

DEVELOPMENT AGREEMENT BY THE LANDLORDS IN FAVOUR OF A BUILDER

THIS AGREEMENT made at this day of, 2000, between (1) X, son of P, resident of; (2) Y, son of Q, resident of (3) Z, son of R, resident of (4) A, son of S, resident of (5) B, son of T, resident of, and (6) Smt. C, son of U, resident of, hereinafter called "the Vendors" (which expression shall unless repugnant to the context or meaning thereof mean and include their respective heirs, executors, administrators and assigns) of the FIRST PART; Smt. N wife of Shri M, resident of, hereinafter called "the Confirming Party" (which expression shall unless repugnant to the context or meaning thereof mean and include her heirs, executors, administrators and assigns) of the SECOND PART and a partnership firm through its Partner, D, son of F, resident of, hereinafter called "the Developers" (which expression shall unless repugnant to the context or meaning thereof mean and include partner or partners for the time being of the said firm, survivors or survivor of them and the heirs, executors, administrators of such survivor, their, his or her assigns) of the THIRD PART.

WHEREAS the Vendors are absolutely seized and possessed and sufficiently entitled to all those pieces or parcels of agricultural land, ground, hereditaments and premises one of which is the property bearing No., admeasuring about sq. meters, situated at and more particularly described in the Schedule hereunder written and delineated on the plan hereto annexed and thereon shown surrounded by a red colour boundary line (which property shall hereinafter for brevity's sake be referred to as 'the property').

AND WHEREAS the said property was owned and possessed by Shri X and after the death of said Shri X, the said property was transferred to the name of his daughter Smt and after the death of the said who died on the said property is inherited by the Vendors herein as the only legal heirs and representatives of the said Shri X.

AND WHEREAS the name of Smt. N, who is the second daughter of the said was entered into by Mutation Entry No. only on However, the Vendors continued in the absolute possession of the said property being the heirs of said Smt. N, who had inherited the property of her deceased father Shri X and claimed the same absolutely she being under customary form of marriage and allowed to retain the property to her father absolutely and as such the said Smt. N does not claim any right, title and interest in the said property and agreed to confirm this agreement without claiming any right, title and interest therein.

AND WHEREAS the Vendors have represented to the Developers herein that they have filed the return of their total land holding as per section 6(1) of the Urban Land (Ceiling & Regulation) Act, 1976 with the Competent Authority under the said Act, and have also submitted the scheme under section 21 of the said Act to the said Competent Authority thereby requesting the Competent Authority to permit the Developers to develop the property as per the Scheme.

AND WHEREAS the Developers herein have approached the Vendors with an intention to develop the said property from the Vendors and pursuant to the negotiations by and between the parties hereto and subject to the necessary approval being granted by the Competent Authority under the provisions of Urban Land (Ceiling & Regulation) Act, 1976 which approval/sanction is agreed to be persuaded by the Developers at their own costs and expenses and also subject to the plan of the proposed development being sanctioned by the Municipal Corporation of, which responsibility is agreed to be shouldered by the Developers herein as a result of which hereof the

Vendors are desirous of appointing the Developers as developers of the said property more particularly described in the Schedule hereunder written for the consideration and upon the terms and conditions hereinafter appearing:

NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

(1) The Vendors do hereby nominate, constitute and appoint the Developers to develop/purchase the said property at their own cost more particularly described in the First Schedule hereunder written by constructing building/s thereon as per the plans/specifications to be approved and/or sanctioned by the Bombay Municipal Corporation and the Competent Authority under the Urban Land (Ceiling & Regulation) Act, 1976.

(2) In consideration of the Vendors having appointed the Developers as the Developers of the said property and the Vendors agreeing to allow the Developers to appropriate to themselves the entire profits arising from the development scheme as is hereinafter provided, the Developers agree to pay to the Vendors a sum of Rs. (Rupees only) lump sum in the following manner:

- (a) Rs. (Rupees) being the part consideration and/or earnest money paid by the Developers to the Vendors on or before the execution of these presents (the payment and receipt whereof the Vendors doth hereby admit, acknowledge, acquit, release and discharge the Developers forever). On execution of these presents the Vendors shall hand over vacant and peaceful possession of the said property to the Developers for the purpose of development.
- (b) Rs..... (Rupees only) being the further payment in the share of the development payable by the Developers to the Vendors on or before ; which failure to pay this amount on stipulated date will entitle Vendors to claim interest at % p.a. from the date of default till payment.
- (c) Rs (Rupees only) to be paid on or before the day of, 2000.
- (d) Rs..... (Rupees only) to be paid by the Developers to the owner on or before the of, 2000.
- (e) Rs..... (Rupees only) on or before the of, 2000.
- (f) Rs..... (Rupees only) on or before the of, 2000.
- (g) Rs (Rupees only) on or before the of, 2000.

The above stated payment shall entitle the Vendors an interest from the date of default till the payment on the stipulated rate of % p.a. as stated hereinabove, on the balance of the purchase price in full and final settlement of the Vendor's claim over the said land on completion of the sale and/or execution of the Conveyance Deed and if more than one Conveyance Deed are to be executed on execution of last conveyance and all other necessary writings in favour of the Developers, his/their nominee/s including a proposed co-operative housing society or a Body Corporate as is hereinafter provided.

It is made clear that if the Developers fail to take conveyances in his/their favour or in favour of the said proposed co-operative housing society before the amount stated in this sub-clause is to be deposited by the Developers with the Vendors till the conveyances and all other necessary writings as stated hereinabove are completed and/or executed and the property in question is transferred to the name of the said proposed co-operative society, but if the Developers fail to deposit the said amount as stipulated herein, they shall be liable for penal interest at the rate of % from the date of default as stated above.

Provided that if any FAR in addition to the existing available FAR becomes available in respect of the said property, the Developer shall pay an additional sum @ Rs. per Sq. ft. to the Vendors on such additional FAR being sanctioned by the Municipal Corporation. The said payment will be made in 2 instalments on or before and, 2000.

(3) Within seven days from the execution of these presents, the vendors shall deliver or cause to be delivered all the title deeds, property card, certified copy of the plans of City Survey, etc. in relation to the property hereby agreed to be developed to Builder's Solicitors M/s. & Co. for the purpose of investigation of Vendor's title to the said property.

(4) The present price of Rs. is based on the area shown in i.e. sq. meters, which are to be ascertained by the parties hereto on joint survey and if the area is varied i.e. increased or decreased, the price will fluctuate - either increase or decrease at the rate of Rs per sq. meter.

(5) As per the present development plan, certain areas of the property hereby agreed to be developed is reserved for PG The Developers are not bound to pay for the said reservation, but in case they get the benefit of FAR and use the same for the purpose of development, they shall pay the Vendors at the above stated stipulated rate to the extent of benefit they have received from the said P.G. reservation.

(6) The Vendors declare that they have already filed the return as required under section 6 of the Urban Land (Ceiling & Regulation) Act, 1976. However, till date, they have not pursued the matter with the Competent Authority. The Vendors hereby authorise the Developers to obtain the N.O.C. under the Urban Land (Ceiling & Regulation) Act to the extent of a maximum share available and shall not object any share not being used for the purpose of development of the property hereby agreed to be developed. The Vendors further assure to extend maximum co-operation for obtaining N.O.C. and for giving declarations, affidavits, etc.

(7) Upon the payment of the said sum specified in clause 2(b) above, the Vendors shall hand over the vacant and peaceful possession of the said property to the Developers and Developers shall thereafter be authorised to commence construction of buildings on the said land in accordance with the plans approved and/or sanctioned by theMunicipal Corporation as well as under the Urban Land (Ceiling & Regulation) Act, 1976 and take such steps as may be necessary or expedient and incidental to carry out the development of the said land at their own costs, expenses. For the said purpose, the Developers shall be entitled to appoint Architects, Engineers, Surveyors, Contractors, Agents and other personnel and shall be entitled to take all such steps as may be necessary or incidental for such development and construction work at their own costs and expenses.

(8) It is agreed and undertaken by the Developers that they shall at their own costs and expenses persuade the matter regarding NOC with the Competent Authority under the Urban land (Ceiling & Regulation) Act, 1976 and obtain NOC from such authority. It is

further agreed by the Developers that all the necessary permission and/or sanction required from the Competent Authority and/or State Government either for the purpose of development of the said property or for the transfer of the said property including the proposed structure thereon under the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 shall be obtained by the Developers at their own costs and expenses and the Vendors shall not be liable for any such NOC, expenses relating thereto or delay in obtaining the same.

(9) Immediately on the execution of these presents, the Vendors herein shall execute a Power of Attorney in favour of the Developers or their Nominee(s) as may be desired by the Developers for the purpose of signing and/or executing all the applications, proceedings, plans, etc. to obtain necessary approval from the various authorities in connection with the development to be submitted by the Developers on behalf of the Vendors to the Competent Authority, Urban Land Ceiling, Municipal Corporation of, Town Planning Authority or any other Government or Semi-Government authority in connection with the development so as to facilitate the development of the property hereby agreed to be developed by the Developers on behalf of the Vendors. The Vendors hereby agree that the said Power of Attorney shall not be, under any circumstances, revoked by the Vendors as long as these presents subsist and remain binding upon the parties hereto. If the said Power of Attorney is revoked by the Vendors and delay is caused in developing the property hereby agreed to be developed the consequences arising thereof shall be at the costs of the Vendors alone.

(10) It is agreed and undertaken by the Developers that they shall at their own costs and expenses persuade the matter with Town Planning Authorities, Municipal Corporation of,, Electric Supply for the purpose of removing the reservation/restriction, if any and for the purpose of allotting the plots under Scheme, etc. and under no circumstances, the Developers shall call upon the Vendors to pay the costs of such actions. The Developers agree and undertake that at any post and under any circumstances they will get the property released from reservation, if any, and get the said allotted under Scheme. in favour of the Vendors. It is agreed by the Developers that whatever may be the final sanction under Scheme they shall pay to the vendors as per the original plot area.

(11) The Vendors shall render all assistance, co-operation and sign and execute or cause to be signed and executed all applications, plans, authorities and other writings as may be necessary or required to enable the Developers for development of the said plot and to obtain approval of the Municipal Corporation and Planning Authority to the Plans, designs and drawings for putting up building and structures and shall on the execution thereon execute a Power of Attorney in favour of the Developers or their Nominee/s to enable them to develop the said property and the Developers shall indemnify and keep indemnified and harmless the Vendors and their estate and effects from and losses or damages or any consequences which may flow by virtue of their signing the said Power of Attorney.

(12) All buildings to be constructed on the lands comprised under this Agreement and the dwelling units thereon will be in accordance with the Scheme sanctioned by the Competent Authority or State Government under the provisions of Urban Land (Ceiling & Regulation) Act and will be dealt with in accordance with the directions, if any, given by the Competent Authority or State Government while sanctioning the said scheme. If the Developers desire any variations in the said scheme, so as to provide dwelling units of larger sizes in the building to be constructed on the said land and/or to receive higher price for such dwelling units the Developers, shall be at liberty to make necessary application for the purpose to the authorities concerned at their own costs and the Vendors shall join the Developers in the said applications provided however, if the authorities concerned refuse or decline to give ,any such applications, which may be

made by the Developers, dwelling units on the said property will be constructed in accordance with the scheme which may be sanctioned by the Competent Authority or State Government under the said Act.

(13) The Developers shall not commence any work of development on the said property, unless the no objection and commencement certificate is issued by the State Government/Municipal Corporation in favour of the vendors.

(14) It is expressly agreed by the Developers that they shall at their own costs and expenses obtain permission/s from the Competent Authority for the purpose of development of the said property and/or for the purpose of implementing the construction scheme in respect of the entire property hereby agreed to be sold, so as to enable the Developers to construct the dwelling units as per the scheme sanctioned by the Competent Authority and to enable the Developers to consume the entire available F.S.I. and after being constructed to allot flats/shops/garages, etc. to the intending flat purchasers and ultimately to transfer the said property to a co-operative housing society and/or a company. It is also agreed and undertaken by the Developers that they shall apply for and obtain non-agricultural user from the Collector, in respect of the said piece or parcel of land.

(15) The Vendors shall make out a clear and marketable title to the said property, hereditaments and premises agreed to be developed and ultimately to be conveyed free from reasonable doubts and all encumbrances and shall at their own costs and expenses get in all outstanding estates and clear all defects in the title and all encumbrances and claims on or to the said property including all claims by way of sale, exchange, mortgage, gifts, trust, hereditaments, possession, except the possession of agricultural tenants, easement, lease, lien or otherwise.

(16) It is agreed and understood that the Vendors shall not in any way obstruct the development work to be carried out by the Developers and shall not do any act, matter or thing whereby the Developers will be prevented from carrying out the Development work envisaged under this Agreement.

(17) The Developers shall at their own cost make necessary arrangement for construction of the buildings on the said land in accordance with the scheme, which may be approved by the Competent Authority or State Government under the provisions of the said Act and the Developers shall execute an indemnity in favour of the vendors for the due performance of the terms of the said order.

(18) The Developers shall be at liberty to allot the dwelling units of flats in the said buildings to be constructed on the said property or to enter into any package deal agreement for allotment of completed building or buildings to be constructed on the said land with such party or parties and at such price 'and on such terms and conditions as the Developers/Purchasers may deem fit and proper. All such allotments and arrangements shall, however, be made by the Developers at their own costs and expenses and at their own risk, the intention being that the Developers shall alone be liable and responsible to such party or parties, provided, however, that the price and the terms and conditions at or on which the said building or buildings or part thereof are to be allotted shall not in any manner be inconsistent with or in contravention of any law and conditions imposed in NOC under section 20 or 21 of the said Urban Land (Ceiling & Regulation) Act, as may be sanctioned by the Competent Authority or State Government. The Developers hereby indemnify and keep indemnified the Vendors in respect of any such claim that may be made or suffered by the Vendors and costs, charges and expenses on account of sale or allotment of flats or otherwise.

(19) The Developers shall be entitled to enter into usual Agreement for sale of flats/shops/ garages/office premises with various intending buyers, on what is known as ownership basis, on such terms and conditions and at such price as the Developers may think fit and proper: PROVIDED, however, the Developers shall not part with possession of the flats, shops, garages, units, etc. in the buildings that will be constructed by them in pursuance of this Agreement unless and until the entire amount payable to the Vendors as per these presents is paid by the Developers to the Vendors.

(20) All amounts payable by the allottees of the dwelling units and the buildings to be constructed on the said piece of land or from the allottees of completed building in case of package deals under any arrangements made by the Developers with such allottees shall be received and appropriated by the Developers.

(21) The entire development work in respect of the property shall be carried out by the Developers in accordance with the plans that may be approved by the Municipal Corporation of and other concerned authorities and while carrying out construction work, the Developers will strictly comply with the building rules and bye-laws of the Municipal Corporation of Greater Bombay, various instructions, orders and directives, that may from time to time be issued in regard to the construction work by the Bombay Corporation and other concerned authorities. The Developers shall carry out the entire construction work at their own account and risk and at their own responsibility and shall pay and discharge all the costs, charges and expenses in relation to the construction work including payment of salaries and wages to the personnel and workmen employed in construction work, bills of the suppliers of building materials, Municipal rates and taxes in respect of the said property and from the date the Developers being put in possession and allowed to enter upon the said property, fees of the architects and R.C.C. specialists and consultants and all other professionals charges and/or retained in regard to the construction work. The Developers hereby agree to indemnify and keep indemnified the Vendors of land from or against any claim that may be made against Vendors by any one and/or any damage the Vendors may suffer as a result of the Developers committing breach of any of the building bye- laws, rules, orders, directives, instructions that may be issued by the Municipal Corporation of and other concerned authorities in connection with the construction work as aforesaid and/or the Developers committing default in payment of the salaries, wages and fees including the payment for injuries or any compensations during the progress of work of various mentioned hereinabove as also in payment of the Bills of Suppliers of the building materials and in payment of the Municipal taxes or in any damages or loss that may be suffered or sustained by the Vendors as a result of the Developers carrying out the construction work and/or development on the said property.

(22) It is agreed that the developers shall carry out ail the work of development in their name/s or in the name of their nominees, shall not do or cause to be done any act, deed, matter or thing in the name of the Vendors. It is expressly understood that all the agreements, arrangements or writings which the Developers may enter into shall be in their own name and not in the name of the Vendors. It is also expressly understood that the Developers will be entitled to the benefit of rights of development under any order or permission which may be issued by the Government of under section 20 and/or 21 of the Urban Land (Ceding & Regulation) Act, 1976.

(23) The Vendors hereby declare that:

- (a) The said property is equivalent to freehold and is not held under any agreement;
- (b) There are no outstanding encumbrances, mortgages, liens (notice for acquisitions, requisitions or set back) easements, rights of tenants or outstanding interest or claim by any parties other than the Vendors nor is

the said property subject-matter of any pending suit or attachment either before or after judgement. No notification is issued under any Ordinance, Act, statute/rules or regulations affecting the said property;

- (c) The Vendors further declare that neither the Vendors nor his/their predecessors-in-title nor any body claiming from/or under them or any of them have or have granted any right of way or easement or other rights to any person over the said property;
- (d) The Vendors agree and undertake to obtain consent and confirmation from Smt. N and in case of her demise before the execution of the conveyance from the legal heirs of said Smt. N confirming the sale in favour of the Developers or their nominee/s including a co-operative housing society as the case may be.

(24) It is agreed that the Vendors and all other necessary parties shall execute the Deed of Conveyance and/or all other writings in favour of such person/s as the Developers may direct and in the event of Conveyance/s be given in favour of the Nominee/s of the Developers or a proposed co-operative housing society. The Developers shall also join as a Confirming Party to the said Conveyance.

(25) The Vendors will ensure that at the time when the Developers are allowed to enter upon the said piece of land described in the Schedule hereunder written, the said piece of land is absolutely vacant and nobody is in occupation of the same.

(26) The Vendors hereby agree and confirm that the Developers shall be entitled to transfer the benefit and burden of this Agreement subject to the terms and conditions mentioned herein either as a whole or in part to one or more parties and that the Vendors shall have no objection to the same and the terms and conditions of this agreement shall remain binding over such transferees.

(27) It is agreed that the Developers shall carry out the work of development in their own name and shall not cause or cause to be done any deed or matter or thing whereby the Vendors are put to loss and have to discharge any liability. It is expressly agreed that the agreement which the Developers may enter into with any person in connection with the development scheme or for sale of flats, etc. shall be entered into only in the name of the Developers on principal to principal basis and not as agents of the Vendors herein.

(28) The Developers agree to pay Municipal, betterment charges, T.P. charges, water charges, electricity charges, fines and penalties arising as a result of change in the user of the said land.

(29) The Vendors declare that the land, hereditaments and premises hereby agreed to be developed and conveyed are not subject to the easement or rights in the nature of easement.

(30) The Vendors hereby declare that no notice from Government or any other body or authority or under the Municipal Corporation Act or Land Acquisition Act or Town Planning Act, The Defence of India Act or under any other legislative enactments, Government Ordinances, Order or Notification (including any notice for acquisition or requisition of plots or any part thereof) has been received by or served upon them or any other person/s interested therein nor is the said plot or any part thereof included in any intended or publishes scheme of improvement of the Municipal, Government body or Public Body or authority save and except that the said plot is included in the development plans for and portion of it is intended for reservation of playground.

(31) The Vendors hereby agree to pay and discharge all taxes and outgoings in respect of the said land prior to the sale on which the Developers are put in possession of the said land.

(32) The Vendors shall be entitled to receive the rent and profits and shall be liable to pay all outgoings, such as Municipal taxes, land revenue, etc. prior to the date the Developers are put in possession and the Developers shall from the date they are put in possession be entitled to receive the rents and profits and liable to pay all outgoings (including Municipal taxes, land revenue charges for consumption).

(33) The Vendors shall pay all outgoings including the ground rent, municipal and Collector's bills and charges in respect of the said property hereby agreed to be developed and conveyed previous to the date of handing over of the possession to the Developers. The Developers agree and undertake to bear all the betterment charges in respect of the said property and all taxes, Municipal, Collector's bills, etc. after the date of taking over of the possession.

(34) On the execution of these presents, the Vendors have authorised and allowed the Developers to put up the notice/signboards @herein indicating the proposed development scheme of the Developers)n the said property.

(35) From the date of the possession, the Developers shall be entitled to commence the construction of the new building at their own costs and responsibility and also enter into the agreement for sale of units/flats, etc., herein at their entire responsibility on what is known as ownership basis'.

(36) The Vendors hereby authorise the Developers to sign and execute applications, writings, undertakings for amalgamation, layout, sub-division, building plans and other assurances and submit the same D the Municipal and Public authorities and to obtain commencement certificate, etc. for obtaining N.A. and transfer Permission for the purpose of and for the development of the said property and also to appoint the Architect at Developers' costs and expenses. It is also agreed that all the costs, charges and expenses to e incurred in pursuance of this clause save and except as provided otherwise in this Agreement shall be borne and paid by the Developers alone irrespective of the fact whether the transaction goes through or not.

(37) The Vendors declare that the property in question is ancestral property. However, there is no minor interested in the property and hence the question of obtaining the sanction from the competent Court relating to minor's interest in the property does not arise.

(38) If the Development/sale be not completed due to any wilful default on the part of the Vendors, the Developers shall be entitled to specific performance of this Agreement.

(39) The Vendors shall immediately on execution of the Conveyance apply for and shall obtain his/their Income Tax Clearance Certificate under section 230A of the Income-tax Act, 1961 in respect of Deed of Conveyance of the said property and till that time the balance purchase price to the Vendors shall remain deposited with the Vendor's Advocates as his stake-holders.

(40) The Developers are aware of the fact that at present there is no proper access to the property to be developed and the Developers have agreed to construct a road thereby facilitating an access to the properly hereby agreed to be developed at the Developers own costs and expenses and under no circumstances, the Developers shall cancel these presents on the ground of non-availability of access as it is agreed by the Developers that they shall bear the costs of the access, if necessary.

(41) On the execution of these presents, the Vendors authorise and allow the Developers to put up the notice/signboards therein indicating the proposed development scheme of the Developers on the said property. However, it is made clear by the Vendors to the Developers that to put up the signboards does not mean even by implication the handing over of the possession and mere putting of the signboards does not give any right to the Developers of possession and the Developers shall not have any interest whatsoever against the said property.

(42) This agreement shall not be treated as a partnership between the Vendors and the Developers.

(43) The Developers shall indemnify and keep indemnified the Vendors from and against all actions, claims, demands, proceedings, fines, penalties and all costs, expenses and damages incurred or suffered by the Vendors in the course of such development.

(44) Save and except as hereinbefore otherwise provided, all costs, charges and expenses of the Vendors and of the Developers and incidental to this Agreement and Conveyance and other writing or writings to be made in pursuance hereof including stamp duty, registration charges, plan, certified copies, correspondence and all the expenses shall be borne and paid by the Developers alone. The fines and penalties payable to the Collector or transfer of the property not incurred by reason of any delay in lodging the Deed of Conveyance by the Developers shall be paid by the Developers alone. The penalty payable to the Registrar of Assurances shall be paid by the party by whose default such penalty may have become leviable.

IN WITNESS WHEREOF the parties hereto have hereunto set and subscribed their respective hands and seals the day and year first hereinabove written.

The Schedule above referred to

ALL THAT piece or parcel of land, ground, hereditaments and premises bearing No. and admeasuring about sq. meters, situated at and delineated on the Plan hereto annexed and thereon shown surrounded by a red colour boundary line and bounded as follows:-

- On or towards the East
- On or towards the West
- On or towards the North
- On or towards the South

Signed, sealed and delivered by the
within named Vendors

1
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X

2.Y
3.Z
4.A

5. B

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S
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C

Signed, sealed and delivered by the
within named Confirming Party Smt. N

WITNESSES;

- 1.
- 2.

Received the day and year first hereinabove written of and from the within named
Developers a sum of Rs. (Rupees only) as and by way of
earnest money to be paid by them to us by Cheque No dated
..... for Rs drawn by the

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Receiv
ed
1. X
2. Y
3. A
4. B
5.
Smt. C

SIGNED, SEALED AND DELIVERED by the
within named Developers M/s.
by the hands of Shri,
its partner