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 s. No. 1009 Date 10-6-05 Rs. 100/-
 Sold to M.C. Modi Educational Trust
 S/o
 For Whom Seef Seeda

h. G. Challa 06AA 348901
 BEELA C. CHIMALGI
 STAMP
 L. No. 1009
 6-4-78
 SECUNDERABAD

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made and executed at Secunderabad on this the 10th day of June 2005 by and between:

M. C. Modi Educational Trust, a public charitable trust, having its office at 5-4-187/3&4, M.G. Road, Secunderabad – 500 003 represented by its Trustees

- 1) Shri Pramod Modi S/o. Late Shri Manilal C Modi, aged about 64 years, Occupation: Business,
- 2) Shri Soham Modi, S/o. Shri Satish Modi, aged about 35 years, Occupation: Business, hereinafter referred to as the **FIRST PARTY** (which term shall mean and include whenever the context may so require his successor-in-interest).

AND

M/s. Shri Sai Enterprises, a registered partnership firm having its office at 8-2-595/3, Road No. 10, Banjara Hills, Hyderabad, represented by its Managing Partner Shri Prakash Challa, S/o. Justice Challa Kondaiah, aged about 51 years, Occupation: Business, hereinafter referred to as the **SECOND PARTY** (which term shall mean and include whenever the context may so require its successors-in-interest).

For M. C. Modi Educational Trust

 Trustee

For SHRI SAI ENTERPRISES

 Managing Partner

For M. C. Modi Educational Trust

 Trustee

WHEREAS the FIRST PARTY is the absolute owner of the about 2,000 sq. yds. of land along with constructions / sheds admeasuring about 10,600 sft. bearing premises no. 1-8-179 situated at S.D. Road, Secunderabad.

WHEREAS the FIRST PARTY being a charitable trust is unable to get regular monthly income from the above referred premises, for its charitable activities and to meet the aims and objectives of the trust as mentioned in the Trust Deed. The FIRST PARTY does not have the expertise or the resources to develop the land and/or renovate the existing construction so that it can be leased to prospective tenants.

The FIRST PARTY being a charitable trust is governed by the provisions of the AP Charitable and Hindu Religious Institutions and Endowments' Act of 1987.

The SECOND PARTY has approached the FIRST PARTY to take on lease the premises bearing no. 1-8-179, situated at S.D. Road, Secunderabad admeasuring about 2,000 sq. yds. along with constructions / sheds admeasuring about 10,600 sft., hereinafter referred to as the Scheduled Premises on an 'as is where is' basis. The SECOND PARTY has agreed to renovate and/or develop the Scheduled Premises at their own risk and cost.

The SECOND PARTY has requested the FIRST PARTY to grant on lease the Scheduled Premises and FIRST PARTY has agreed to grant on lease the Scheduled Premises to the SECOND PARTY. Accordingly, the FIRST PARTY and the SECOND PARTY have entered into a lease agreement dated 10th June 2005.

The SECOND PARTY intends to renovate and make alterations to the Scheduled Premises at their own risk and cost so as to make a ground floor showroom space with a frontage of about 130 ft., with ample parking. The SECOND PARTY has agreed to bear the entire cost of renovation / additions and alterations.

The SECOND PARTY intends to sub-lease the renovated showroom space to third parties in parts or full.

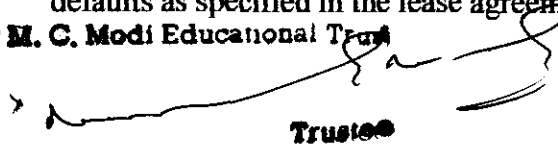
The lease of the Scheduled Premises as contemplated under the lease agreement and this memorandum of understanding is to be a long term agreement. It is agreed by both the parties that the lease for the Scheduled Premises shall be renewed at the end of every five years on mutually agreed terms.

The FIRST PARTY and the SECOND PARTY have decided to record their understanding in writing as under.

THE FIRST PARTY AND THE SECOND PARTY HEREBY JOINTLY AGREED TO THE FOLLOWING:

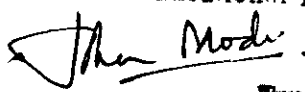
1. The lease for the Scheduled Premises is contemplated to be a long-term arrangement. The SECOND PARTY shall be entitled to renew the lease agreement on mutually agreed terms at the end of every five years.
2. The FIRST PARTY agrees to renew the lease on mutually agreed terms at the end of every five years provided that the SECOND PARTY is performing its part without any defaults as specified in the lease agreement referred above.

For M. C. Modi Educational Trust



Trustee

For M. C. Modi Educational Trust



Trustee

For SHRI SAI ENTERPRISES





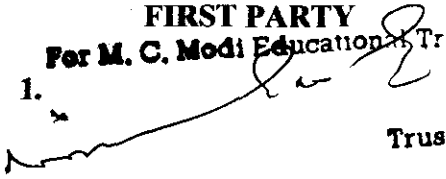
Managing Partner

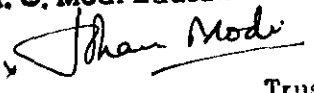
3. The SECOND PARTY undertakes to obtain the permissions that may be required from time to time from any statutory authorities including permission under the AP Charitable and Hindu Religious Institutions and Endowments' Act 1987, to fully effectuate this memorandum of understanding at its own cost.
4. The SECOND PARTY undertakes to obtain the permissions that may be required from time to time from statutory authorities like MCH, HUDA, Electricity and Water supply boards, etc. at its own risk and cost.
5. The FIRST PARTY agrees to cooperate with the SECOND PARTY by signing all necessary applications, affidavits, forms, etc. that may be required by the SECOND PARTY to obtain permissions from statutory authorities.
6. The FIRST PARTY agrees not to raise any objections of whatsoever nature with respect to the sub-lease by the SECOND PARTY to any third party or intending sub-lessee(s).
7. Incase, the sub-lessee(s) intends to take on lease the premises for a period exceeding the lease agreement in force the FIRST PARTY shall at the request of the SECOND PARTY issue a letter of comfort or confirmation to the sub-lessee(s) assuring the sub-lessee(s) of its intention to renew the existing lease for further periods of five years each.

In witness whereof the FIRST PARTY and the SECOND PARTY have signed these presents on the date and at the place mentioned above.

WITNESSES:

1. 
(A. D. K. P. Kumari)
2. 

FIRST PARTY
For M. C. Modi Educational Trust
1. 
Trustee

For M. C. Modi Educational Trust
2. 
Trustee

For SRI SAI ENTERPRISES
SECOND PARTY
Managing Partner
