making 2/3 BHK flats with a super built-up area between 750 sft to 1,400 sft. It is proposed that high rise building consisting of two basements for parking with 10 upper floors of flats shall be constructed. The estimated total constructed area is likely to be between 3.50 to 3.80 lakh sft of saleable area + parking area.

Design: Emphasis shall be on good design with reasonable size rooms and adequate ventilation. Area of flats will be minimized to make them affordable.

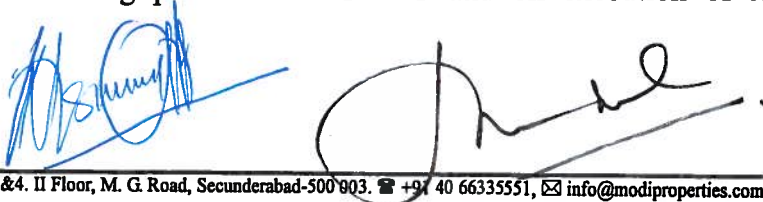
Proposed Amenities: Club house of about 10,000 sft with swimming pool, yoga room, gym, recreation room, banquet hall, etc. Sport facilities like open air badminton, basketball, etc. 24 hrs security with CCTV, high compound wall, landscape, gardens, CC internal roads, backup power of 1 KVA for each flat and common area lighting.

Development Ratio:

Owners shall be entitled to 36% and Developer 64% share of flats.

Flats shall be divided equitably. The expected average sale price of the flats including cost of amenities, water & electricity charges and car parking charges is Rs. 2,500/- per sft of super built-up area at the time of launch of project.

Security Deposit : The Developer shall pay the Owners an interest free security deposit of Rs.30 lakhs. Rs. 5 lakhs payable on signing LOI. Rs. 20 lakhs on completion of due diligence and at the time of signing MOU with the Developer. A schematic plan of the proposed development shall also be approved by both the parties at the time of signing the MOU. Rs. 5 lakhs on obtaining demand for payment of fees for building permit from GHMC and on execution of JDA/GPA in favour of Developer.




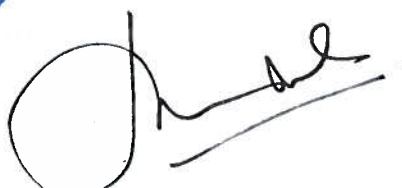
Time Line :

Due diligence to be completed and MOU to be signed in 6 weeks from LOI. Application for sanction – 6 to 12 weeks from MOU. Sanction for construction – 3 to 6 months from MOU. Commencement of construction – 30 days from sanction. Completion of construction shall be in 4 phases. The first phase shall be completed and handover in 2 years from commencement of construction. Thereafter, each phase shall be completed in 6 months. The total project shall be completed within 3½ years from commencement of construction (with 6 months grace period).

Specifications : In general specification shall be similar to the specifications in our project Vista Homes at Kapra, Hyderabad. For materials where branded products are available, well known / top brands shall be used. As a marketing strategy, from time to time, special offers will be made which may include providing of modular kitchen, furniture, soft furnishings, false ceiling, air-conditioners, etc., free of cost to prospective buyers. The cost of providing such furnitures and fixtures shall be borne by the Owners for their share of flats. Details of specifications are:

Structure:	RCC
Walls:	4"/6" solid cement blocks
External painting:	Exterior emulsion
Internal painting:	Smooth finish with OBD
Flooring:	24" vitrified tiles
Door frames:	Wood (non-teak)
Main door:	Polished panel door
Other doors:	Painted panel doors
Electrical:	Copper wiring with modular switches
Windows:	Powder coated aluminum sliding windows with grills
Bathrooms:	Branded ceramic tiles – 4 / 7 ft height
Plumbing:	CPVC & PVC pipes
Sanitary:	Branded sanitaryware
CP fittings:	Branded quarter turn ceramic disc type.
Kitchen platform:	Granite slab with 2 ft dado and SS sink

Other Charges : Developer shall bear the entire cost of development including sanction fees. Land owner shall pay proportionate charges for water and electricity connection, GST, stamp duty and registration charges, corpus fund, etc., for their share of flats (typically these are paid by buyers of Owner's share of flats) and with respect to stamp duty and registration charges of the joint development agreement. The Owners shall obtain approvals or NOC from statutory authorities that may be required for developing the land into housing project at their risk and cost. In particular the Owners shall obtain NOC from revenue department under the NALA Act at their cost.

Indemnity: The Owners have represented to the Developer that as per the terms of deed of revocation with Gharonda Builders, the Owners had agreed to compensate Gharonda Builders for the cost incurred by it. However, the compensation expected by Gharonda Builders is unreasonable. The Owners have agreed to compensate Gharonda Builders at their risk and cost over a period of time. The Developer has asked for an indemnity from the Owners against claims that may arise from Gharonda Builders and the Owners have agreed to provide such an indemnity. The nature of such indemnity shall be arrived at on mutual consent. However, largely it shall provide for the following:

- General indemnity against any claim of whatsoever nature made by Gharonda Builders.
- In case Gharonda Builders obtains a stay from the court of law, then it shall be the responsibility of the Owners to vacate the stay at its risk and cost. If required the Owners shall make a deposit in the court of law in order to vacate the stay.
- In case any court of law passes the order for claim against any part of the proposed construction or the Developer, the Owners shall make good such claims from their own sources or the share of the constructed area falling to their part.
- The Developer shall be entitled to recover any damages caused to it as a result of the above by selling the Owners share of constructed area at the rate of Rs. 2,500/- per sft. For such purposes the Owners shall set aside 10,000 sft of constructed area, equally distributed over all the blocks till such time a settlement is reached with Gharonda Builders or till such time the project is completed in all respects.
- This indemnity shall be provided by the Owners to the Developer by way of a separate deed.

Other issues: The Developer agrees to pay Gharonda Builders a sum of Rs. 50 lakhs as compensation for work done at site. The amount shall be paid to the Owners/Gharonda Builders on the advice of the Owners at any time, with an advance notice of 15 days at the time of reaching an settlement with Gharonda Builders. The Owners shall demolish the construction made by Gharonda Builders (except compound wall) at their cost.

Additional services: The Developer shall provide turnkey service for selling Owner's share of flats, at the option of the Owners. The services shall include marketing, sales, documentation, collections, housing loan processing, maintenance of database accessible to owners, repairs and maintenance, etc. The additional charges for such services shall be 2.5% of sale consideration plus 0.5% in sales involving processing of housing loan for flats. These charges include brokerage payable to brokers. For such sales amount shall be collected in favour of the Owner and deposited in their bank account. Developers shall sell Owners share of flats without any discrimination with its share of flats, both in priority of sale and rate of sale.

