



Andhra Pradesh Forest Development  
Corporation Limited  
Hyderabad

## CONCESSION AGREEMENT

---

**Mrugavani National Park  
Chilkur, Eco Tourism Project**

---

M/s. Laxmi Jyothi Eco-Tourism & Jungle  
Resorts Private Limited  
Hyderabad

## Contents

|  |          |
|--|----------|
| <b>CONCESSION AGREEMENT .....</b>  | <b>4</b> |
| <b>RECITAL .....</b>   | <b>5</b> |
| <b>ARTICLES.....</b>   | <b>9</b> |
| ARTICLE 1.....   | 10       |
| DEFINITIONS:.....  | 10       |
| ARTICLE 2.....   | 20       |
| CONCESSION & PROJECT SITE .....  | 20       |
| ARTICLE 3.....   | 24       |
| REPAYMENT OF CERTAIN EXPENSES INCURRED AS CAPITAL<br>EXPENDITURE .....                             | 24       |
| ARTICLE 4.....   | 25       |
| UPFRONT DEVELOPMENT FEE, NET PRESENT VALUE, ADDITIONAL<br>DEVELOPMENT PREMIUM, LEASE RENTALS ..... | 25       |
| ARTICLE 5.....   | 27       |
| GUARANTEES & SECURITY .....  | 27       |
| ARTICLE 6.....   | 28       |
| PROCEEDS AND EARNINGS .....  | 28       |
| ARTICLE 7.....   | 29       |
| OBLIGATIONS AND UNDERTAKINGS.....  | 29       |
| ARTICLE 8.....   | 34       |
| STEERING COMMITTEE .....   | 34       |
| ARTICLE 9.....   | 35       |
| PROJECT SCOPE .....  | 35       |
| ARTICLE 10.....  | 39       |
| PROJECT IMPLEMENTATION AND OPERATIONS .....  | 39       |
| ARTICLE 11.....  | 44       |
| FINANCING ARRANGEMENT .....  | 44       |
| ARTICLE 12.....  | 45       |
| INSURANCES .....   | 45       |
| ARTICLE 13.....  | 47       |
| FORCE MAJEURE .....  | 47       |

|  |           |
|--|-----------|
| ARTICLE 14.....  | 51        |
| EVENTS OF DEFAULT AND TERMINATION .....  | 51        |
| ARTICLE 15.....  | 54        |
| CHANGE IN LAW.....   | 54        |
| ARTICLE 16.....  | 55        |
| HANDOVER OF PROJECT FACILITY .....   | 55        |
| ARTICLE 17.....  | 56        |
| DISPUTE RESOLUTION .....   | 56        |
| ARTICLE 18.....  | 58        |
| INDEMNIFICATION.....   | 58        |
| ARTICLE 19.....  | 59        |
| REPRESENTATIONS AND WARRANTIES, DISCLAIMER .....   | 59        |
| ARTICLE 20.....  | 61        |
| LENDER INTEREST .....  | 61        |
| ARTICLE 21.....  | 63        |
| MISCELLANEOUS PROVISIONS.....  | 63        |
| <b>SCHEDULES.....</b>  | <b>69</b> |
| SCHEDULE – 1.....  | 70        |
| DESCRIPTION OF THE MRUGAVANI NATIONAL PARK CHILKUR<br>ECO TOURISM PROJECT.....             | 70        |
| SCHEDULE – 2.....  | 72        |
| PAYMENT OF ADDITIONAL DEVELOPMENT PREMIUM .....  | 72        |
| SCHEDULE – 3.....  | 73        |
| PROJECT COMPLETION SCHEDULE OF MRUGAVANI NATIONAL<br>PARK CHILKUR ECO-TOURISM PROJECT..... | 73        |
| SCHEDULE – 4.....  | 74        |
| PROJECT SITE PARTICULARS .....   | 74        |
| SCHEDULE – 5.....  | 75        |
| SITE UTILIZATION PLAN .....  | 75        |
| SCHEDULE – 6.....  | 76        |
| CONSTRUCTION SPECIFICATIONS & STANDARDS INCLUDING<br>APPROVED MATERIAL.....                | 76        |
| SCHEDULE – 7.....  | 77        |
| MAINTENANCE PROGRAM .....  | 77        |
| SCHEDULE – 8.....  | 78        |

|  |           |
|--|-----------|
| FORM OF BANK GUARANTEE (REPAYMENT GUARANTEE).....                    | 78        |
| SCHEDULE – 9.....  | 80        |
| FORM OF BANK GUARANTEE (CONSTRUCTION GUARANTEE) .....                | 80        |
| SCHEDULE – 10.....   | 82        |
| ORIGINAL PROJECT COST & COMPONENTS .....                             | 82        |
| SCHEDULE – 11.....   | 84        |
| APPROVED BUSINESS & PROJECT COMPONENTS OF ADDITIONAL<br>PROJECT..... | 84        |
| SCHEDULE – 12.....   | 85        |
| APPROVED ACTIVITIES .....  | 85        |
| SCHEDULE – 13.....   | 86        |
| LEASE AGREEMENT .....  | 86        |
| <b>ANNEXURE .....</b>  | <b>98</b> |
| ANNEXURE – 1.....  | 99        |
| LIST OF THE GOVERNMENT ORDERS .....                                  | 99        |
| ANNEXURE – 2.....  | 100       |
| IMPLEMENTATION PLAN & APPROVED DESIGNS .....                         | 100       |
| ANNEXURE – 3.....  | 101       |
| DETAILED BUSINESS PLAN .....   | 101       |
| ANNEXURE – 4.....  | 102       |
| APPROVED ACTIVITIES BY CHIEF WILD LIFE WARDEN OF AP.....             | 102       |

## **CONCESSION AGREEMENT**

### **TO DESIGN, BUILD, FINANCE, OPERATE, MAINTAIN COMPONENTS OF MRUGAVANI NATIONAL PARK, CHILKUR ECO-TOURISM PROJECT INCLUDING VISITOR AMENITIES**

This Agreement is made at Hyderabad on this **19<sup>th</sup> day of November 2010**, between the **Andhra Pradesh Forest Development Corporation Limited**, represented by the Vice Chairman & Managing Director, hereinafter referred to as “APFDC” or “Concessioning Authority” (which expression shall unless excluded by or repugnant to the subject or context mean and include successors and assigns) of the One Part,

**AND**

**M/s. Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited**, having its registered office at 8-3-964/101; Flat No. 303; R R Reidency; Srinagar Colony; Hyderabad - 500 073 represented by its Director Sri. P. Krishna Chaitanya Reddy S/o. Sri Narasimha Reddy, aged about 29years, resident of Hyderabad, hereinafter referred to as the “Concessionaire” (which expression shall unless excluded by or repugnant to the subject or context mean and include its successors and permitted assigns) of the Other Part.

## **RECITAL**

### **WHEREAS:**

The **Andhra Pradesh Forest Development Corporation Limited (APFDC)** is mandated to execute the construction, development, and management of Eco Tourism Projects on the Forest / Sanctuary areas in the State of Andhra Pradesh on behalf of the Government of Andhra Pradesh and is mandated to develop eco-tourism projects in partnership with the Private Sector.

**M/s. Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited** is a Company incorporated under the Company's Act, 1956 and its main object is to promote, develop, organize, improve, provide, maintain trekking paths and sighting facilities to view wild animals and to take on lease, build, construct, maintain, improve the National parks and Zoological Parks, tourism centers, motels, cottages, watch towers, mud houses etc.

The Government of Andhra Pradesh in association with the Forest Department had decided to develop the existing Mrugavani National Park; Chilkur as an Eco-Tourism Project with Private Sector Participation. Andhra Pradesh Forest Development Corporation had invited "Expression of Interest" from the developers to develop the project on Design, Build, Finance, Operate, and maintain basis (DBFOM). Out of the six developers who evinced to develop the project, Mr. Chandra Sekhar Reddy alias Jyothi Reddy S/o Sri Laxmi Reddy has been identified as the developer for the project. Mr. Chandra Sekhar Reddy alias Jyothi Reddy S/o Sri Laxmi Reddy expressed his interest in developing the project and had made a proposal to Andhra Pradesh Forest Development Corporation making an offer to develop, finance, build, operate, market and manage the Mrugavani National Park Chilkur Eco-Tourism Project in Moinabad Mondal; Ranga Reddy District of Andhra Pradesh. Mr. Chandra Sekhar Reddy alias Jyothi Reddy S/o Sri Laxmi Reddy was willing to develop the project in consonance with the stipulations of the Forest Conservations Act, 1980, Andhra Pradesh Forest Act 1967, Wild Life (Protection) act, 1972, Eco Tourism Guidelines 1998 and various other statutes governing the development of Eco-tourism projects.

In the year 2001, a decision was taken by the Government of Andhra Pradesh, vide G.O. Ms No. 54, EFS&T (Forest II) Dept., dated 26<sup>th</sup> June, 2001, making APFDC the implementing agency for the development of Eco-Tourism Projects in three Zoological Parks of the state and twelve Protected Areas of Forest Department in the State of Andhra Pradesh and to generate revenue through levy of user charges by inviting private sector participation for investing into Infrastructural Development, Marketing etc., The Mrugavani National Park, Chilkur is one of the Eco-Tourism projects identified .

Accordingly the Government vide GO. Rt. No. 240, EFST (FOR-II) Department dated 31<sup>st</sup> July 2001, directed the Principal Chief Conservator of Forests to permit developers to develop the Mrugavani Natinal Park Chilkur land to APFDC for development as Eco-Tourism Project.

The APFDC Ltd., Hyderabad has entered in to a MOU with Mr. Chandra Sekhar Reddy alias Jyothi Reddy S/o Sri Laxmi Reddy on 29<sup>th</sup> April 2002, and the same was approved by the EFS&T Department on 17<sup>th</sup> July 2002 vide Lr No. 4467 Forest II/2002 and finalized the broad terms and principles of the agreement that was accepted by both the parties. The 'Design, Build, Finance, Operate and Maintain model was specifically chosen by Government for implementation of Eco-Tourism Projects with Private Participation in Reserve Forest Lands. As per the provisions of MoU, an area of 3 Ha of land at the project site shall be made available to the Concessionaire to develop visitor amenities in the form of motels, cottages, watch towers, mud houses, sighting tower, restaurant, resort, souvenir shops etc.

The Development of the visitor amenities in the form of Rest rooms, Mud houses, watch towers, sighting facilities etc were to be made in adherence to the stipulations of the Forest Conservation Act, 1980, AP Forest Act 1967, Wild Life (Protection) Act 1972, Eco Tourism Guidelines 1988 and other relevant statutes. Strict Guidelines for Forestry and Wildlife aspects, pollution control, waste disposal plan, landscape planning etc and for imperative utilization of ethnic structures and bio degradable materials was specified.

As per the provisions of MOU, the Concessionaire has an option to incorporate a Special Purpose Vehicle (SPV) to Design, Build, Finance, Operate, Maintain components of Mrugavani National Park Chilkur Eco Tourism Project including Visitor's Amenities and all rights and obligations under this Agreement shall be automatically divested with the Project Company, which shall, henceforth, become the Concessionaire. Accordingly Mr. Chandra Sekhar Reddy alias Jyothi Reddy S/o Sri Laxmi Reddy has incorporated a Special Purpose Vehicle by the Name M/s Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited on 21<sup>st</sup> June 2002 for implementing the proposed project.

As the project falls within the Reserve Forest Area which is also declared as a National Park and is subject to Forest (Conservation) Act 1980, The Wildlife (Protection) act 1972 and AP Forest Act 1967 and other relevant statute, it involves approval from Government of India for development of user facilities. Accordingly on 17<sup>th</sup> August 2002 the GoAP (EFS&T) Department directed APFDC to obtain the required approval from GOI and APFDC submitted the proposal for permission to establish Mrugavani National Park Chilkur to Principle Chief Conservator of Forests on 11<sup>th</sup> July 2003 and the Chief Conservator of Forests in turn forwarded the proposal with recommendation to National Board of Wildlife; Government of India on 22<sup>nd</sup> July 2003. GoAP (EFS&T) Department also forwarded the proposal to the Director, National Afforestation and Eco-Development Board; MoEF; Government of India for their approval on 29<sup>th</sup> August 2003.

The standing committee of National Board of Wildlife in its meeting held on 24<sup>th</sup> December 2003 discussed the proposal in detail and decided to reject the proposal since the setting up visitor amenities inside the park area are against laws of conservation of National Park and integrity of the ecosystem. The committee also desired that setting up visitor amenities should only be carried out outside the national park. The communication to this extent was communicated Ministry of Environment & Forests; GoI on 16<sup>th</sup> January 2004 to Chief Wild Life Warden; GoAP.

Since MoEF declined the proposal to set up visitor amenities inside the park, it became necessary to identify another 3 Ha of land in the vicinity of the Mrugavani National Park, Chilkur. As APFDC does not have the required land in vicinity, it was felt necessary to identify and obtain an alternative suitable government land of 3 Ha in the vicinity of the Mrugavani National Park, Chilkur, so that the project can be grounded. Accordingly APFDC identified Government (APFDC) land to an extent of 1.275 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur; to be used as a base camp towards development of user amenities. APFDC requested the District Collector Ranga Reddy to alienate the land in favor of APFDC on 10<sup>th</sup> February 2004. For which the District Collector agreed on 6<sup>th</sup> July 2004 vide letter reference no. LCL/107/2004. Accordingly APFDC had submitted the alienation proposal to Dist Collector; R R District on 8<sup>th</sup> July 2004.

The Revenue Department of GoAP through GO no MS 1028 dated 14<sup>th</sup> August 2008 directed to alienate the land to an extent of 1.275 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, in favor of APFDC on payment of market value of Rs 20 lacs per acre and the land to be used for establishment of base camp to provide visitor amenities for grounding the Mrugavani National Park, Chilkur Eco-Tourism project. As a follow up action, the District Collector Ranga Reddy requested APFDC to remit the total

cost of land so that the alienation can be initiated and the same was communicated vide letter no. LC1/1207/2004 dated 2<sup>nd</sup> September 2008.

On 11<sup>th</sup> September 2008, the concessionaire M/s L & J Eco-Tourism & Jungle Resorts Private Limited offered to pay the total cost of the land amounting to Rs 63 Lacs to APFDC. Consequently the GoAP EFS & T (For II) department vide Letter No. 8124/For II(2)/08, dt. 30-10-2008 had permitted APFDC to collect the total amount of Rs 63 lacs towards the total cost of land from the concessionaire as non refundable deposit. Subsequently the concessionaire M/s. Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited paid the total amount of Rs. 63 Lacs (Rupees Sixty Three Lacs Only) as non refundable deposit to APFDC in order to enable APFDC to meet the total cost of land and the payment was done in total Six Demand drafts dated 12<sup>th</sup> and 13<sup>th</sup> of November 2008. (Through five demand drafts dated 12<sup>th</sup> November totaling Rs 55 lacs and the balance Rs 8 lacs through a single demand draft dated 13<sup>th</sup> November 2008). APFDC in turn deposited the total amount of Rs 63 lacs to the Revenue Department GoAP on 26<sup>th</sup> November 2008 through challan no 71133.

Post receipt of money the alienation process was completed and the alienation is subject to the conditions under Rule No. 6 of AP (Telangana Area) alienation of State Land Revenue Rules 1975 and other usual conditions. The land was handed over to APFDC on 4<sup>th</sup> February 2009 and the ownership of the land is transferred to APFDC in March 2009.

Since the entire cost of the land was paid by the concessionaire in the form a non refundable deposit to APFDC, the concessionaire made a representation to APFDC to waive the annual lease rentals towards utilization 1.275 Ha (Ac 3.06 guntas) of Government (APFDC) land.

The concessionaire M/s Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited submitted the Business Plan for the project duly incorporating details like activities being proposed and year wise investment etc., on 10<sup>th</sup> October 2008.

The State Empowered Committee of Ministers in their meeting held on 13<sup>th</sup> February 2009 have approved the proposal of setting up of Mrugavani National Park, Chilkur under Eco-Tourism Project, the process of selection of the investor for the project and awarding the project to successful bidder i.e. M/s. Laxmi Jyothi Eco-Tourism and Jungle Resorts Pvt. Limited.

Keeping in view of the clearances given by State Empowered Committee and also clearance accorded by Government of India, Government of Andhra Pradesh had agreed to award the Mrugavani National Park Chilkur Eco-Tourism Project to M/s. Laxmi Jyothi Eco-Tourism and Jungle Resorts Pvt. Limited Hyderabad for grounding the Mrugavani National Park Chilkur Eco-Tourism Project subject to mutually agreed terms and conditions arrived in MOU dated 29<sup>th</sup> April, 2002 and conditions stipulated by therein GO Ms No. 39. YAT & C (PMU) Dept, dtd 9<sup>th</sup> June 2010.

The project is classified into two broad inseparable components consisting of Protection & maintenance of Mrugavani National Park and creation of Visitor Amenities.

Protection & Maintenance of Mrugavani National Park includes taking Care of the existing park and its wild life, its fencing, upgrading the exiting Environment Education Centre, existing nature camp zone, providing sighting facilities to see the animals in natural condition etc., in the National Park Area. Out of 906 Acre of Mrugavani National Park, Chilkur Area, the project shall be implemented in indentified pockets in an area of 75.00 Ha (187.5 Acres). Upgrading of existing facilities shall be carried out with approvals from APFDC and Chief Wild Life Warden AP. Implementation of specific activities inside the park shall be carried out with the approval of APFDC, Principal Chief Conservator of Forests (Wildlife) and Chief Wildlife warden of AP. Any activity in addition to the existing activities inside the park shall

be carried out post obtaining satisfactory specific approvals from Chief Wild Life Warden AP / National Board for Wildlife, Ministry of Environment & Forests and other relevant statutory bodies.

Creation of visitor amenities would be undertaken in the Government (APFDC) land (APFDC) of 1.275 Ha (Acres 3.06 guntas) in Sy. No.177/1, Aziznagar Village, Moinabad Mandal, Ranga Reddy District and would be in compliance to GO Ms No. 111 Municipal Administration and Urban Development (II) Department dated 08.03.1996 and other statutory clearances from the competent authority. The implementation shall be as per GO Ms No. 39 YAT & C Dept., dtd 09.06.2010 and other statutory clearances from the competent authorities.

As per the terms of GO Ms No. 39. YAT & C (PMU) Dept, dated 09.06.2010, a nominal annual lease rent of Rs. 100/- would be charged to the concessionaire towards usage of 1.275 Ha (Acres 3.06 guntas) of Government (APFDC) land located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District. A non refundable upfront development fee of Rs 5 lacs shall be collected from the concessionaire.

**M/s. Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited** was awarded the concession to Design, Build, Finance, Operate and Maintain the Mrugavani National Park, Chilkur Eco-Tourism Project at Hyderabad vide the Letter of award (LoA) issued by APFDC dated 18.06.2010.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties hereto, intending to be legally bound, hereby agree as follows:

**ARTICLES**

---

## ARTICLE 1

### DEFINITIONS:

In this Agreement, the following Capitalized words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them.

**“Additional Development Premium”/“ADP”** means the amount offered by the Concessionaire to APFDC for granting the Concession under this agreement.

**“Additional Project Cost”/“APC”** means the cost to be incurred in the implementation of the project as approved by APFDC and as per the details shown in Schedule 11 to the agreement, in addition to those components covered under OPC (Original Project Cost) of the Mrugavani National Park, Chilkur Eco -Tourism Project as per the details shown in Schedule 10 annexed to this Agreement.

**“Agreement”/ “Concession Agreement”** means this Agreement including Schedules-1 (one) through 13 (thirteen), Annexure 1 (one) through 3 (three), hereto and any amendments & additions thereto made in accordance with provisions of this Agreement.

**“Applicable Laws”** means all laws, including Forest laws promulgated or brought into force and effect by GOI or GOAP including regulations and rules made there under, and judgments, decrees, injunctions, writs and orders of any court, as may be in force and effect during the subsistence of this agreement.

**“Applicable Permits”** means all clearances, Concessions, permits, authorizations, consents and approvals under or pursuant to Applicable Laws, required to be obtained and maintained by the Concessionaire, in order to implement the Project Facility in accordance with this Agreement.

**“Approved Business & Project Components”** means those components that may be developed by the Concessionaire inside the National Park (within the approved 75 Ha with specific approvals from Chief Wildlife Warden AP or any other competent authorities) and those components that may be developed by the Concessionaire in the 1.275 Ha (3.06 Acres) of Government (APFDC) land located at Sy. No.177/1, Aziznagar Village, Moinabad Mandal, Ranga Reddy District for the purpose of providing value added services to the users as set forth in Schedule 12 to this Agreement.

**“Approved & Not Approved Activities”** means those activities that may be undertaken by the Concessionaire in the approved business (Subject to availability of requisite approvals) & project components as part of providing value added services to the users as set forth in Schedule 12 to this Agreement.

**“Arbitration Act”** means the Arbitration and Conciliation Act, 1996 and shall include modification to or any re-enactment thereof as in force from time to time.

**“Mrugavani National Park Chilkur Eco-Tourism Project”** means the Project as per G.O Ms No: 39 YAT&C (PMU) Department dtd 9<sup>th</sup> June, 2010 read with any amendments made to the said GO from time to time as described in Schedule 1 which the Concessionaire is required to design, build, Finance, operate, and maintain and market during the concession period in accordance with the provisions of this Agreement and applicable statutory approvals.

**“Change in Law,”** means the occurrence of any of the following after the date of this Agreement:

- a. The enactment of any new Indian Law;
- b. The repeal, modification or re-enactment of any existing Indian Law;
- c. the commencement of any Indian Law which has not entered into effect until the date of this Agreement;
- d. a change in the interpretation or application of any Indian law by a court of record as compared to such interpretation or application by a court of record prior to the date of this Agreement;

**“COC”** means the Commencement of Concession date, which shall be the date on which the Concessionaire shall submit the guarantees specified in Article 5.1 (a) & (b) of this Agreement and concomitantly, the date on which APFDC shall formally accord its permission to start developmental activities in the site land comprising identified land of 75 Ha in National Park (with the approvals from Chief Wildlife Warden AP) and 1.275 Ha (Acres 3.06 guntas) of Government (APFDC) Land with clear title) & enter in to the lease agreement for undertaking the Eco Tourism Project and Visitors Amenities.

**“Completion Certificate”** means the certificate issued by the APFDC pursuant to Article 10.3.

**“Concession”** means the concession granted under Article 2.1 by the APFDC under this Agreement to the Concessionaire to Design, Build, Finance, Operate and Maintain the Mrugavani National Park, Chilkur Eco-Tourism Project including Visitor’s amenities in the Government (APFDC) land of 1.275 Ha (Acres 3.06 guntas) located at Sy. No.177/1, Azianagar Village, Moinabad Mandal, Ranga Reddy and all other facilities and services forming part of the Project.

**“Concession Period”** means a period of not exceeding 33 (thirty three) years beginning on COC as detailed in Article 2.4.

**“Concessionaire”** means M/s. Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited and shall include all its successors and permitted assigns expressly approved by APFDC.

**“Construction Guarantee”** means the security by way of Bank Guarantee from any Nationalized Bank to be furnished by Concessionaire as per terms of Article 5.1(b) to the APFDC and which shall remain valid till the Project Completion Date.

**“Construction Works”** means all works and things necessary to achieve completion of the Project or additions or alterations that may be required in accordance with this Agreement and as per the ‘Implementation Plan’ annexed as Annexure 2.

**“Contractor”** means person with whom Concessionaire has entered into / may enter into all or any of the project agreements

**“Cure Period”** means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the Party responsible for such breach or default.

**“Debt Due”** means the aggregate of the following sums expressed in Rupees outstanding and payable to the Lenders under the Financing Documents.

- (i) The principal amount of the debt provided by the Lenders under the Financing Documents for financing the Initial project Cost (During the first five years period

from COC) (the “principal”) which is outstanding as on the Termination Date but excluding any part of the principal that had fallen due for repayment one year prior to the Termination Date unless such repayments had been rescheduled with the prior consent of APFDC and.

- (ii) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in sub-clause (i) above up to the date preceding the Termination Date but excluding (a) any interest, fees or charges that had fallen due one year prior to the Termination Date, and (b) penal interest or charges payable under the Financing Documents to the Lenders.

**“Detailed Business Plan”** means the approved business plan included as Annexure 3 to this Agreement which sets forth the details of the business components and facilities proposed to be created and the usages proposed for revenue generation including financial estimates for the operational period.

**“DPR”** means the Detailed Project Report that will be prepared and submitted to the APFDC within a period of 60 days from the date of this Agreement. Relevant extracts from the DPR shall be annexed as schedule to this agreement. Along with the DPR the other schedules as set forth in this Agreement to be submitted with the DPR shall also be annexed.

**“Emergency”** means a condition or situation that is likely to endanger the security of the individuals on or about the Project including users thereof or which poses an immediate threat of material damage to any of the Project Assets.

**“Encumbrance”** means any encumbrance such as mortgage, charge, pledge, lien, hypothecation, security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations and shall include without limitation any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project, physical encumbrances and encroachments on the Project Location.

**“Equity”** means the sum expressed in Rupees representing the equity share capital of the Concessionaire and shall include the funds advanced by any member of Concessionaire or by any of its shareholders/ investors towards equity investments in the project by way of equity, preference shares, and/or any other convertible equity instruments.

**“Franchisee”** means the person operating, maintaining and managing one or more facilities in the Government (APFDC) land under a franchise agreement with the concessionaire and as approved by APFDC

**“Franchisee Agreement”** Means the agreement between the concessionaire and Franchisee for the operation, maintenance & management of one or more of the facilities in the Government (APFDC) land as approved by APFDC.

**“Financial Close”** means the date on which the Financing Documents providing for funding have become effective and the Concessionaire has immediate access to such funding under the Financing Documents. It also includes the receipt of commitments for such equity as required by the Concessionaire to implement the project in the time frame as set forth in the project completion schedule.

**“Financing Documents”** means the documents executed by the Concessionaire in respect of financial assistance (including refinancing) for the Project to be provided by the Lenders by way of loans, advances, subscription to debentures and other debt instruments and guarantees, risk participation, take-out financing or any other form of credit enhancement and shall include loan agreements, guarantee agreements, subscription agreements, notes and any documents

providing security for such financial assistance, and includes amendments or modifications and thereto.

**“Force Majeure Event”** shall have meaning ascribed thereto in Article 13.

**“Forest Laws”** shall mean the various statutes regulating activities in lands falling under the ‘Reserved Forest’ category and other acts more particularly the stipulations of the Forest Conservation Act – 1980, AP Forest Act – 1967, Wildlife Protection Act – 1972, the National Forest Policy – 1988 & the AP State Forest Policy – 1993 including regulations and rules made there under, and judgments, decrees, injunctions, writs and orders of any court, as may be in force and effect during the subsistence of this Agreement, which would be relevant for the activities carried out in the Mrugavani National Park Chilkur Eco -Tourism Project.

**“GOAP”** means Government of the State of Andhra Pradesh.

**“GOI”** means Government of India.

**“Government Agency”** means GOI, GOAP or any government, department, commission board, body, bureau, agency, instrumentality, administrative body, central, state or local, having jurisdiction over the Concessionaire, the Project Assets or any portion thereof, or the performance of all or any of the services or obligations of the Concessionaire under or pursuant to this Agreement.

**“Government Approval”** means all the formal approvals and clearances required to carry out the activities mentioned in this agreement from the respective state and central departments or authorities bodies wherever applicable.

**“Good Industry Practice”** means those practices, methods, techniques, standards, skills, diligence, and prudence which are generally and reasonably expected of and accepted internationally from a reasonably skilled and experienced operator engaged in the same type of undertaking as envisaged under this Agreement and includes good practices in the development, creation, design, engineering, construction and project management and which would be expected to result in the performance of its obligations by the Concessionaire and in the operation and maintenance of the project in accordance with this Agreement, Applicable Laws, Applicable Permits, reliability, safety, cleanliness, hygiene, environment protection, economy and efficiency.

**“Gross Receipts”** shall mean the total revenue accruing from all the components and units of the project to the Concessionaire (to the extent apportionable to him), any other income incidental to the main income accruing from the project and any income arising from the provision of value added services to the users, calculated net of Sales Tax, Excise Tax, Service Tax and other Taxes applicable on the actual operations of the project but not Corporate Income Tax. In the calculation of gross receipts of the company, the following will apply.

1. In respect of the revenue generated from the operations inside the park, to the extent apportionable to the concessionaire and in respect of revenue generated from the operations in the Government (APFDC) land (whether directly managed by the Concessionaire or given on sub contract) total turnover of such operation will be considered in determining the gross receipts for the purpose of calculating the ADP payable to APFDC.
2. In respect of activities other than these where given on sub contract / sub concession with the approval of APFDC, the payments received from the sub-contractee / sub concessionaires will be considered for the purpose of calculating the gross receipts. The Concessionaire shall be fully within his rights to collect such ADP payments from the respective sub contractees for payment in turn to APFDC.

3. In all cases, where the Concessionaire directly operates the facility through the project company, the total turnover of such operation will be considered in determining the Gross Receipts for the purposes of calculating the ADP payable to APFDC.

All receipts will be certified quarterly by certified Chartered Accountants.

**“Immovable Assets”** means those assets created on the Project Site that form a part of the land, on the surface and under it, such as the land itself, all civil works, buildings, structures, foundations, embankments, pavements & road surface, interchanges, bridges, approaches to bridges, roads, landscaping, water works, pipes, drainages works, electrical works, communication systems, including the bare shells of any buildings, accommodation, restaurants even if such structures are pre – fabricated and would essentially include those assets the removal of which would adversely affect the basic amenities and operations of the project.

**“Implementation Period”** means the total period of twenty four months (24 months) from Zero Date.

**“Implementation Plan”** means the approved Implementation Plan included as Annexure 2 to this Agreement, which sets forth the details of the development proposed as part of the OPC and APC of the project with any additions/ variations.

**“Laws”** means the constitution, any law, orders, rules, regulations, bye-laws, statutory orders, decrees, judicial decisions, notifications, or other similar directives made pursuant thereto, injunctions, writs and orders of any Court or legally binding instructions, Codes or Standards (including Environmental Standards) issued by any executive, legislative, judicial or administrative entity, in India as any of them may be amended from time to time, including currency restrictions, any form of delegated legislation, a treaty and a directive or regulation made by virtue of powers conferred by an international treaty.

**“Lease Agreement”** shall mean the agreement entered between APFDC and the concessionaire for granting of lease of Government (APFDC) Land of 2.175 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur, for development of Base Camp for grounding of Mrugavani National Park.

**“Lenders”** means term lending financial institutions, banks, funds, trusts or trustees of the holders of debentures or other securities, non-banking financial companies (NBFC’s) duly registered with RBI under Category, their successors and assigns, who provide financial assistance to the Concessionaire for the purpose of Financial Closure under any of the Financing Documents.

**“Lead Lender”** means the Lender designated as such and authorization to take action under this agreement on behalf of all the Lenders and authorized to interact with APFDC for this purpose.

**“Letter of Award” / “LOA”** means the Letter of Award dated 18.06.2010 issued by APFDC to Concessionaire pursuant to the proposal of M/s. Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited being approved by the Empowered Committee and the G.O Ms No: 39 YAT&C (PMU) Department dtd 9<sup>th</sup> June, 2010 awarding the project to the Concessionaire.

**“Material Adverse Effect”** means material adverse effect on the ability of the Concessionaire to observe and perform any of its rights and obligations under and in accordance with the provisions of this Agreement.

**“Material Breach”** means a breach by either party of any of its obligations under this Agreement which has/is likely to have a Material Adverse Effect on the Project and which such Party shall have failed to cure within the Cure Period.

**“Movable Assets”** would exclude all Immovable Assets as defined and mean those Assets, which are brought in as additions to Immovable Assets, to facilitate project operations and provide value added services, including computers, equipment, machinery, furniture, fixtures, vehicles, etc., and would essentially include those assets that may be reasonably removed from the project location without affecting basic project amenities & operations.

**“O&M”** means the operation and maintenance of the Project during Operations Period including but not limited to functions of repair, renewal, replacement, management, running of the Mrugavani National Park Eco Tourism Project and performance of other services incidental thereto and compliance with Maintenance Programme.

**“Original Project Cost”** means the cost incurred in the implementation of approved activities listed for the Mrugavani National Park Chilkur Eco Tourism Project in 75 Ha ( 187.5 Acres) as per the details shown in Schedule 10 annexed to this Agreement for the financing of the Project Assets, including all movable and immovable assets therein and any further investment made directly during the period of Concession through receipts of grants, etc.

**“Parties”** means the parties to this Agreement collectively and “Party” shall mean either of the Parties to this Agreement individually.

**“Person”** means any individual, Company, corporation, partnership, joint venture, trust, unincorporated organization, society, cooperative, government or government agency or any other legal entity.

**“Project”** means the project activities described in Schedule 1 which the Concessionaire is required to Design, Build, Finance, Operate, and Maintain in accordance with the provisions of this Agreement. It shall also include all value added services, additions, expansions, and facilities that are provided by the Concessionaire in addition to those provided as part of the OPC during the Concession period.

**“Project Agreements”** means collectively this Agreement, any contract for the design, engineering, procurement, construction, development, operation and maintenance of the Project, Contract / Sub-Contract Arrangements and any other material contract (other than the Financing Documents) entered into or may hereafter be entered into by the Concessionaire in connection with the Project.

**“Project Assets”** means all physical and other assets relating to and forming part of the Project cost limited to (i) rights over the Projects Location in the form of operational contract, right of way or otherwise, (ii) tangible assets, including Movable and Immovable Assets forming part of the Original Project Cost such as civil works including, buildings, structures foundations, embankments, pavements, etc., sign boards, equipment for the collection of money, electrical works for lightning on the project, telephone and other communication systems and equipments for the Project, rest areas, amenities, service facilities, immovable assets brought in as part of Additional Project Cost and expansions over and above those brought in as part of OPC, etc. (iii) Project Facility situated on the Project Site and also at 2.175 Ha (Acres 3.06 guntas) of Government (APFDC) Land (iv) the rights of the Concessionaire under any Project Agreements, (v) financial assets, such as security deposits for electricity supply, telephone and other utilities, etc., (vi) insurance proceeds subject to Lenders’ rights thereto and (vii) Applicable Permits and authorizations relating to or in respect of the Project.

**“Project Company”** means M/s. Laxmi Jyothi Eco-Tourism Jungle Resorts Private Limited, the corporate entity, which shall be incorporated specifically to Design, Build, Finance, Operate and Maintain the Mrugavani National Park, Chilkur Eco-Tourism Project at Hyderabad vide the Letter of award (LoA) dated 18.06.2010 and the entity to which all rights and obligations under this Agreement shall be binding, henceforth, become the Concessionaire.

**“Project Completion”** shall have the meaning ascribed thereto in Article 10.3.

**“Project Completion Schedule”** means the progressive Project milestones set forth in Schedule 3 for the implementation of the Project.

**“Project Facility”** means collectively the facilities on the Project Site to be constructed, built, installed, erected, developed, created, or provided by the Concessionaire by implementing the Project and more specifically set out in the Business & Project Components (Schedule 10, 11, & 12).

**“Project Location”** means the particulars as set out in Schedule 4 on which the Project is situated and on which the Project Facility is to be provided in accordance with this Agreement.

**“Project Site”** means the site on which the project is being implemented which includes the inseparable components of both 906 Acre of Mrugavani National Park, Chilkur and the vacant Government (APFDC) land of 1.275 Ha (Acres 3.06 guntas) located at Sy. No.177/1, Aziznagar Village, Moinabad Mandal, Ranga Reddy District.

**“Rs.” or “Rupees”** refers to the lawful currency of the Republic of India.

**“SBI PLR”** means the prime lending rate per annum for loans with 1 (one) year maturity as fixed from time to time by the State Bank of India, and in the absence of such rate, the average of the prime lending rates of loans with 1 (one) year maturity fixed by the Bank of India and the Bank of Baroda and failing that any other arrangement that substitutes such prime lending rate as mutually agreed between the Parties.

**“Scheduled Project Completion Date”** shall have the meaning set forth in Article 10.3

**“Sinking Fund”** shall have the meaning set forth in Article 7.4.

**“Specifications and Standards”** means the specifications and standards relating to the design, engineering, construction, development, operation, maintenance, quality, capacity, and other requirements for the Project as set forth in Schedule 6 and in the Drawings and any modification thereof, or additions thereto submitted by the Concessionaire to, and expressly approved by APFDC and environmental standards as per Applicable Laws and Applicable Permits.

**“Statutory Auditors”** means a reputed firm of Chartered Accountants duly licensed to practice in India acting as statutory auditors of the Concessionaire.

**“Steering Committee”** means the Committee appointed pursuant to Article 8.

**“Sub Contract Arrangement”** means the agreement between the Concessionaire and Sub Contractee for the operation, maintenance, and management of one or more of the facilities of Mrugavani National Park Chilkur Eco-Tourism Project under a Sub Contract Arrangement with the Concessionaire.

**“Sub Contractee”** means the Person operating, maintaining, and managing one or more facilities of Mrugavani National Park Chilkur Eco-Tourism Project under a Sub Contract Arrangement with the Concessionaire.

**“Termination”** means termination of this Agreement and the Concession hereunder pursuant to a Termination Notice or otherwise in accordance with the provision of this Agreement but shall not, unless the context otherwise requires, include the expiry of this Agreement / Concession due to expiry to the Concession Period in the normal course.

**“Termination Date”** means the date on which the Termination occurs which shall be the date on which Termination Notice has been delivered or deemed to have been delivered by a Party issuing the same to the other party in accordance with the provisions of this Agreement.

**“Termination Notice”** means a communication in writing by a Party to the other Party regarding Termination in accordance with the applicable provisions of this Agreement.

**“Termination Payment”** means the aggregate of the amounts payable by APFDC to the Concessionaire under this Agreement upon Termination including Termination Payment receivable by the Concessionaire Pursuant to Article 13 & 14.

**“Upfront Development Fee”** means a total non-refundable fee of Rs. 5,00,000/- (Rupees Five Lakhs Only) payable by the Concessionaire to APFDC at the time of signing the Concession Agreement.

**“Value Added Services”** means facilities and services offered to Persons /Visitors using the Mrugavani National Park Chilkur Eco-Tourism Project by the Concessionaire in addition to those required to be provided as per this Agreement and in consonance with the Approved Activities set forth in Schedule 12.

**“Zero Date”** means the date of actual commencement of construction of Mrugavani National Park Chilkur Eco Tourism Project after receipt of necessary approvals or 24 months from COC, whichever is earlier.

## **Principles of Interpretation**

**1.1** In this Agreement, unless the context otherwise require.

- (a) any reference to a statutory provision shall include such provision as is from time to time modified or reenacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- (b) References to Indian Law shall include the laws, acts, ordinances, rules, regulations, guide lines or byelaws, which have the force of law in any State or Union Territory forming part of the Union Territory forming part of the Union of India.
- (c) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, societies, cooperatives, organizations or other entities (whether or not having a separate legal entity);
- (d) The heading is for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement.
- (e) Terms and words beginning with capital letters and defined in this Agreement including the Schedules shall be construed accordingly.
- (f) the words “include” and “including” are to be construed without limitation;
- (g) References to “construction” or “build” and their grammatical variations include, unless the context otherwise requires investigations, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction.
- (h) References to “development” and its grammatical variations include, unless the context otherwise requires, furnishing, fixtures, interior, decoration, kitchen equipment, landscaping, planting, horticultural activities, expansion, improvement, marketing, promoting and other incidental activities.
- (i) References to “operation” or “maintenance” and their grammatical variations include, unless the context otherwise requires, periodic and preventive maintenance, cleaning, servicing, painting, renewing, repair, replacement, maintenance of international quality and hygiene standards, environmental standards and other incidental activities.
- (j) any reference to day shall mean a reference to a calendar day;
- (k) Any reference to week shall mean a period of time between the same dates in successive calendar weeks as may be applicable to the context.
- (l) Any reference to month shall mean a period of time between the same dates in successive calendar months as may be applicable to the context.
- (m) Any reference to year shall mean a period of time between the same dates in successive calendar years as may be applicable to the context.
- (n) The schedules to this agreement form an integral part of this agreement and will be in force and effect as though they were expressly set out in the body of this Agreement.
- (o) any reference to any time to any agreement, deed, instrument, Concession, or document of any description shall be construed as reference to that agreement, deed, instrument, Concession or other document as amended, varied, supplemented, modified or suspended at the time of such reference;

- (p) reference to recitals, articles, sub-articles, clauses, or schedules in this agreement shall, except where the context otherwise requires, be deemed to be references to recitals, articles, sub-articles, clauses and schedules of or to this agreement;
- (q) References to any GOs relevant to this Concession Agreement are to be read with amendments issued to the same from time to time.
- (r) any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this agreement from or by any Party or the Project Coordinator shall be valid and effectual only if it is in writing under the hands of duly authorized representative of such Party or the Project Coordinator, as the case may be, in this behalf and not otherwise;
- (s) any reference to any period commencing “from” a specified day or date and “till” or “until” a specified day or date shall include both such days or dates; and
- (t) unless otherwise expressly provided in this Agreement, any documentation required to be provided or furnished by the Concessionaire to APFDC shall be provided free of cost and in triplicate and if APFDC is required to return any such documentation with their comments and / or approval, they shall be entitled to retain two copies thereof.

## **1.2 Measurements and Arithmetic Conventions -**

All measurement and calculations shall be in metric system and calculations done to 2 decimals places, with the third digit of 5 or above being rounded down except in money calculation, which shall be rounded off to nearest rupee.

## **1.3 Ambiguities or Discrepancies within this Agreement**

In case of ambiguities or discrepancies within this agreement, the following shall apply:

- i). between two Articles of this Agreement, the provisions of specific Articles relevant to the issue under consideration shall prevail over those in other Articles;
- ii). between the Articles and the Schedules, the Articles shall prevail;
- iii). between the written description on the Drawings and the Specifications and Standards the latter shall prevail;
- iv). between the dimension scaled from the Drawings and its specific written dimension, the latter shall prevail;
- v). Between any value written in numerals and that in words, the latter shall prevail.

## **1.4 Priority of the Documents**

The following documents / agreements between the Parties shall be construed as mutually explanatory to one another provided that in the event of any conflict or repugnancy between them priority of the documents shall be:

- (i) Concession Agreement, including schedules and annexure thereto
- (ii) Letter of Award (LOA)
- (iii) Memorandum of Understanding

## **ARTICLE 2**

### **CONCESSION & PROJECT SITE**

#### **2.1 Grant of Concession**

Subject to and in accordance with the terms and conditions set forth in this Agreement, APFDC hereby grants and authorizes the Concessionaire to Design, Build, Finance, Operate and Maintain the Project / Project Facility and to exercise and/or enjoy the rights, powers, privileges, authorizations, and entitlements as set forth in this Agreement, including but not limited to the right to run the Mrugavani National Park Chilkur Eco-Tourism Project and to charge, demand, collect and appropriate the sale receipts, fees and charges from the Persons using the Project/Project Facility or any part thereof (collectively “the Concession”)

#### **2.2 Commencement of Concession**

The Commencement of Concession (COC) shall be the date on which the Concessionaire shall submit to APFDC the various guarantees specified under Article 5.1 of this Agreement and concomitantly the date on which APFDC shall accord permission to start the developmental works in the project land comprising identified 75 Ha of National Park (with the approval of Chief Wildlife Warden AP) & Government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District to the concessionaire for the implementation of the project & the date of entering of lease agreement as stipulated in schedule 13 of this agreement. The date of handing over the Government (APFDC) Land and identified pockets of National Park (with the approval of Chief wildlife warden) shall not be later than 20 days from the date of this Agreement. All rights and obligations under this Agreement shall commence from the COC when the Agreement shall become effective.

A case was filed in the High Court of Andhra Pradesh on Government (APFDC) land regarding the title to the Land (W V M P 2705 of 2009 and WPMP no. 3659 of 2009) which was countered by the District Collector of RR District (WP no. 2853 of 2009). The Honorable High Court of Andhra Pradesh vacated the case in their judgment dated 18<sup>th</sup> August 2010 and the land is free from any legal encumbrances and possessions.

#### **2.3 Lease Agreement**

At the time of handing over of the project site i.e. Government (APFDC) land, the parties shall enter in to a lease agreement as provided in Schedule 13 of this agreement and the lease agreement is applicable for lease of the Government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District.

#### **2.4 Concession period**

The Concession hereby granted is for a period of 33 (thirty three) years commencing from the COC (the Commencement of Concession) during which the Concessionaire is authorized to implement the Project and to operate Project Facility in accordance with the provisions hereof. For the avoidance of doubt, the Concession Period shall include the Construction Period also.

Provided that:

- (a) In the event of the Concession being extended by APFDC beyond the said period of 33 (thirty three) years in accordance with the provisions of this Agreement, the Concession Period shall include the period/aggregate period by which the Concession is so extended, and
- (b) In the event of Termination, the Concession Period shall mean and be limited to the period commencing from the COC and ending with the Termination.

## **2.5 Acceptance of the Concession**

The Concessionaire hereby accepts the Concession and agrees and undertakes to implement the Project and provide Project Facility in accordance with the Implementation Plan & Business Plan, Good Industry Practice, Site Utilization Plan, Specifications, and Standards, Maintenance Programme and to perform and discharge all of its obligations in accordance with the terms and conditions set forth in this Agreement.

## **2.6 Renewal of Concession**

APFDC shall reserve the right to negotiate fresh terms for a further period of concession or to invite bids to reissue the concession of the Mrugavani National Park Chilkur Eco-Tourism Project at the end of 33 Years. In both the cases, the Concessionaire would be given the first right of refusal. This would mean that, in the first instance, the existing operator would have the right to accept or refuse the terms as set forth by APFDC and thereby decide whether they want to continue operations or withdraw from the project. In the second instance, the existing operator shall have the option to match the commercial offer of the highest ranked bidder and renew the concession in his favour. In case APFDC decides to start a new project at the same site at the end of 33 years, the existing operator shall have the option to match the commercial offer of the highest ranked bidder and get the Concession in his favour. This is however, subject to the Concessionaire's meeting the eligibility criteria for the new project.

## **2.7 Project Site**

- (a) APFDC hereby undertakes to make available to the Concessionaire physical possession of the Project site free from Encumbrance on commencement of concession together with the necessary rights of way for the purpose of operating and implementing the Mrugavani National Park Chilkur Eco Tourism Project.
- (b) APFDC confirms that upon the project site being made available pursuant to the preceding sub-article (a) the Concessionaire shall have the exclusive right to enter upon, occupy and use the project site and to make at his own cost, charges and expenses for such development, construction and improvements in the Projects site as may be necessary or appropriate to implement the Project and to provide project facility subject to and in accordance with the provisions of this Agreement.

## **2.8 Use of the Project Site**

The Concessionaire shall comply with the 'Approved Business & Project Components', the 'Approved Activities' as set forth in the schedules to this Agreement and as approved by APFDC and shall not without prior written consent or approval of APFDC use the project site for any purpose other than for the purposes of this project/the Project Facility and purposes incidental thereto as permitted under this Agreement or may otherwise be approved by APFDC.

## **2.9 Provision of Additional Facilities beyond the facilities proposed under Original Project Cost**

- (a) The Concessionaire would have the freedom to provide additional facilities, expansion to the existing facilities as well as additional activities beyond the Original Project Cost and within the components and activities approved by the APFDC in Schedule 12 annexed to this Agreement.
- (b) If the proposed additional facilities as detailed in Schedule 12, expansion to the existing facilities and/or additional activities fall outside components and activities approved under the consolidated business plan annexed to this agreement and/or are beyond the scope of the project as defined in this agreement, then such additions can be undertaken only with the prior written permission of APFDC.
- (c) Additional cost of about Rs. 4.36 Cr. is proposed to be invested in phases as per the commercial needs and depending on the future demand. This additional project cost is subject to variation and will be incurred at the discretion of the Concessionaire depending on the future requirement. APFDC clearly and explicitly accepts that default in this either in part or full does not attract any penalty/termination etc. Details of this additional cost, component wise, have been provided in Schedule 11 to this Agreement.

## **2.10 Information about the Project Site**

The information about the Project Site set out in Schedule 4 is provided by APFDC in good faith and with due regard to the matters for which such information is required by the Concessionaire. APFDC agrees to provide to the Concessionaire, upon a reasonable request, any further information relating to the Project Site, which APFDC may now possess or may hereafter come to possess.

## **2.11 Peaceful possession**

APFDC warrants that:

- (a) The Project site together with the necessary right of way having been acquired through the due process of law belongs to and is vested in APFDC and that APFDC has full power to hold and deal with the same consistent, inter alia, with the provisions of this Agreement.
- (b) The Concessionaire shall, subject to complying with the terms and conditions of this Agreement, remain in peaceful possession and enjoyment of the Project Site during the Concession period.

## **2.12 Rights over the Project Site & Assets thereon**

- (a) The ownership & proprietary rights over the Mrugavani National Park Chilkur Eco-Tourism Project (the site & all assets created under OPC and immovable assets under APC) are classified as a) Ownership & proprietary rights over

identified pockets of National Park area and b) Ownership & proprietary rights over the Governemnt (APFDC) Land. The Ownership & proprietary rights over the identified pockets of National Park area rest with Forest Department with APFDC being the nodal agency at all times during the period of the concession. The Ownership & proprietary rights over the Government (APFDC) land shall rest with APFDC at all times during the period of Concession. In both cases after expiry of the concession period the Concessionaire shall have no rights over the titles of the project site and nor shall he have the right to pledge or hypothecate or create any encumbrance over the Project site to any third party.

The concessionaire during the period of concession, with specific approvals and permissions from APFDC, can mortgage the lease hold rights of the Government (APFDC) land (land of 1.275 Ha or Ac 3.06 guntas located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur for which the concessionaire has entered in to lease with APFDC for a maximum period of 25 years from the COC as per the Schedule 13 annexed) in favor of project lenders. The period of mortgage shall be restricted to 25 years from the start of COC.

- (b) The Concessionaire shall have exclusive rights to the use of the Project Site in accordance with the provisions of this Agreement and for this purpose he may regulate the entry and use of the same by third parties.
- (c) The Concessionaire shall not part with or create any Encumbrance on the whole or any part of the Project Site save and except as set forth and permitted under this agreement provided however that nothing contained herein shall be construed or interpreted as restriction on the right of the Concessionaire to appoint any contractor for the performance of its obligations hereunder including for operation and maintenance of all or any part of the Project / Project facility.
- (d) All assets (Movable and Immovable Assets) forming part of the Project Assets created as part of the OPC and Immovable Assets brought in as a part of APC, would be the property of APFDC and would continue to do so beyond the concession period.
- (e) The Concessionaire shall have the right over all Movable Assets brought in subsequently as part of providing value added services, enhancing and/or expanding the operations of the project as part of the APC, other than those included in the original project cost and shall have the right to take away the said assets after the period of concession.

### **2.13 Environmental Clearance**

The Concessionaire shall apply for and obtain any applicable permission / clearances related to environmental matters and management of wildlife that maybe necessary or required for the project under any Applicable Laws.

### **2.14 National Board of Wild Life Clearances**

The concessionaire is permitted to construct any additional facilities inside the National Park area (Mrugavani National park) only after obtaining specific permissions from National Board of Wild Life and Ministry of Environment & Forests; Government of India.

### **ARTICLE 3**

#### **REPAYMENT OF CERTAIN EXPENSES INCURRED AS CAPITAL EXPENDITURE**

##### **3.1 APFDC Expenditure**

The Concessionaire shall reimburse all the expenditure incurred by APFDC / Forest Department on maintenance and development of Mrugavani National Park Chilkur Eco-Tourism Project including the establishment costs of the staff working at Mrugavani National Park Chilkur Eco-Tourism up to the COC. This amount, which would be arrived at, with substantiation thereon, the same shall be repaid with 12% Simple interest in a single installment in the 13<sup>th</sup> month after COC, before the 10<sup>th</sup> of the relevant month.

- i.** The Concessionaire shall repay the actual expenditure incurred by the Forest Department before handing over the project area by APFDC to the Concessionaire..
- ii.** The Concessionaire shall repay all the other type of expenditure incurred by APFDC amounting Rs 2.0 Lakh (Rupees Two Lakhs only) or actual expenditure incurred by APFDC at the time of permitting the developer to start development activities in the Project site, incurred for the purpose of fencing, bore well, planting operations and administrative expenses etc, in the Government (APFDC) land in one installment at the time of signing of the Concession Agreement or with 12% simple interest, within 12 Months from the date of signing the Concession Agreement.

##### **3.2 Default**

If the Concessionaire has delayed any payment that has fallen due under this Article 3 and if such delay exceeds 60 (sixty) days, APFDC shall be entitled to terminate this Agreement in accordance with the provisions of Article 14.

## **ARTICLE 4**

### **UPFRONT DEVELOPMENT FEE, NET PRESENT VALUE, ADDITIONAL DEVELOPMENT PREMIUM, LEASE RENTALS**

**4.1** In consideration of the grant of concession under this agreement the Concessionaire shall pay the Upfront Development Fee and Additional Development Premium as hereinafter provided.

#### **4.2 Upfront Development Fee & Consultants Fee**

- i) The Concessionaire shall pay to APFDC an Upfront Development Fee of Rs.5,00,000/- (Five Lakhs only) at the time of signing the Concession Agreement.
- ii) The Concessionaire shall repay the expenditure Rs.4 Lakhs plus Service Tax, net of TDS as per applicable law, incurred by APFDC for hiring of the consultants for assisting the APFDC in execution of various agreements between the parties, vetting of business plan etc at the time of signing the Concession Agreement.

The amounts paid by Concessionaire amounting to Rs 2,50,025/- (Rupees Two Lakh Fifty Thousand Twenty Five Only) shall be adjusted towards the above referred expenses and the Concessionaire shall pay to APFDC the balance amounts.

#### **4.3 Additional Development Premium (ADP)**

##### **ADP for the first five years**

- (a) For the first year from COC, No ADP shall be paid by the concessionaire. For the 2<sup>nd</sup> and 3<sup>rd</sup> year after COC the Concessionaire shall pay an ADP of Rs. 1,00,000 (Rupees One Lakh Only) per annum. For the 4<sup>th</sup> year after COC, the Concessionaire shall pay an ADP of Rs.2,00,000 (Rupees Two Lakh only) and for the 5<sup>th</sup> year after COC the concessionaire shall pay an ADP of R 3,00,000 (Rupees Three Lakhs only). This fixed ADP shall be payable before the 10<sup>th</sup> of the respective first month of each half financial Year i.e., October and April of every financial year.

##### **ADP from the sixth year onwards till the end of Concession**

- (b) From the 6<sup>th</sup> year after COC and through the remaining period of Concession, the Concessionaire shall pay to APFDC Additional Development Premium (ADP) **higher of the following:**

1. The floor ADP shall be Rs.10,00,000 (Rupees Ten Lakh only) per annum with an escalation of 5% every year

**Or**

2. 1% of the Project cost incurred, Original Project Cost of Rs. 564 Lakhs (excluding payments to APFDC towards NPV) plus Additional Project Cost of Rs. 436 Lakhs (i.e., OPC+APC) limiting to Rs.1,000 Lakh (Rs Ten Crore) till end of previous year, with 5% escalation every year

**Or**

3. 3% of Gross Receipts of Project Company.

(Whichever is higher among the three options)

- (c) The floor ADP shall be payable before the 10<sup>th</sup> of the respective first month of each half-year i.e., October and April of every financial year. At the end of each month the actual ADP payable shall be calculated as the higher of the floor ADP or the percentage of Gross Receipts and the difference payable shall be paid along with the Floor ADP for the next half year.
- (d) The payment of ADP for every half year shall comprise of the difference payable on actual ADP calculations for the previous half year and the Advance Floor ADP payable for the next half year and this payment shall be made before the 10<sup>th</sup> of the respective first month of each half-year i.e., October and April of every financial year.
- (e) The ADP payable shall be accompanied by a statement of gross receipts for the half year certified by the Chartered Accountant.
- (f) A “Revolving Bank Guarantee” for a sum equal to the value of ADP shall be provided by the Concessionaire at the time of signing the Concession Agreement for each installment to be paid.

#### **4.4 Annual Lease Rentals**

The concessionaire shall pay an annual lease rental of Rs 100/- (Rupees One Hundred Only) per annum towards utilization of government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District for creation of visitor amenities.

#### **4.5 Mode of Payment**

All payment by Concessionaire to APFDC shall be paid by Bank Demand Draft / Real Time Gross Settlement (RTGS) drawn on a Nationalized bank at Hyderabad in favour of The Vice Chairman & Managing Director, APFDC.

#### **4.6 Interest for Delayed Payment**

Without prejudice to any other rights or remedy which APFDC may have under this Agreement including the right to terminate the Agreement, if the Concessionaire has delayed any payment that has fallen due under this Article 4, the Concessionaire shall pay interest at 1.50% per month, on the sums due for the period of delay in making the payments to APFDC.

#### **4.7 Default**

If the Concessionaire has delayed any payment that has fallen due under this Article 4 and if such delay exceeds 60 (Sixty) days, APFDC shall be entitled to terminate this Agreement in accordance with the provisions of Article 14.

## **ARTICLE 5**

### **GUARANTEES & SECURITY**

#### **5.1 Repayment Guarantee, Construction Guarantee**

- (a) The Concessionaire shall, for the due and punctual performance of its obligations to repay the APFDC expenditure as stated in Article 3.1 above, deliver to APFDC within 20 (twenty) days from the date of signing of this agreement, a Bank Guarantee (“**Repayment Guarantee**”) from a Nationalized Bank for the said due amount. The guarantee shall be valid for a period of 15 months from the date of issuance and would be extended further, so as to make the total validity period of the guarantee to be 15 months from the date of COC. The guarantee shall be submitted in the form set forth in Schedule 8. In the event of default or non-repayment, the Bank Guarantee shall be en-cashed by APFDC, after expiry of due date of payment. In the event of repayment in time, the Bank Guarantee shall be discharged and returned to M/s. Laxmi Jyothi Eco-Tourism and Jungle Resorts Private Limited.
- (b) The Concessionaire shall, for due and punctual performance of its obligations during the Implementation Period, deliver to APFDC within 20 (twenty) days from the date of signing of this Agreement, a bank guarantee from a Nationalized bank acceptable to APFDC, in the form set forth in Schedule 9 valid for a period of 13 months to be extended for a further period upon request by APFDC. The guarantee termed as “**Construction Guarantee**” shall be equal to 5% of the Total project cost or Rs. 50,00,000/- (Rupees Fifty Lakhs only), whichever is lower.

#### **5.2 Fresh Guarantees**

In the event of the encashment of any of the Guarantees in Article 5.1 by APFDC pursuant to Encashment Notice issued in accordance with the provision of Article 14.4 the Concessionaire shall within 30 (thirty) days of the Encashment Notice furnish to APFDC fresh Guarantee failing which APFDC shall be entitled to terminate this agreement in accordance with the provisions of Article 14.4. The provisions set forth in Article 5.1(b) above shall apply mutatis mutandis to such fresh Guarantees.

**ARTICLE 6**

**PROCEEDS AND EARNINGS**

- 6.1** Subject to the provisions of this Agreement, the Concessionaire shall during Operations Period be entitled to all the proceeds, earnings and income received from the operations of Mrugavani National Park Chilkur Eco -Tourism Project including the Project Facility and Value Added Services in accordance with the Applicable Laws and Applicable Permits.

## **ARTICLE 7**

### **OBLIGATIONS AND UNDERTAKINGS**

In addition to and not in derogation or substitution of any of the obligations set out elsewhere in this Agreement, the parties agree and undertake as under.

#### **7.1 General Obligations of the Concessionaire**

The Concessionaire at his own cost and expenses shall Investigate, Study, Design, Construct, Furnish, Equip, Operate and Maintain the

- i.** Project Assets/Project Facility in accordance with the provisions of this Agreement by observing Good Industry Practices and Applicable Laws;
- ii.** Adhere to the Implementation Plan for OPC, Site Utilization Plan for OPC and APC, Specifications and Standards while implementing the Project.
- iii.** With reference to the construction activities inside the Mrugavani National park project area:
  - a.** Obtain requisite approvals from Chief Wild Life Warden of AP and other relevant statutory authorities for construction of any additional constructions and to make any alterations to the existing structures including landscaping and pathways etc.,
  - b.** The construction materials should be eco-friendly like that made of bamboo, timber, reconstituted wood, clay, etc. however, cement concrete flooring shall be allowed for all toilets and bathrooms.
  - c.** Architecture of construction should be of the type that blends with the surrounding landscape.
  - d.** Ensure that the Mrugavani National Park Chilkur Eco -Tourism Project would be used only for those purposes which would be in accordance with the approval accorded by Chief Wild Life Warden of AP.
- iv.** With reference to the construction activities in the Government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District:
  - a)** Ensure that all the structures on the site are constructed in accordance with GO MS No. 111 M.A dated 8<sup>th</sup> March 1996 and with approval of concerned authorities. Cement concrete construction shall be allowed.
  - b)** Ensure that the site would be used only for those purposes which would be in accordance with the approval accorded by APFDC
- v.** Ensure availability of finance as per the draw down schedule and the stipulated time frame in such a manner so as to ensure that there is no delay in project completion.

- vi.** Adhere to the scope of the project as defined in the Approved Business & Project Components and to the usage of the facility as laid down in this Agreement as per the approved activities.
- vii.** Obtain all applicable permits, inconformity with the Applicable Laws & rules and be in compliance with thereof at the times during the Concession period, including but not restricted to :
  - a. Clearance from the Pollution control Board
  - b. Clearance from Greater Hyderabad Municipal Corporation or such relevant authority.
  - c. Police Approvals
  - d. Clearance from the Municipal Corporation or Authorities
  - e. Other Statutory approvals / clearance that may be necessary.
- viii.** Pay and satisfy all taxes, assessments, levies, duties, charges, fees and all other outgoings in respect of the Mrugavani National Park Chilkur Eco -Tourism Project Facility and the Project Site, other than those specified in clause 7.3 (vii);
- ix.** Pay and satisfy all levies, duties, charges, fees and all other outgoings for electricity, water, telecommunications and other utilities used for the Mrugavani National Park Chilkur Eco -Tourism Project Facility and Project Site.
- x.** Procure and maintain in full force and effect, as necessary, appropriate proprietary rights, License agreements and permissions for materials, methods, processes and systems used in or incorporated into the project.
- xi.** Ensure that each Project Agreement contains provisions that would entitle APFDC or a nominee of APFDC to step into such agreement at APFDC's discretion in place and substitution of the Concessionaire in the event of Termination pursuant to the provisions of this agreement.
- xii.** Provide to the APFDC reports on a regular basis during the implementation period and the Operations Period in accordance with the provisions of this Agreement.
- xiii.** Make efforts to maintain harmony and good industrial relations among the personnel employed in connection with the performance of the Concessionaire's obligations under this Agreement.
- xiv.** Not to place or create nor to permit any contractor or other person claiming through or under the Concessionaire to create or place any Encumbrance over all or any part of the Project Assets, or any rights of the Concessionaire therein, save and except as expressly set forth in this Agreement.
- xv.** Be responsible for safety, soundness and durability of the project facility including all structures forming part thereof and their compliance with the Specifications and Standards.
- xvi.** Ensure that the project site remains free from all encroachments and take all steps necessary to remove encroachments if any.

- xvii.** Make payment to any Government Agency, if required for provision of such services as are not provided in the normal course or are available only on payment.
- xviii.** Appoint, supervise, monitor and control the activities of contractors under their respective project Agreement as may be necessary.
- xix.** Develop, implement and administer a surveillance and safety program for the Project / Project Facility and the users thereof and the contractors personnel engaged in the provision of any services under any of the Project Agreements including correction of safety violations and deficiencies and taking of all other actions necessary to provide a safe environment in accordance with applicable laws and good industry practice.
- xx.** Take all reasonable precautions for the prevention of accidents on or about the project site/project facility and provide all reasonable assistance and emergency medical aid to accident victims;
- xxi.** Ensure that provision of any Value Added Services does not conflict with the duties, undertakings and obligations of the Concessionaire under this agreement or any stipulations made in this agreement.
- xxii.** Keep informed APFDC for all franchisee or sub-contract arrangements that the Concessionaire enters into for operation of any unit or component of the Mrugavani National Park Chilkur Eco -Tourism Project.
- xxiii.** Ensure and procure that all Franchisees and sub-contractors using any part of the Mrugavani National Park Chilkur Eco-Tourism Project or Project Facilities or Project Site comply with the stipulations, obligations, terms and conditions of this Agreement.
- xxiv.** Ensure and procure that all payments due to APFDC are promptly and fully paid and satisfied.
- xxv.** Ensure and maintain the cleanliness of the surroundings and proper disposal of the waste and sewerage.
- xxvi.** within 60 (Sixty) days of the completion of Mrugavani National Park Chilkur Eco-Tourism Project, the Concessionaire shall furnish to APFDC two copies of “as built” Drawings reflecting as actually designed, engineered and constructed, including without limitation an “as built” survey illustrating the layout of the Project.
- xxvii.** Operate and maintain the Project at all times during the operations period in conformity with this Agreement and the provisions of the Forest Laws including but not limited to the specifications and standards and Good industry practice.
- xxviii.** Convey or transfer to another entity or back to the Government the rights and interest vested in the Concessionaire on the request of the Government as per the terms set out in this Agreement.
- xxix.** Implement the proposed works as agreed & approved by the Chief Wild Life Warden of AP as per detailed in Annexure 4.

## **7.2 Obligations of the Concessionaire during Implementation Period**

- i.** The Concessionaire shall within 60 days of COC:
  - a)** Submit to APFDC with due regard to Project Completion Schedule and scheduled project completion date, its construction time schedule.
  - b)** Have requisite organization and designate and appoint suitable officers/representatives, as it may deem appropriate to supervise the Project and to deal with APFDC and to be responsible for all necessary exchange of information required pursuant to this Agreement.
  - c)** Undertake, do and perform all such acts, deeds and things as may be necessary or required to adhere to the project completion schedule and to achieve project completion under and in accordance with this Agreement.
- ii.** The Concessionaire shall, at all times, afford access to the project site, to the authorized representatives of APFDC and officers of any Government Agency having jurisdiction over the project, including those concerned with safety, security or environmental protection to inspect the project and to investigate any matter within their authority and upon reasonable notice, the Concessionaire shall provide to such persons reasonable assistance necessary to carry out their respective duties and functions.
- iii.** The Concessionaire shall be responsible for ensuring that any existing utility on, under or above the project site is kept in continuous satisfactory use, if necessary, by the use of suitable temporary or permanent diversions.
- iv.** The Concessionaire shall obtain at its cost such facilities on or outside the project site as may be required by it for the purpose of the project and the performance of its obligations under this Agreement.

### **7.3 Obligations of APFDC**

APFDC shall:

- i.** Make available the physical possession of project site, together with necessary right of way to the Concessionaire free from any Encumbrance.
- ii.** Grant or where appropriate provide necessary assistance to the Concessionaire in securing Applicable permits.
- iii.** Grant in a timely manner all such approvals, permissions and authorizations which the Concessionaire may require or is obliged to seek from APFDC in connection with implementation of the project and the performance of the Concessionaire's obligations under this Agreement.
- iv.** Ensure peaceful use of the project site by the Concessionaire under and in accordance with the provisions of this agreement without any let or hindrance from APFDC or persons claiming through or under it.
- v.** Upon written request from the Concessionaire, assist the Concessionaire in obtaining access to all necessary infrastructure facilities and utilities including water electricity and telecommunication facilities.

- vi. Pay and satisfy the Municipal ‘property tax’ and all taxes related to the ownership of the land and assets created thereon as part of original project cost (OPC) and immovable assets under additional project cost (APC) to be paid by APFDC,. Or its representative “Estate Officer”. In respect of assets created if any as part of Additional Project Cost, the Concessionaire shall pay such amounts to the APFDC Ltd., as demanded by respective authorities.
- vii. Observe and comply with all its obligations set forth in this Agreement.

#### **7.4 Maintenance of “Sinking Fund” & Treatment thereof**

- i. From the 25<sup>th</sup> year of the Concession Period, the Concessionaire shall estimate and provide for the expenditure (including capital expenditure) that may be required to keep the project facility in a state of repair and renewal, in terms of technology, infrastructure, facilities, services or other required up-gradation over the next and last 7 (seven) yrs of the concession period and maintain a “Sinking Fund” for this purpose in a joint bank account with APFDC or by way of bank guarantee from a Bank approved by APFDC for this purpose. The yearly appropriation to the Sinking Fund shall not be less than Rs. 3 lakhs (Rupees Three Lakhs Only) per year.
- ii. At the time of the making available of the project facility, the steering Committee shall examine the condition and state of repair of the project and project facility to determine whether the project facility has been maintained in the last 7 years of the Concession Period in a manner that would be comparable to the state of the project facility in the 25<sup>th</sup> year of Concession.
- iii. If it is reasonably determined that basic maintenance and repair work would need to be carried out to bring the project facility to the same basis as the 25<sup>th</sup> year of concession, such amounts as would be required to be spent for this purpose would be appropriated from the sinking fund by APFDC. However if the project facility is well maintained and is in a reasonable state of repair and renewal, the Concessionaire shall have the right to retain the sinking fund.
- iv. In the 25<sup>th</sup> year of the concession period, the state of repair of the Immoveable Assets and the project facility in terms of maintenance, landscaping, basic amenities, essential systems, structure foundations, embankments, pavements, road surface, interchanges, bridges, approaches to bridges, drainage works, electrical works for lighting on the Project, and other communication systems and equipment for the Project, rest areas, amenities, service facilities, etc. shall be carefully examined by a technical committee appointed by the steering committee, including the representative of the Concessionaire and shall be duly recorded in detail.
- v. The report submitted by the technical committee so appointed shall form the basis of comparison at the time of the handover of the project facility at the end of the Concession period for the purpose of determining the treatment of the Sinking Fund.

## **ARTICLE 8**

### **STEERING COMMITTEE**

#### **8.1 Appointment of Steering Committee**

- i.** APFDC shall within 30 days from the COC, appoint a Steering Committee for the purpose of reviewing/monitoring the approvals, etc. required for implementation and during the operations of the project.
- ii.** The Steering Committee shall comprise of the following members:
  - a. Director, Eco Tourism, APFDC
  - b. Managing Director or Authorized representative of the Concessionaire
  - c. Wild life advisor as mutually agreed
  - d. Management consultant as mutually agreed
  - e. Any other member as mutually agreed
- iii.** The role of the steering committee would be to ensure that there are no major deviation from the approved implementation plan, Approved Business Plan, approved material & approved business plan, to ensure compliance to various forest laws and other laws applicable from time to time, and to ensure that the operations of the project do not violate any statute or the terms of this Agreement. The Steering Committee shall also approve additional facilities & components, up-gradation, etc that the Concessionaire proposes in the Project during the tenure of operations and shall facilitate all project level decisions that require concurrence from APFDC under this Agreement
- iv.** The Steering Committee would also act as a grievance redressal committee in case of any dispute that arises between the Concessionaire and APFDC during the course of Implementation and Operations & Maintenance. Either of the parties can approach this committee for negotiations, arbitrations and grievance redressal.
- v.** The Director, Eco-tourism or the 'Estate Officer' specifically appointed by him for the purpose shall represent APFDC and the Steering Committee, for the purposes of regular, on the ground coordination with the Concessionaire.
- vi.** The Concessionaire shall submit to the Director, Eco-tourism through the 'Estate Officer' Quarterly reports, or more frequently as the situation may warrant, on the status of operations of the Mrugavani National Park Chilkur Eco -Tourism Project.
- vii.** As per the MoU Dt. 29<sup>th</sup> April 2002, the concessionaire shall reimburse pay and allowances of the Estate Officer appointed by the APFDC every month to APFDC towards every month to APFDC towards their services in monitoring the project:

## ARTICLE 9

### PROJECT SCOPE

#### 9.1 Project Components

- i. The detailed scope of the project as mutually agreed upon shall be as per the 'Original Project Cost & Components', 'Approved Business & Project Components of APC' and the 'Approved Activities' set forth in Schedule 10,11 & 12 respectively.
- ii. The project presently envisages the creation of the Mrugavani National Park Chilkur Eco-Tourism Project and related amenities & infrastructure within the provisions of the Forest Laws and the terms & conditions stipulated by MoEF and GO Ms No. 39 YAT&C (PMU) department EFS&T (For.II) Department dated 9<sup>th</sup> June 2010
- iii. The specific activities as approved in Schedule 12 (Approved Activities)
- iv. The major project components of Mrugavani National Park Chilkur Eco-Tourism Project are as stated in GO Ms No. 39 YAT&C (PMU) department EFS&T (For.II) Department dated 9<sup>th</sup> June 2010, read with any amendments issued from time to time to the above said GO and with approval from Chief Wildlife Warden (AP).
  - a. **Maintenance of the Mrugavani National Park – Inside the park** includes taking care of the existing park, its Wild Life , Protection through required veterinary and animal health care services, Fencing of the park in required places; Up keeping existing fodder plot & providing salt licks for the fauna in the Park; Improving water body, if necessary; Providing eco-friendly vehicles for Safari Drive (2 No's); Face lifting of existing entrance to the park; Upgrading of existing Environment Education Centre, Nature Camp Zone, Mud Houses, Watch tower, Cafeteria, Dining Area, Toilets & Bathrooms, and Land Scaping; Providing sighting facilities; Construction of Toilets; Construction of Ticket Counter & Security Room; The above facilities shall be carried out with the approval from APFDC & Chief wild life warden AP. Carrying out any other construction activities or making provision for any other facilities shall require specific approvals from APFDC, Chief Wildlife Warden AP / National Wildlife Board, Ministry of Environment & Forest Services.
  - b. **Visitor amenities in the Government (APFDC) Land** – Restaurants (2 Nos with One Bar & Restaurant); Parking Area; Auditorium / Conference Hall; Hotel with 40 Suites; Nature Spa and Therapy Centers; Sewerage treatment plant; Swimming Pool in the 1.275 Ha (Acres 3.06 guntas) of Government (APFDC) land located at Sy no. 177/1; Aziz Nagar Village; Moinabad Mandal; Ranga Reddy District as detailed in Schedule 10,11 & 12.
  - c. **Support facilities - Vet. Services.**

- v. The activities to be carried out at the Mrugavani National Park Project site shall be carried out outside the main wildlife living / rest area and with the approval from Chief Wild Life warden (AP).
- vi. The Concessionaire would have the freedom to offer value-added services at the facility within the stipulations of this Agreement and subject to the Approved Business Plan and provisions of Forest Laws and other applicable laws.
- vii. Additional facilities including technical up-gradation of any of the facilities shall be within the ambit of the Approved Business & Project Components and the approved activities as indicated and with the prior written approval of the Steering Committee

## **9.2 Revenue Generation**

- I. Revenue collections from people using the facilities created shall broadly cover the following
  - A. Revenue from the activities within the park to be shared with Chief Wild Life Warden AP in agreed mechanism through APFDC covering
    - i. Entry Charges for the National Park
    - ii. Charges for usage of nature camp, Mud Houses, signing facilities & safari drives and all other services provided within the National Park
  - B. Revenue from Activities outside park
    - i. Income from Restaurants
    - ii. Income from Hotel
    - iii. Income from Spa
    - iv. Income from Parking
    - v. Sale of food items
    - vi. Corporate camps
    - vii. Workshops, highlighting environmental awareness.
    - viii. Advertising and Sponsorship as per the Approved Business Plan
    - ix. Trades & Festivals, related to main theme of the project and with prior intimation to APFDC
    - x. Any other item indicated in Schedule 12 [ approved activities]
- II. The Concessionaire shall fix the user charges taking into account the forces of competition in consultation with APFDC.. For all the revenue generated from the operations inside the national park, the user charges shall be fixed by the concessionaire in consultation with APFDC after reaching an agreement regarding the sharing mechanism of revenue with Chief Wild Life Warden AP.
- III. Any other components & revenue potential may be proposed by the Concessionaire during the period of operations and the same would be mutually discussed and would be made operational subject to its approval by the Steering Committee.

## **9.3 Sub Contract Arrangements**

- i. The Concessionaire is permitted to franchise/subcontract certain project activities which are approved under this agreement, for their effective operation,

maintenance under subcontract arrangements. However, incase, the Sub – Contract proposed is for any activity other than the approved activities, then specific approval of APFDC/Steering Committee should be obtained.

- ii. The Concessionaire would have complete flexibility in structuring the Franchisee/ Sub-contract Agreements and APFDC shall not be a party to the Franchisee / Sub-contract Agreements.
- iii. However, the Concessionaire would be entirely responsible during the period of contract for the following:
  - a) Maintenance of the project, including the hygiene standards, the cleanliness of the surrounding areas, the proper disposal of sewerage during the entire period of the Concession.
  - b) Upkeep of quality standards in services in all units of the Project during the entire period of the Concession.
  - c) Payment of all dues under the Agreement of APFDC.
- iv. Unless otherwise agreed to in writing by APFDC, all Franchisee/ Sub-contract Agreements shall be coterminous and consistent with the main Agreement and APFDC shall not be liable for any costs or liabilities whatsoever, in relation to such contracts as a result of the expiry or termination of this Agreement and other contraventions made by the Concessionaire.
- v. For the avoidance of doubt, it is hereby clarified that notwithstanding the appointment of a Sub - Contractor by the Concessionaire for any of the approved activities, the Concessionaire shall be liable for the performance of its duties and for the discharge of all its obligations and responsibilities which he shall have towards APFDC under this Agreement and the appointment of Sub - Contractor(s) for any of the approved activities shall neither release nor exonerate the Concessionaire from his obligations hereunder, including full and timely compliance with the terms of this Agreement. The Concessionaire does hereby also agree and acknowledge that he shall remain responsible for obligations performed or to be performed by the Sub - Contractor to the same extent as if such obligations were to be always performed by the Concessionaire. The Concessionaire further undertakes and covenants that he shall be solely responsible for all receipts to be obtained to the Sub - Contractors and shall indemnify and keep APFDC indemnified and harmless from and against any and all losses, claims, damages, liabilities, costs (including attorneys' fees and disbursements) and expenses that APFDC may incur, insofar as such losses directly arise out of, in any way relate to, or result from the non-performance by the Concessionaire of its obligations to the Sub - Contractors including non-receipt of any monies to such Sub – Contractors.
- vi. The Concessionaire acknowledges and undertakes to ensure that the terms of any contract between the Concessionaire and the Sub - Contractors shall be in conformity with the provisions of this Agreement and in the event of any conflict between such contract and this Agreement the provisions of this Agreement shall prevail and the Concessionaire undertakes that in every contract which he shall enter into with the Sub - Contractor(s) the relevant provision to this effect will be included.

#### **9.4 Operational & Commercial Freedom**

- i. The Concessionaire shall have complete operational and commercial autonomy in respect of the operation and maintenance of the facility subject to the stipulations and the other terms and conditions of this Agreement.
- ii. The onus of marketing the Mrugavani National Park Chilkur Eco -Tourism Project and monitoring the effective operations of the project would lie on the Concessionaire.
- iii. The concessionaire will monitor the effective operations of the project and APFDC shall have the right of periodic inspection and access to relevant information to ensure compliance with terms and conditions of the concession agreement the concessionaire shall extend all co-operation to APFDC in this regard.

#### **9.5 Non-discriminatory Access**

Both APFDC and the Concessionaire shall ensure non-discriminatory access to all parties desirous of using the Mrugavani National Park Chilkur Eco -Tourism Project in accordance with the prescriptions of the Indian Constitution and without any detriment to the interests of the Project

#### **9.6 Future Grants**

- i. APFDC may try to bring in Funds/Grants from GOAP/GOI/ or other agencies for investment in the Mrugavani National Park Chilkur Eco -Tourism Project in future also and the Concessionaire shall not be liable to repay such investments. These investments shall be made in mutual consultation with the Concessionaire and with the concurrence of the Steering Committee.
- ii. All assets (Movable and Immovable) created through such funds shall be treated as part of the Original Project Cost for the purposes of handing over to APFDC at the end of the Concession Period.

## **ARTICLE 10**

### **PROJECT IMPLEMENTATION AND OPERATIONS**

#### **10.1 Implementation of Mrugavani National Park Chilkur Eco Tourism Project**

The Mrugavani National Park Chilkur Eco Tourism Project implementation includes maintenance of National park, its flora and creation of Visitor Amenities and common infrastructure.

Detailed designs, plans, schedules & costing for the above plans drawn in mutual consultations forms part of the 'Implementations Plan' annexed at **Annexure 2** to the Agreement.

Minor variation to the 'Implementation Plan' during actual implementation may be made in mutual consultation between APFDC & the Concessionaire, whereas material deviation, if any, would require the approval of the Steering Committee.

#### **10.2 Monitoring and Supervision during implementation**

- i. During the implementation period, the Concessionaire shall furnish to the APFDC quarterly reports on actual progress of the Construction Works and furnish any other relevant information as may be required by the APFDC.
- ii. For the purposes of determining that the Construction Works are being undertaken in accordance with the stipulations of the Forest and all other applicable laws, Specifications and Standards and Good Industry Practice and for quality assurance, APFDC reserves the right to inspect the site.
- iii. If APFDC reasonably determines that the rate of progress of the construction of the Project is such that the Project Completion is not feasible on or before the Scheduled Project Completion Date, it shall so notify the Concessionaire. Thereupon, the Concessionaire shall within 15 (fifteen) days thereof, notify the APFDC about the steps it proposes to take to expedite progress and the period within which it shall achieve completion of implementation.
- iv. APFDC reserves the right to require the Concessionaire through a written notice to suspend forthwith the whole or any part of the Construction Works, if in the reasonable opinion of the APFDC such work is being carried on in a manner which contravenes the provisions of the Forest Laws and all other applicable laws or threatens the safety of the Construction Works or the users of the Project.
- v. The Concessionaire shall upon, instructions of APFDC pursuant to sub-article (iv) above, suspend the Construction Works or any part thereof as the case may be, for such time and in such manner as may be specified by APFDC and the costs if any incurred, shall be borne by the Concessionaire.
- vi. If the APFDC issues an instruction requiring suspension of Constructions Works for any reason other than default or breach of this Agreement by the Concessionaire –
  - a) The matter shall be referred to the Steering Committee for resolution
  - b) The Project Completion Schedule and the Scheduled Project Completion Date shall be extended by 1.5 times the period of suspension, and

- c) The Concession Period shall be extended in accordance with the recommendations of the Steering Committee.

### **10.3 Project Completion**

- i. Project Completion refers to the completion and Implementation as per the Implementation Plan and the Project Completion schedule for OPC. The Project component wise is deemed to be completed and open to Public only when the Completion Certificate is issued by APFDC.
- ii. The Concessionaire guarantees that the Project Completion for OPC shall be achieved in accordance with the Provisions of this Agreement on a date and not later than 24 (Twenty Four) Months from the zero date. Basing on the commercial considerations, the concessionaire shall endeavor to complete APC in 60 (sixty) months from Zero Date.
- iii. If the Project Completion for OPC is not achieved by the Scheduled Project Completion Date for any reason other than Force Majeure or reasons attributable to APFDC, the Concessionaire shall be liable to pay liquidated damages for delay beyond a date of 90 (Ninety) days after the Scheduled Project Completion Date, to the extent of Rs.10,000/- (Rupees Ten Thousand Only) per day for every day of delay, provided that such liquidated damages do not exceed in aggregate Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand Only). Provided further that nothing contained in this sub article (iii) shall be deemed or construed to authorize any delay in achieving Project Completion. The Project would be liable to be terminated in case of delay in construction exceeding 4 months except where such delay is on account of APFDC delay in implementing the Mrugavani National Park Chilkur Eco -Tourism Project
- iv. If the Project Completion for OPC is not achieved by the Scheduled Project Completion Date for reasons of delay in the implementation of the Mrugavani National Park Chilkur Eco -Tourism Project Plan by APFDC, for reasons other than Force Majeure or reasons attributable to the Concessionaire including delay in providing the required finances for the Mrugavani National Park Chilkur Eco -Tourism Project plan as per the draw down schedule, APFDC shall be liable to pay Liquidated Damages for delay beyond a date of 90 (Ninety) days after the Scheduled Project Completion Date, to the extent of Rs.10,000/- (Rupees Ten Thousand Only) per day for every day of delay, provided that such liquidated damages do not exceed in aggregate Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand Only) and shall be set off against the ADP payable by the Concessionaire during the period.
- v. The components to be implemented under the Original Project Cost would be implemented as per the Project Completion Schedule and Implementation Plan and any delay therein would be subject to liquidated damages as stipulated under Clause 10.3(iii) & (iv). The other components to be brought in as additions as part of Additional Project Cost, during the Concession Period would not be subject to any strict implementation schedule and would be left to the Concessionaire to decide as part of his business and Commercial decision.

### **10.4 Operation and Maintenance of the Mrugavani National Park Chilkur Eco-Tourism Project**

The Concessionaire shall operate and maintain the Project/Project Facility/ Mrugavani National Park Chilkur Eco-Tourism Project by itself, or through a Contractor and if

required, repair or otherwise make improvements to the Project/Project Facility/ Mrugavani National Park Chilkur Eco -Tourism Project to comply with the Forest and all other applicable Laws, Specifications and Standards, and other requirements set forth in this agreement, good industry practice, applicable laws and applicable permits, and manufacturer's guidelines and instructions with respect to fixtures and equipment in the Mrugavani National Park Chilkur Eco -Tourism Project and project facility. More specifically, the Concessionaire shall:

- (a) Operate and maintain the facility in accordance with the principles of Good Industry Practice and internationally accepted standards of productivity, safety and technical sufficiency.
- (b) Ensure and maintain the highest standards and practices in all services offered in all units of the Mrugavani National Park Chilkur Eco-Tourism Project;
- (c) Ensure and maintain the highest hygiene standards and practices in service including catering in all units of the Mrugavani National Park Chilkur Eco-Tourism Project;
- (d) Ensure adequate supply of clean and potable water for users of the Mrugavani National Park Chilkur Eco-Tourism Project and Project Facility;
- (e) Undertake routine maintenance including prompt repairs, servicing and replacement of fixtures, furnishing, furniture, equipment and structures in Mrugavani National Park Chilkur Eco-Tourism Project and Project Facility;
- (f) Keep and maintain the Mrugavani National Park Chilkur Eco-Tourism Project and Project Facility clean, tidy and healthy in all seasons;
- (g) Undertake all maintenance works as may be required;
- (h) Prevent with the assistance of concerned law enforcement agencies where necessary, any unauthorized entry to and exit from the Project or encroachments on the Project/Project Site;
- (i) Adhere to the safety standards as per Applicable Laws and Good Industry Practice.

## **10.5 Maintenance Programme**

- i. The Concessionaire shall be responsible for the maintenance of the facility including payment of wages / salaries of the staff deployed for the purpose. The scope of the maintenance shall include regular maintenance, renovations, restructuring and up-keep of the premises during the concession period.
- ii. Not later than forty five (45) days before the beginning of each year, the Concessionaire shall provide to APFDC, its proposed programme of preventive and other scheduled maintenance of the Project necessary to maintain the Project at all times in conformity with the Specifications and Standards. In drawing up this maintenance schedule, all inputs required for the maintenance of the Mrugavani National Park Chilkur Eco -Tourism Project shall be provided by APFDC.
- iii. Such Maintenance shall include but not be limited to the following:
  - a) Intervals and procedures for the carrying out of inspection of all elements of the Project;
  - b) Criteria to be adopted for deciding maintenance needs;
  - c) Preventive maintenance schedule;
  - d) Intervals at which the Concessionaire shall carry out periodic maintenance; and
  - e) Intervals for major maintenance and the scope thereof.

- iv. Maintenance shall include replacement of equipment parts as may be required, consumables, horticultural maintenance, repairs to equipment, pavements, structures, drainage and sewerage disposal system and other civil works, which are part of the Project / Project Facility.
- v. The Concessionaire shall keep the Project Facility in a clean, tidy, painted and orderly condition free of litter and debris.
- vi. Save and except as otherwise expressly provided in this Agreement, if the Project or any part thereof shall suffer any loss or damage during the Concession Period, from any cause whatsoever, the Concessionaire shall, at its cost and expense rectify and remedy such loss or damage in a manner so as to make the Project conform in every respect to the Specifications and Standards, quality and performance as prescribed by this Agreement.
- vii. If the Concessionaire commences any works for curing any defects or deficiencies in the Project, it shall complete such works expeditiously in accordance with Good Industry Practice.

#### **10.6 Emergency Closure**

- i. If, in the reasonable opinion of the Concessionaire there exists an Emergency that warrants closure to users of whole or any part of the Project / Project Facility, the Concessionaire shall be entitled to close the whole or the relevant part of the Project to users for so long as such Emergency and the consequences thereof warrant. Provided, however, that such closure will be notified to the APFDC promptly. The APFDC may issue such directions as it may deem appropriate to the Concessionaire for dealing with such Emergency and the Concessionaire shall abide by the same.
- ii. The Concessionaire shall reopen the Projects / Project Facility or the affected part thereof as quickly as practicable after the Emergency leading to its closure has ceased to exist.
- iii. The Concessionaire shall not be considered in breach of its obligations under this Agreement if any part of the Project is not available to users on account of any of the following for the duration thereof:
  - (i) Force Majeure Event;
  - (ii) Measures taken to ensure the safe use of the Project except when unsafe condition on the Project occurred because of failure of the Concessionaire to perform its obligations under this Agreement; or
  - (iii) Compliance with a request from GOI / GOAP or the directions of any Government Agency the effect of which is to close all or any part of the Project.
- iv. Notwithstanding the above, the Concessionaire shall keep all unaffected parts of the Project open to users provided they can be safely operated and kept open to users.

#### **10.7 Monitoring and Supervision during Operations**

- i. APFDC shall have the right of periodic inspection (at least once in six months) and access to relevant information to ensure compliance with the terms and conditions of this Agreement.

- ii. The Mrugavani National Park Chilkur Eco -Tourism Project and all parts thereof shall at all times be open to the inspection and supervision by the authorized representatives of GOAP and APFDC but such inspection shall, except unless otherwise warranted by extraordinary circumstances, be carried out during reasonable and, preferably, working hours.
- iii. During the operational period, the Concessionaire shall furnish to the APFDC quarterly reports on actual status of operations along with six monthly financial reports certified by the auditors of the Company.
- iv. APFDC reserve the right to ask for, in writing, an internal audit to be undertaken of the Concessionaires Books of Accounts, and the cost of such audit shall be borne by APFDC.
- v. The Concessionaire shall furnish any other relevant information as may be required by APFDC.

#### **10.8 Manpower Deployment**

- i. The Concessionaire shall have complete freedom in the recruitment of manpower for evolving its own personnel policy, subject, to all relevant laws of the land.
- ii. Any dispute in this regard may be referred to the Steering Committee for resolution.

## **ARTICLE 11**

### **FINANCING ARRANGEMENT**

#### **11.1 Financing Arrangement**

- (a) The Concessionaire shall at its cost, expense and risk make such financing arrangements as would be necessary to finance the Project and to meet its obligations under this Agreement in a timely manner.
- (b) APFDC will not make any financial contribution to the Project, except for incentives sanctioned and released by GoAP specifically for this project under any Tourism Policy.
- (c) In the event of the Concessionaire employing the funds borrowed from the lenders to finance the project, the provisions relating to lenders including those relating to financial close shall apply.
- (d) The Concessionaire shall achieve Financial Close within 180 (one hundred and eighty) days of from the date of obtaining of all the necessary approvals and shall within 7 (seven) days of achieving Financial Close submit to APFDC one set of financing documents evidencing financial closure. If Financial Closure is not achieved by the end of this period, the Concession Agreement would be liable for termination wherein the entire Construction Guarantee shall be forfeited.
- (e) If the financial closure is not achieved within the period the Concessionaire shall communicate to the APFDC the reasons for the same, and based on the reasonableness of the justification, APFDC may, at its discretion, allow a further period of 60 (sixty) days. If financial closure is not achieved by the end of this period, the Concession Agreement would be liable for termination wherein the entire construction guarantee shall be forfeited.

#### **11.2 No Guarantees by APFDC**

- (a) APFDC shall not extend any guarantee to the Concessionaire to raise any funds in the name of Mrugavani National Park Chilkur Eco -Tourism Project, by way of bonds, issues, certificates, debentures, shares, etc.
- (b) The Concessionaire shall keep APFDC informed of all such placements / issues. However, APFDC shall not be a party to such placements / issues.
- (c) In all offer documents, placements documents, letters of offer, invitation to invest and / or any other documents issued to investors that may solicit such investment for raising finances, the Concessionaire shall, wherever required, include the disclosure that APFDC is not a party to such placement / issues and make it clear that such placement / issue would be at the sole responsibility and risk of the Concessionaire.

#### **11.3 Amendments to Financing Documents**

For the avoidance of doubt the Parties agree that no amendment made to the Financing Documents without expressing consent of APFDC shall have the effect of enlarging in any manner, the obligation of APFDC in respect of Termination Payment under this Agreement.

## **ARTICLE 12**

### **INSURANCES**

#### **12.1 General**

- (a) The Concessionaire shall, during the entire period of concession, insure the project on replacement value basis, at its own cost and expenses, against all the risks of fire and extended cover thereof, for earthquakes, flood, cyclone, strikes, riots insurgency, civil and such further and all risks that may be thought necessary for the OPC Assets and Immovable assets under APC.
- (b) The insurances shall be taken in the name of APFDC and the policy shall be assigned in favor of the Concessionaire for the OPC Assets (both Movable and Immovable) and Immovable assets under APC.
- (c) Any amount received against claims, if any, from the insurance company, shall be paid to the Concessionaire.
- (d) The Concessionaire shall also take out a consequential loss of profit policy in its own name

#### **12.2 Insurance during the implementation Period**

The Concessionaire shall, at its cost and expense, purchase and maintain during the implementation Period such insurance as are necessary, including but not limited to the following:

- (a) Builder's all risk insurance;
- (b) comprehensive third party liability insurance including injury or death to personnel of persons who may enter the Project Site;
- (c) workmen's compensation insurance;
- (d) any other insurance that may be necessary to protect the Concessionaire, its employee and its assets (against loss, damage or destruction at replacement value) including all Force Majeure Events that are insurable and not otherwise covered in items (a) to (d)

#### **12.3 Insurance during the Operational Period**

The Concessionaire shall, at its cost and expense, purchase and maintain during the Operational Period insurance to cover against:

- (a) Loss, damage or destruction of the Project Facility, at replacement value;
- (b) The Concessionaire's general liability arising out of Concession;
- (c) Liability to third parties;
- (d) Any other insurance that may be necessary to protect the Concessionaire and its employees, including all Force Majeure Events that are insurable and not otherwise covered in items (a) to (c).

#### **12.4 Insurance Companies**

The Concessionaire shall, insure all insurable assets comprised in the project assets and / or the project facility through Indian insurance companies and if so permitted by

APFDC, through foreign insurance companies (as defined by IRDA) to the extent that insurances are necessary to be effected through them and, from time to time, provide to APFDC copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

**12.5 Evidence of Insurance Cover**

The Concessionaire shall, from time to time provide to APFDC copies of all insurance policies (or appropriate endorsements, certifications or other satisfactory evidence of insurance) obtained by the Concessionaire in accordance with this Agreement.

**12.6 Application of Insurance proceeds**

Subject to the provisions of the Financing Documents, all monies received under insurance policies shall be promptly applied by the Concessionaire towards repair or renovation or restoration or substitution of the Project Facility or any part thereof which may have been damaged or destroyed. The Concessionaire shall carry out such repair or renovation or restoration or substitution to the extent possible in such manner that the Project Facility or any part thereof, shall after such repair or renovation or restoration or substitution is as far as possible in the same condition as they were before such damage or destruction, normal wear and tear excepted. The Concessionaire shall also spend additional amount if required, to restore those items, to the normal original condition.

**12.7 Validity of the Insurance Cover**

The Concessionaire shall pay the premium payable on such insurance policy (ies) so as to keep the policy (ies) in force and valid throughout the Concession Period and furnish copies of the same to APFDC. Each insurance policy shall provide that the same shall not be cancelled or terminated unless 10 days clear notice of cancellation is provided to APFDC in writing.

## **ARTICLE 13**

### **FORCE MAJEURE**

#### **13.1 Force Majeure Event**

As used in this Agreement, a Force Majeure Event shall mean occurrence in India of any or all of Natural Events, Non Political Event, and / or Political Event as defined in Article 13.2, 13.3 and 13.4 respectively, which prevent the Party claiming Force Majeure (the “Affected Party”) from performing its obligations under this Agreement and which act or event (i) is beyond the reasonable control and not arising out of the fault of the Affected Party, (ii) the Affected Party has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care, and (iii) has a Material Adverse Effect on the Project.

#### **13.2 Natural Events**

For purposes of Article 13.1 hereinabove, Natural Event shall mean one or more of the following acts or events:

- (i) Acts of God or events beyond the reasonable control of the Affected Party, which could not reasonably have been expected to occur, exceptionally adverse weather conditions, lightning, earthquake, cyclone, flood volcanic eruption or fire (to the extent originating from a source external to the Project Site) or landslide;
- (ii) Radioactive contamination or ionizing radiation;
- (iii) Any event or circumstances of a nature analogous to any of the foregoing.
- (iv) Any Epidemics and Diseases

#### **13.3 Non – Political Events**

For purposes of Article 13.1 hereinabove, Non – Political Event shall mean one or more of the following acts or events;

- (i) An act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commotion, or politically motivated sabotage which prevents operation of Mrugavani National Park Chilkur Eco -Tourism Project by the Concessionaire for a period exceeding a continuous period of 7 (seven) days in an Accounting Year;
- (ii) Any Public agitation, which prevents operation of Mrugavani National Park Chilkur Eco -Tourism Project by the Concessionaire for a period exceeding a continuous period of 7 (seven) days in an Accounting Year.
- (iii) Any judgment or order of any court of competent jurisdiction or statutory authority in India made against the Concessionaire in any proceedings for reasons other than failure of the Concessionaire to comply with any Applicable Law or Applicable Permits or on account of breach thereof, or of any contract or enforcement of this Agreement or exercise of any of its rights under the Agreement by APFDC;

#### **13.4 Political Event**

For purpose of Article 13.1 hereinabove, Political Event shall mean one or more of the following acts or events by or on account of GOI, GOAP, APFDC or any other Government Agency;

- i. Change in Law, only when provisions of Article 13 cannot be applied;
- ii. Expropriation or compulsory acquisition by any Government Agency of any Project Assets or rights of the Concessionaire or of the Contractors;

#### **13.5 Effects of Force Majeure Event.**

Upon Occurrence of any Force Majeure Event, the following shall apply.

- a) There shall be no Termination of this Agreement except as provided in Article 13.6 hereinafter.
- b) Where the force Majeure Event occurs after COC, the dates set forth in the Project Completion Schedule and the Concession Period shall be extended by the Period for which such Force Majeure shall subsist.
- c) Where a Force Majeure Event occurs after COC, the Concessionaire shall continue to make all reasonable efforts to operate the Project, but if it is unable or prevented from doing so, the Concession Period shall, having due regard to the extent of the impact thereof as determined in consultation by the Concessionaire & APFDC, be extended by the period for which operation of Mrugavani National Park Chilkur Eco -Tourism Project remains affected on account thereof.
- d) All amounts payable to the APFDC by the Concessionaire shall stand waived on a pro-rate basis for such period as for which the impact of the Force Majeure Event continues to be materially adversely on the project.

#### **13.6 Termination**

If a Force Majeure Event continues or is in the reasonable judgment of the Parties, is likely to continue beyond a period of 180 days, the Parties may mutually decide to terminate this Agreement or continue this Agreement on mutually agreed revised terms. If the Parties are unable to reach an Agreement in this regard, the Affected Party shall, after the expiry of the said period of 180 days, be entitled to terminate this Agreement by issuing a Termination Notice.

#### **13.7 Termination Payment for Force Majeure Events**

Upon Termination of this Agreement pursuant to Article 13.6 hereinabove, Termination Payment to the Concessionaire shall be made in accordance with the following:

- a) If the Termination of this Agreement is on account of Direct Political FM events, APFDC shall compensate

- (i) The Debt Due mobilized by the Concessionaire for implementing the project i.e. loans taken during the implementation period i.e. 5 (five) years from COC.
  - (ii) The Concessionaire's Equity investment with an effective compounded pre-tax rate of return of 18 % p.a. (Net of insurance amount, dividends drawn etc)
  - (iii) Any transfer taxes and charges.
- b) If the termination of this Agreement is on account of Non- Political FM Event and APFDC seeks the termination, APFDC shall compensate.
- (i) The Debt due mobilized by the Concessionaire for implementing the project i.e. loans taken during the implementation period i.e. 5 (Five) years from COC.
  - (ii) The Concessionaire's Equity investment with an effective compounded pre-tax rate of return 18 % p.a. (Net of insurance amount, dividends drawn etc)
  - (iii) Any transfer taxes and charges.

However, if the Concessionaire seeks to terminate the agreement following a non-political Force Majeure Event, APFDC shall not be liable to pay any compensation with the Concessionaire having the right on the movables of APC of the project.

- c) If the termination of this Agreement is on account of Natural FM events, the insurance payment would come into effect and APFDC shall pay no compensation to the Concessionaire. APFDC shall, however, ensure that all the insurance payments are given to the Concessionaire

### **13.8 Dispute Resolution for FM Events**

In the event that the Parties are unable to agree in good faith about the occurrence or existence of a Force Majeure Event, such Dispute shall be finally settled in accordance with the Dispute Resolution Procedure, provided however that the burden of proof as to the occurrence or existence of such Force Majeure Event shall be upon the Party claiming relief and/or excuse on account of such Force Majeure Event.

### **13.9 Liability for other losses, damages etc.,**

Save and except as expressly provided in this Article 13, neither party hereto shall be liable in any manner whatsoever to the other Party in respect of any loss, damage, cost, expense, claims, demands, and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or exercise of any right pursuant to this Article 13.

### **13.10 Duty to Report**

The Affected Party shall discharge the following obligation in relation to reporting the occurrence of a Force Majeure Event to the other Party.

- a) The Affected Party shall not claim any relief in respect of a Force Majeure Event unless it shall have notified the other Party in writing of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event within 7 (seven) days after the Affected Party knew, or ought reasonably have known, of its occurrence and the probable material affect that the Force Majeure Event is likely to have on the performance of its obligations under this Agreement.

- b) Any notice pursuant to this Article 13.10 shall include full particulars of:
  - i) The nature and extent of each Force Majeure Event which is the subject of any claim for relief under this Article 13 with evidence in support hereof;
  - ii) The estimated duration and the effect or probable effect which such Force Majeure Events is having or will have on the Affected Party's performance of its obligations under this Agreements;
  - iii) The measures which the Affected party is taking or proposes to take, to alleviate the impact of such Force Majeure Event, and
  - iv) Any other information relevant to the Affected Party's claim.
- c) For so long as the Affected Party continues to claim to be affected by such Force Majeure Event, it shall provide the other Party with regular (and not less than weekly) written reports containing information as required by this Article 13.10 and such other information as the other Party may reasonably request the affected Party to provide.

#### **13.11 Excuse from performance of obligations**

If the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of Force Majeure Event, it shall be excused from performance of such of its obligations to the extent it is unable to perform on account of such Force Majeure event provided that;

- a) The suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;
- b) The Affected Party shall make all reasonable efforts to mitigate or limit damage to the other Party arising out of or as a result of the existence of occurrence of such Force Majeure Event and to cure the same with due diligence; and
- c) When the Affected Party is able to resume performance of its obligations under this Agreement, it shall give to the other party written notice to that effect and shall promptly resume performance of its obligations hereunder.

## **ARTICLE 14**

### **EVENTS OF DEFAULT AND TERMINATION**

#### **14.1 Event Of Default**

Event of Default means the Concessionaire Event of Default or the APFDC Event of default or both as the context may admit or require.

#### **14.2 Events of Default by Concessionaire**

The following events shall constitute an event of default by the Concessionaire unless such event has occurred as a result of APFDC Event of Default or a Force Majeure Event;

- a) Inability to meet the project implementation & Construction schedules and milestones as specified in the Agreement.
- b) Inability to achieve financial closure as specified in the Agreement for OPC.
- c) Inability to operate the project in a manner as specified and stipulated in the Agreement
- d) Default under any of the financing Documents leading to any of the Lenders recalling its financial assistance and demanding such payment of the amounts outstanding under the Financing Documents or any of them as applicable.
- e) Any representation made or warranties given by the Concessionaire under this Agreement is found to be false or misleading.
- f) Suspension or abandonment of the operations of the Project without the prior consent of the APFDC , provided that such suspension / abandonment is not (i) as a result of Force Majeure Event and is only for the period such Force Majeure Event is continuing, or (ii) is on account of a breach of its obligations under this Agreement by APFDC
- g) Delay in any payment that has fallen due under this Agreement and if such delay exceeds 60 (sixty) days.
- h) Delay in the repayment of capital expenditure as stipulated in Article 3.2 and if such delay exceeds 60 (sixty) Non fulfillment of any material rights and obligations under the Agreement

#### **14.3 Event of Default by APFDC**

The following events shall constitute events of default by APFDC, unless any such APFDC Event of Default has occurred as a result of an Event of default by the Concessionaire or due to a Force Majeure Event:

- a) APFDC is in breach of this Agreement and has failed to cure such breach within 60 (sixty) days of receipt of notice in that behalf from the Concessionaire;
- b) Non fulfillment of any material rights and obligations under the Agreement

#### **14.4 Termination due to Event of Default**

##### **14.4.1 Termination for Concessionaire Event of Default**

- a) Without prejudice to any other right or remedy which APFDC may have in respect thereof under this Agreement, upon the Occurrence of a Concessionaire Event of Default, APFDC shall be entitled to terminate this Agreement by issuing a Termination Notice to the Concessionaire, provided that before issuing the Termination Notice, APFDC shall by a notice in writing inform the Concessionaire of its intention to issue the Termination Notice (the “Preliminary Notice”). In case the underlying breach / default is not cured within a period of 90 (ninety) days from the date of the Preliminary Notice (Cure Period) APFDC shall be entitled, to terminate this Agreement by issuing the Termination Notice Provided further, that
- i. if the default is not cured within 60 (sixty) days of the Preliminary Notice, APFDC shall be entitled to encash the bank guarantees given under Article 5 with a notice to the Concessionaire (Encashment Notice)
  - ii. if the default is not cured within 30 (thirty) days of the Encashment Notice and a fresh Guarantee is not furnished within the same period in accordance with Article 5.2, APFDC shall be entitled to issue the Termination Notice.
- b) the following shall apply in respect of cure of any of the defaults and / or breaches of this Agreement:
- i) the cure period provided in this Agreement shall not relieve the Concessionaire from liability for damages caused by its breach or default;
  - ii) the cure period shall not in any way be extended by any period of suspension under this Agreement;
  - iii) If the cure of any breach by the Concessionaire requires any reasonable action by Concessionaire that must be approved by APFDC or the Government Agency hereunder the applicable Cure Period shall be extended by the period taken by APFDC or the Government Agency to accord the required approval.
- c) Upon termination by APFDC on account of occurrence of a Concessionaire Event of Default the Concessionaire shall not be entitled to receive any termination payments from APFDC and the Agreement shall be terminated without any liability to APFDC.

#### **14.4.2 Termination for APFDC Events of Default**

Upon Termination of this Agreement by the Concessionaire due to an APFDC Event of Default as defined in 14.3 above, the Concessionaire shall be entitled to receive from APFDC, by way of Termination Payment a Sum equal to:

- i) The Debt Due mobilized for implementing the project i.e. loans taken during the implementation period i.e. 5 (Five) years from COC.
- ii) The Concessionaire’s Equity investment with an effective compounded pre-tax rate of return of 18 % p.a. (Net of insurance amount, dividends drawn etc)
- iii) Any transfer taxes and charges in relation to the transfer of any Project Assets

#### **14.5 Rights of APFDC on Termination**

Upon Termination of this Agreement for any reason as specified in the agreement, APFDC shall have the power and authority to

- i. Take exclusive possession and control of Project Assets forthwith:

- ii. Prohibit the Concessionaire and any person claiming through or under the Concessionaire from entering upon the Project Site and Project Assets and dealing with or any part thereof;
- iii. Step in and succeed upon election by APFDC without the necessity of any further action by the Concessionaire, to the interests of the Concessionaire under such of the Project Agreements as APFDC may in its discretion deem appropriate with effect from the date of communication of such election to the counter party to the relative Project Agreements. Provided any sums claimed by such counter party as being due and owing for work and services performed or accruing on account of any act, omission or event prior to such date of election shall and shall always constitute debt between the Concessionaire and such counter party and APFDC shall in no way or manner be liable or responsible for such sums. The Concessionaire shall ensure that the Project Agreements contain provisions necessary to give effect to the provision of the Article 13:3.

#### **14.6 Termination Payments**

The termination payment pursuant to Article 13 or 14 as the case may be, shall be payable to the Concessionaire by APFDC within thirty days of demand being made by the Concessionaire with the necessary particulars duly certified by the statutory Auditors. If APFDC fails to pay Termination payment in full within the said period of 30 days, the amount remaining unpaid shall be paid along with interest @ SBI PLR plus two percent from the Termination Date till payment.

#### **14.7 Mode of payment**

Notwithstanding any instructions to the contrary issued or any dispute raised by the Concessionaire, the Termination Payment, and all other payments that would become payable by APFDC under any of the provisions of this Agreement shall, so long as the Debt Due is remaining outstanding, be made only by way of credit directly to a bank account designated there for by the Lenders and advised to APFDC and the Concessionaire in writing. Any payment so made shall to the extent of such payment constitute a valid discharge to APFDC of its obligations towards the Concessionaire with regard to the Termination Payment and payment of any other monies due hereunder.

#### **14.8 Accrued rights of Parties**

Notwithstanding anything to the contrary contained in this Agreement, any Termination pursuant to the provisions of this Agreement shall be without prejudice to accrued rights of either party including its right to claim and recover money damages and other rights and remedies which it may have in law or contract. All rights and obligations of either Party under this Agreement including without limitation Termination Payment, shall survive the termination of this Agreement to the extent such survival is necessary for giving effect to such rights and obligations.

## **ARTICLE 15**

### **CHANGE IN LAW**

- a. In the event that a change in law lead to a situation renders exercise by Concessionaire of any of its material rights or performance by APFDC of any of its material rights and obligations impossible, unless such obligation is waived by a person having the power to do so under this Agreement, the Concessionaire may seek to terminate this agreement.
- b. However, prior to such request for termination, the parties shall consult in good faith for a period of 180 days to mitigate the material adverse impact of the Change of Law.
- c. In the event the parties are unable to agree to changes to the agreement to mitigate the impact of the Change in Law during the 180 day period, either party may refer the matter to dispute resolution in which case the Termination Notice shall stand suspended until such matter has been resolved.
- d. Change in law shall not include any change in the tax laws or change in law, which solely has an economic impact on the Concessionaire.

## **ARTICLE 16**

### **HANDOVER OF PROJECT FACILITY**

#### **16.1 Handing over of the Project Assets & Project Facility**

Upon the expiry of the concession by efflux of time and in the normal course, the Concessionaire shall at the end of the concession period, hand over peaceful possession of the project Assets including project site / facility at no cost to APFDC; However, in respect of movable assets pertaining to additional project cost, APFDC shall have the option to retain such assets by paying the value of such movable assets, to be assessed by 'Registered Valuers' as compensation to the Concessionaire in mutual consultation and acceptance of the Concessionaire. All sub-contract arrangements between Concessionaire and third party shall automatically get terminated. APFDC will be entitled to enter into fresh agreements for continued operations of the Mrugavani National Park Chilkur Eco-Tourism Project and other facilities as per the provisions of Article 10.

As part of the handing over of the project assets and the project facility, APFDC shall also have the right to determine the treatment of the sinking Fund as per the provisions of Article 7.4.

## **ARTICLE 17**

### **DISPUTE RESOLUTION**

#### **17.1 Amicable Resolution**

- a. Save where expressly stated otherwise in this agreement, any dispute, difference or controversy of whatever nature howsoever arising under, out of or in relation to this Agreement between the Parties and so notified in writing by either Party to the other (the “disputes”) in the first instance shall be attempted to be resolved amicably by the conciliation panel in accordance with the procedure set forth in sub-article (b) below.
- b. Either Party may require the Dispute to be referred to a mutually agreed person / panel of persons (agreed by both APFDC & Developer) , for amicable settlement. Upon such reference, the person / panel shall meet at the earliest mutual convenience and in any event within 10 (ten) working days of the constitution of the panel as set forth in sub-article (C) below, to discuss and attempt to amicably resolve the Dispute. If the dispute is not amicably settled within 30 (thirty) days of such meeting of the conciliation Panel, either Party may refer the Dispute arbitration in accordance with provisions of article 17.2 below.
- c. Along with the notification of the Dispute in writing by either Party to the other, the notifying party shall also appoint one representative not concerned with the obligations under this Agreement as member of the Conciliation Panel. Within 5 (five) working days of receipt of such notification the other Party shall appoint one representative not concerned with the obligations under this Agreement as the other member of the conciliation panel. If either party defaults in appointing a member of the provisions of Article 17.2 below.

#### **17.2 Arbitration**

##### **a) Arbitrators**

Any dispute, which is not resolved amicably as provided in Article 17.1, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three arbitrators one to be appointed by each Party and the third to be appointed by the two arbitrators appointed by the Parties. A party requiring arbitration shall appoint an arbitrator in writing, inform the other Party about such appointment and call upon the other Party to appoint its arbitrator. If the other party fails to appoint its arbitrator the party appointing arbitrator shall take steps in accordance with Arbitration and conciliation act, 1996.

##### **b) Place of Arbitration**

The place of arbitration shall be Hyderabad but by agreement of the parties the arbitration hearings if required can be held elsewhere from time to time

##### **c) English Language**

The request for arbitration the answer to the request the terms of reference any written submissions any orders and rulings shall be in English and, if oral hearings take place, English shall be the language to be used in the hearings.

##### **d) Procedure**

The Procedure to be followed within the arbitration including appointment of arbitrator / arbitral tribunal the rules of evidence which are to apply shall be in accordance with the arbitration and conciliation Act 1996.

**e) Enforcement of Award**

Any decision or award resulting from arbitration shall be final and binding upon the parties. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

**f) Fees and Expenses**

The fees and expenses of the arbitrators and all other expenses of the arbitration shall be initially borne and paid by respective parties subject to determination by the arbitrators. The arbitrators may provide in the arbitral award for the reimbursement to the prevailing party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by party.

**g) Performance during Arbitration**

Pending the submission of and/or decision on a dispute difference or claim or until the arbitral award is published the parties shall continue to perform all of their obligations under this agreement without prejudice to a final adjustment in accordance with such award.

## **ARTICLE 18**

### **INDEMNIFICATION**

- 18.1** Concessionaire hereby indemnifies APFDC and saves APFDC and all its officers fully and effectually safe, harmless and indemnified from and against any action, proceedings, claims or demands of whatsoever nature and however made against APFDC in respect of or relating to the business carried on by Concessionaire or
- 18.2** Any facilities or services provided in the said site or in consequence of Concessionaire or its employees or agents or workers committing any breach of any act or statutory regulations or any act of commission or omission or default, or for any other reason whatsoever connected with or relating to the Mrugavani National Park Chilkur Eco - Tourism Project, and against all costs, charges and expenses which APFDC may have to pay incur or sustain by reason of any action proceedings claim or demand or otherwise in relation thereto.
- 18.3** Unless such action or service or business related activity have been carried out by the Concessionaire at the express written behest of or through any express written instruction of the APFDC.

## **ARTICLE 19**

### **REPRESENTATIONS AND WARRANTIES, DISCLAIMER**

#### **19.1 Representations and Warranties of the Concessionaire**

The Concessionaire represents and warrants to APFDC that:

- (i) It is duly organized, validity existing and in good standing under the laws of India;
- (ii) It has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;
- (iii) It has taken all necessary corporate and other action under Applicable Laws and its constitutional documents to authorize the execution, delivery and performance of this Agreement;
- (iv) It has the financial standing and capacity to undertake the Project;
- (v) This Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with the terms thereof.
- (vi) It is subject to civil and commercial laws of India with respect to this Agreement and it hereby expressly and irrevocably waives any immunity in any jurisdiction in respect thereof;
- (vii) The execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any of the terms of the Concessionaire's Memorandum and Articles of Association or any member of the Consortium or any Applicable Laws or any covenant, agreement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected.
- (viii) There are no actions, suits, proceedings, or investigations pending or, to the Concessionaire's knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi judicial or other authority, the outcomes of which may result in the breach of or constitute a default of the Concessionaire under this Agreement or which individually or in the aggregate may result in any Material Adverse Effect.
- (ix) It has no knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Government Agency which may result in any material adverse effect or impairment of the Concessionaire's ability to perform its obligations and duties under this Agreement.
- (x) It has complied with all Applicable Laws and has not been subject to any fines, penalties, injunctive relief or any other Civil or criminal liabilities which in the aggregate have or may have Material Adverse Effect.
- (xi) Subject to receipt by the Concessionaire from APFDC of the Termination Payment and any other amount due under any of the provisions of this Agreement, in the manner and to the extent provided for under the applicable provisions of this Agreement all rights and interests of the Concessionaire in and to the Project Assets shall pass to and vest in APFDC on the Termination

Date free and clear of all Encumbrances without any further act or deed on the part of the Concessionaire or APFDC.

- (xii) No representation or warranty by the Concessionaire contained herein or any other document furnished by it to APFDC or to any Government Agency in relation to Applicable Permits contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading; and
- (xiii) No sums in cash or kind, have been paid or will be paid by or on behalf of the Concessionaire to any person by way of fees, commission or otherwise for securing the concession or entering into of this agreement or for influencing or attempting to influence any officer or employee of APFDC in connection therewith.

## **19.2 Disclaimer**

- (a) Without prejudice to any express provision contained in this Agreement, the Concessionaire acknowledges that prior to the execution of this Agreement the Concessionaire has after a complete and careful examination made an independent evaluation of the project and project site and all the information provided by APFDC, and has determined to the Concessionaire's satisfaction the nature and extent of such difficulties risks and hazards as are likely to arise or may be faced by the Concessionaire in the course of performance of its obligations hereunder.
- (b) Without prejudice to any express provision contained in this agreement the Concessionaire hereby accepts all the risks relating to development, financing, construction, marketing, operations and maintenance of the project.
- (c) The Concessionaire further acknowledges and hereby accepts the risk of inadequacy mistake or error in or relating to any of the matters set forth in (a) above and hereby confirms that APFDC shall not be liable for the same in any manner whatsoever to the Concessionaire.
- (d) Without prejudice to any other provisions contained in this Agreement, the Concessionaire accepts that all its rights for the land is conditional upon its effective discharge of its obligations under this Concession Agreement and unconditionally accepts that in the event of the termination of this agreement as per the terms contained herein, the Concessional Rights would also stand unilaterally terminated.

## **19.3 Representations and Warranties of APFDC**

APFDC represents and warrants to the Concessionaire that:

- i. APFDC has full power and authority to grant the concession including legal title free from encumbrances.
- ii. APFDC has taken all necessary action to authorize the execution delivery and performance of this agreement.
- iii. This agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with the terms hereof.

## **ARTICLE 20**

### **LENDER INTEREST**

- (a) If the Lenders seek amendments to the Agreement for the purposes of extending financial assistance, APFDC shall consider such amendments at its sole discretion taking into account the nature of the amendment sought and its implications on the rights of APFDC.
- (b) APFDC shall consent to the assignment by Concessionaire of its rights under this agreement to the Term Lenders (Financial Institutions/Bank) in connection with the availing of required funds for the construction, operation and maintenance of the project.
- (c) Such financing documents may provide that upon an event of default by Concessionaire under the financing documents, the financing parties may cause Concessionaire to assign to a third party acceptable to APFDC the interests, rights and obligations of Concessionaire thereafter arising under the Agreement as detailed in [g] below..
- (d) However all actions of the lenders shall be in consultation with APFDC and with Government approval and in the event of the lenders causing a transfer of the project to a third party, these must be technically qualified to manage and operate the Mrugavani National Park Chilkur Eco -Tourism Project and the other projects to the satisfactions of APFDC.
- (e) Notwithstanding any such assignment to a third party, the Concessionaire shall remain liable for any and all obligations to APFDC arising before such assignment and for obligations which survive the termination of the agreement.
- (f) In the event of a Termination of the Project resulting in Termination payment, as per the terms set forth in this Agreement, the amounts due to the secured lenders in terms of Debt Due shall be directly paid to the lenders by APFDC before making any payment to the Concessionaire.
- (g) Lenders Right to substitute the Concessionaire: In the event of substantial default by the Concessionaire, the lenders after exhausting all other modes of recovery of the legitimate dues may take action in a manner as specified below:
  - i. The Terms Leaders may approach, APFDC with a request to replace the Concessionaire by “Another Operator” (AO) for undertaking the Project under this Agreement. Thereafter, APFDC shall provide an opportunity to the concessionaire to resolve the issues with the lenders to enable the Concessionaire to continue the operations of the project.
  - ii. APFDC and the Lenders will then consult for a period of not exceeding 60 days as to the suitability of AO. If the AO does not meet the qualifying criteria then such AO shall be deemed not to be technically, financially or managerially competent to undertake the Project and APFDC shall be entitled to reject such AO. APFDC shall also be entitled to reject such AO on ground of national interests.
  - iii. On appointment of a new AO, the notation of this Agreement shall be affected by APFDC with the AO and the Concessionaire shall transfer all

rights, title and interests in the Project to the AO, and this Agreement shall come to an end. The decision of APFDC as to the acceptability of the AO shall be final and binding.

- iv. If within 90 days from the date of termination event the AO acceptable to APFDC does not execute a novation of the Agreement, APFDC may terminate the agreement and start the process of replacing another operator (AO) in consultation with lenders.
- (h) Upon the occurrence of any event or circumstance due to any default by the Concessionaire that might entitle APFDC to terminate the Concession Agreement then without prejudice to APFDC's right to such termination against the Concessionaire APFDC shall comply with the following:
- i. APFDC shall forward to the lenders a copy of the notice of default sent to the Concessionaire
  - ii. In the event of a default in payment of dues under the Concession Agreement the lenders shall have the option to pay APFDC within 90-days from the receipt of the notice the outstanding amount to APFDC.
  - iii. If the lenders elect not to pay or in case of default of the Concessionaire other than for reasons stated in sub clause (ii) above then the lenders may exercise their rights as stated in clause (g) above.
- (i) In all events when an AO is put in place the dues to APFDC & to the lenders shall rank pari-pasu.

## **ARTICLE 21**

### **MISCELLANEOUS PROVISIONS**

#### **21.1 Assignment and Charges:**

- (a) Subject to sub-articles (b) and (c) herein below this agreement shall not be assigned by the Concessionaire save and except with prior consent in writing of APFDC, which consent APFDC shall be entitled to decline without assigning any reason whatsoever
- (b) Subject to sub-article(c) herein below, the Concessionaire shall not create nor permit to subsist any encumbrance over or otherwise transfer or dispose of all or any of its rights and benefits under this Agreement or any project agreement to which Concessionaire is a party except with prior consent in writing of APFDC, which consent APFDC shall be entitled to decline without assigning any reason whatsoever
- (c) Restraint set forth in sub-article (a) and (b) above shall not apply to:
  - i. Liens/encumbrances arising by operation of law (or by an agreement evidencing the same) in the ordinary course of business of the project.
  - ii. Mortgages/pledges/hypothecation of goods/movable assets other than project site under both OPC & APC (under the Laws of Land) & immovable assets created under APC (under the Laws of Land) as security for indebtedness, in favour of the lenders and working capital providers for the project.
  - iii. Assignment of Concessionaire's rights, title and interest under this agreement to or in favour of the lenders as security for their financial assistance.
  - iv. Mortgage of the Government (APFDC) Land lease hold rights admeasuring 1.275 Ha (acres 3.06 guntas) located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, with the specific approval & permission from APFDC in favor of lenders for a maximum period of 25 years from the start of the concession.

#### **21.2 Liability and Indemnity**

- (a) General Indemnity
  - i. The Concessionaire shall indemnify, defend and hold APFDC harmless against any and all proceedings, action and, third party claims arising out of a breach by Concessionaire of any of its obligations under this agreement except to the extent that any such claim has arisen due to APFDC event of default.
  - ii. APFDC will, indemnify defend and hold harmless the Concessionaire against any and all proceedings, actions, third party claims for loss, damage and expense of whatever kind and nature arising out of defect in title and/or the rights of APFDC and/or arising of a breach by APFDC, its officers, servants and agents of any obligations of APFDC under this agreement except to the extent that any such claim has arisen due to Concessionaire event of default.

- (b) without limiting the generality of this Article 21.2 the Concessionaire shall fully indemnify, save harmless and defend APFDC including its officers servants, agents and subsidiaries from and against any and all loss and damages arising out of or with respect to (a) failure of the Concessionaire to comply with applicable laws and applicable permits, (b) payments of taxes relating to the Concessionaire's contractors, suppliers and representatives income or other taxes required to be paid by the Concessionaire without reimbursement hereunder, or (c) non-payment of amounts due as a result of materials or services furnished to the Concessionaire or any of its contractors which are payable by the Concessionaire or any of its contractors.
- (c) without limiting the generality of the provisions of this article 21.2 the Concessionaire shall fully indemnify save harmless and defend the APFDC from and against any and all damages which the APFDC may hereafter suffer, or pay by reason of any demands, claims, suits or proceedings arising out of claims of infringement of any domestic or foreign patent rights, copy rights or other intellectual property, proprietary or confidentiality rights with respect to any materials, information design or process used by the Concessionaire or by the Concessionaire's contractors in performing the Concessionaire's obligations or in any way incorporated in or related to the project. If in any such suit, claim or proceedings, a temporary restraint order or preliminary injunction is granted, the Concessionaire shall make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraint order. If, in any such suit claim or proceedings, the project or any part thereof or comprised therein is held to constitute an infringement and its use is permanently enjoined the Concessionaire shall promptly make every reasonable effort to secure for APFDC a concession at no cost to APFDC authorizing continued use of the infringing work. If the Concessionaire is unable to secure such concession within a reasonable time, the Concessionaire shall, at its own expense and without impairing the specifications and standards either replace the affected work, or part, or process thereof with non-infringing work or parts or process, or modify the same so that it becomes non-infringing.
- (d) In the event that either party receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under this Article 21.2 (the 'Indemnified Party') it shall notify the other party ("Indemnifying Party") within 14 (fourteen) days of receipt of the claim and shall not settle or pay the claim without the prior approval of the indemnifying party, such approval not to be unreasonably withheld or delayed. In the event that the indemnifying party wishes to contest or dispute the claim it may conduct the proceedings in the name of the indemnified party subject to the indemnified party being secured against any costs involved to its reasonable satisfaction.

### **21.3 Governing Law and Jurisdiction**

This agreement shall be construed and interpreted in accordance with and governed by the laws of India and the courts at Hyderabad, Andhra Pradesh, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

### **21.4 Waiver**

- (a) Waiver by either party of any default by the other party, the observance and performance of any provision of or obligations under this Agreement.

- i. Shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions or obligations under this agreement.
  - ii. Shall not be effective unless it is in writing and executed by a duly authorized representative of such party, and
  - iii. Shall not affect the validity or enforceability of this agreement in any manner.
- (b) Neither the failure by either party to insist on any occasion upon the performance of the terms conditions and provisions of this agreement or any obligation there under nor time or other indulgence granted by a party to the other party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

## **21.5 Survival**

Termination of this agreement(a) shall not relieve the Concessionaire or APFDC of any obligations hereunder which expressly or by implication survives Termination hereof, and (b) except as otherwise provided in any provision of this agreement expressly limiting the liability of either party, shall not relieve either party of any obligations or liability for loss or damage to the other party arising out of or caused by acts or omissions of such party prior to the effectiveness of such termination or arising out of such termination.

## **21.6 Amendments**

This agreement and the schedules together constitute a complete and exclusive statement of the terms of the agreement between the parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by all the parties hereto and evidenced in writing.

## **21.7 Notices**

Unless otherwise stated notices to be given under this agreement including but not limited to a notice of waiver of any term, breach of any term of this agreement and termination of this agreement, shall be in writing and shall be given by hand delivery recognized national courier, mail, telex or facsimile transmission and delivered or transmitted to the parties at their respective addresses set forth below:

**If to APFDC :** Vice Chairman & Managing Director, APFDC Ltd., 3<sup>rd</sup> Floor, UNI Buildings, AC Guards, Hyderabad - 500 004 (Phones 040-23392652/23395750/23372977 Fax 040-23320032)

**If to Concessionaire:** M/s Laxmi Jyothi Eco-Tourism and Jungle Resorts Private limited represented by its Director Mr. P. KRISHNA CHAITANYA REDDY, having its registered office at 8-3-964/101; flat no. 303; R R Residency; Srinagar Colony, Hyderabad – 500 073

Or such address, telex number, or facsimile number as may be duly notified by the respective parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized national courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number of facsimile number.

## **21.8 Depreciation**

For the purposes of claiming tax depreciation, the property representing the capital investment made by the Concessionaire/Persons claiming through or under the Concessionaire shall be deemed to be acquired and owned by the Concessionaire.

## **21.9 Severability**

If for any reason whatever any provision of this agreement is or becomes invalid illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the parties will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid unenforceable or illegal provisions as nearly as is practicable. Provided failure to agree upon any such provisions shall not be subject to dispute resolution under this agreement or otherwise.

## **21.10 No Partnership**

Nothing contained in this agreement shall be construed or interpreted as constituting a partnership between the parties. Neither party shall have any authority to bind the other in any manner whatsoever.

## **21.11 Language**

All notices required to be given under this agreement and all communications, documentations, and proceedings which are in any way relevant to this agreement shall be in writing and in English language.

## **21.12 Exclusion of Implied Warranties etc**

This agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the parties or any representation by any party not contained in a binding legal agreement executed by the parties.

## **21.13 Counterparts**

This agreement may be executed in two counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

## **21.14 Schedules and Annexure**

**The following are the schedules and Annexure to this agreement**

|            |  |
|------------|--|
| Schedule 1 | Description of the Mrugavani National Park Chilkur Eco Tourism Project             |
| Schedule 2 | Payment of Additional Development Premium  |
| Schedule 3 | Project Completion Schedule of Mrugavani National Park Chilkur Eco-Tourism Project |
| Schedule 4 | Project Site Particulars   |

|             |   |
|-------------|---|
| Schedule 5  | Site Utilization Plan   |
| Schedule 6  | Construction Specifications & Standards Including Approved Material |
| Schedule 7  | Maintenance Program   |
| Schedule 8  | Form of Bank Guarantee (Repayment Guarantee)                        |
| Schedule 9  | Form of Bank Guarantee (Construction Guarantee)                     |
| Schedule 10 | Original Project Cost & Components                                  |
| Schedule 11 | Approved Business & Project Components of Additional Project        |
| Schedule 12 | Approved Activities   |
| Schedule 13 | Lease Agreement   |
| Annexure 1  | Government Orders   |
| Annexure 2  | Implementation Plan & Approved Designs                              |
| Annexure 3  | Detailed Business Plan  |
| Annexure 4  | Approved activities by Chief Wild Life Warden of AP                 |

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

**SIGNED SEALED AND DELIVERED**

For and on behalf of APFDC by

**(C. SIVA SANKARA REDDY, IFS)**  
Vice Chairman & Managing Director  
A.P. Forest Development Corporation Ltd, Hyderabad

**SIGNED, SEALED AND DELIVERED**

For and on behalf of CONCESSIONAIRE by:

Mr. P. Krishna Chaitanya Reddy  
Director  
M/s Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited, Hyderabad

In the Presence of.

1) WITNESS 1

(Signature)

(Name)

2) WITNESS 2

(Signature)

(Name)

3) WITNESS 3

(Signature)

(Name)

4) WITNESS 4

(Signature)

(Name)

5) WITNESS 5

(Signature)

(Name)

## **SCHEDULES**

---

## **SCHEDULE – 1**

### **DESCRIPTION OF THE MRUGAVANI NATIONAL PARK CHILKUR ECO TOURISM PROJECT**

The Project has been conceptualized on two basic parameters, protection and maintenance of flora and fauna of the Mrugavani National Park Chilkur and to educate visitors about wildlife. Second, is to provide visitor amenities to the public visiting the National park and also provide environment education. The Project is intended to create a comprehensive zone with vibrant natural surroundings providing a serene environment that will provide an escape from the urban stress for the local public. Visitors would be able to see firsthand, rare dears and other wildlife species in their natural surroundings and gain knowledge about how they live, and co-habit among themselves and with other species.

The Mrugavani National Park Chilkur Eco-Tourism Project has two inseparable components viz. Protection and maintenance of Mrugavani National Park and making provision for Amenities for the visitors visiting the park at the Government (APFDC) Land situated opposite to the National Park. A broad description of the components is given below.

**Protection and maintenance of Mrugavani National Park** with the approvals from APFDC and Chief Wild Life Warden of AP;

Protection and maintenance of Mrugavani National Park includes

1. Taking care of the existing National Park & its wild life
2. Protection through required veterinary and animal health care services
3. Fencing of the park in required places
4. Up keeping existing fodder plot & providing salt licks for the fauna in the Park
5. Improving water body, if necessary
6. Providing eco-friendly vehicles for Safari Drive (2 No's)
7. Face lifting of existing entrance to the park
8. Upgrading of existing Environment Education Centre, Nature Camp Zone, Mud Houses, Watch tower, Cafeteria, Dining Area, Toilets & Bathrooms, and Land Scaping
9. Providing sighting facilities
10. Construction of Toilets
11. Construction of Ticket Counter & Security Room
12. Carrying out any other construction activities or making provision for any other facilities with the approvals from APFDC, Chief Wildlife Warden AP / National Wildlife Board, Ministry of Environment & Forest Services.

**Visitor Amenities at the Government (APFDC) Land with approval from APFDC in consonance with GO Ms No. 111 Municipal Administration and Urban Development (II) Department dated 08.03.1996:**

Construction of

1. Restaurants (2 Nos with One Bar & Restaurant)
2. Parking Area
3. Auditorium / Conference Hall
4. Hotel with 40 Suites
5. Nature Spa and Therapy Centres
6. Sewerage treatment plant
7. Swimming Pool

\*\*\*

**SCHEDULE – 2**

**PAYMENT OF ADDITIONAL DEVELOPMENT PREMIUM**

ADP PAYABLE – HIGHER OF THE FLOOR ADP OR PERCENTAGE OF GROSS RECEIPTS or 1% OF THE PROJECT COST AS SPECIFIED CALCULATED ON SEMI ANNUALLY BASIS

| Year of Operation from COC | Floor ADP (Amount in Rupees) | Percentage of Gross Receipts from the project | 1% of the Total Project Cost (OPC +APC limited to Rs. 1,000 lacs till the end of the previous year with 5% escalation every year) |
|----------------------------|------------------------------|---|---|
| 1                          | -                            | -   | -   |
| 2                          | 1,00,000                     | -   | -   |
| 3                          | 1,00,000                     | -   | -   |
| 4                          | 2,00,000                     | -   | -   |
| 5                          | 3,00,000                     | -   | -   |
| 6                          | 10,00,000                    | 3%  | 1%  |
| 7                          | 10,50,000                    | 3%  | 1%  |
| 8                          | 11,02,500                    | 3%  | 1%  |
| 9                          | 11,57,625                    | 3%  | 1%  |
| 10                         | 12,15,506                    | 3%  | 1%  |
| 11                         | 12,76,282                    | 3%  | 1%  |
| 12                         | 13,40,096                    | 3%  | 1%  |
| 13                         | 14,07,100                    | 3%  | 1%  |
| 14                         | 14,77,455                    | 3%  | 1%  |
| 15                         | 15,51,328                    | 3%  | 1%  |
| 16                         | 16,28,895                    | 3%  | 1%  |
| 17                         | 17,10,339                    | 3%  | 1%  |
| 18                         | 17,95,856                    | 3%  | 1%  |
| 19                         | 18,85,649                    | 3%  | 1%  |
| 20                         | 19,79,932                    | 3%  | 1%  |
| 21                         | 20,78,928                    | 3%  | 1%  |
| 22                         | 21,82,875                    | 3%  | 1%  |
| 23                         | 22,92,018                    | 3%  | 1%  |
| 24                         | 24,06,619                    | 3%  | 1%  |
| 25                         | 25,26,950                    | 3%  | 1%  |
| 26                         | 26,53,298                    | 3%  | 1%  |
| 27                         | 27,85,963                    | 3%  | 1%  |
| 28                         | 29,25,261                    | 3%  | 1%  |
| 29                         | 30,71,524                    | 3%  | 1%  |
| 30                         | 32,25,100                    | 3%  | 1%  |
| 31                         | 33,86,355                    | 3%  | 1%  |
| 32                         | 35,55,673                    | 3%  | 1%  |
| 33                         | 37,33,456                    | 3%  | 1%  |

**SCHEDULE – 3**

**PROJECT COMPLETION SCHEDULE OF MRUGAVANI NATIONAL PARK  
CHILKUR ECO-TOURISM PROJECT**

| <b>Sl. No.</b> | <b>Details</b>   | <b>Time Duration in Months</b> |
|----------------|--|--------------------------------|
| 1              | Protection & Maintenance of Mrugavani National Park as detailed in Schedule 10 of this agreement and Government (APFDC) land | 24 (from zero date)            |
| 2              | Creation of Visitor amenities at the Government (APFDC) land as mentioned in Schedule 11 of this agreement                   | 60 (from zero date)            |

\*\*\*

**SCHEDULE – 4**

**PROJECT SITE PARTICULARS**

The Mrugavani National Park Eco-Tourism Project comprises two inseparable units.

1. Mrugavani National Park, the national park is located in an area of 906 Acres and is a R.F. Block fully under the jurisdiction of Chief Wildlife Warden of AP and is notified u/s 15 of the A.P. Forest Act, 1967. It falls under Sy No.1 of Chilkur Village, Moinabad Mandal, Ranga Reddy District.
2. Government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the existing Mrugavani National Park, Chilkur.

Maps showing the sector-wise locations of the project is enclosed.

\*\*\*

## SCHEDULE – 5

### SITE UTILIZATION PLAN

#### Component wise Area Particulars proposed in the Mrugavani National Park

1. Due to the restriction imposed by MoEF vide letter reference No. F No.6-3-2003 WI,-I (pt); GoI dated 16<sup>th</sup> January 2004, No setting up of visitor amenity activities (including additional constructions) can be carried out inside the national park area, as such activities are against laws of conservation of National Park. Hence Site utilization plan is not applicable.
2. However, continuation of visitor amenities offered by the existing park can be carried out with the approvals from APFDC & Chief Wildlife Warden, AP & other statutory bodies (if applicable).
3. Visitor Amenities in the Government (APFDC) Land of 1.275 Ha (Acres 3.06 Guntas) located at Sy No. 177/1; Aziz Nagar Village; Moinabad Mandal; RR District

| S. No.                       | Component                                 | Ground coverage Area in Sq Mtrs. | Ground coverage Area in Sft. |
|------------------------------|---|----------------------------------|------------------------------|
| 1.                           | Hotel with Suites                         | 278.71                           | 3,000                        |
| 2.                           | Spa & Therapy Centre                      | 232.26                           | 2,500                        |
| 3.                           | Auditorium / Conference Hall              | 185.81                           | 2,000                        |
| 4.                           | Two Restaurants with one Bar & Restaurant | 390.19                           | 4,200                        |
| 5.                           | Swimming Pool                             | 185.81                           | 2,000                        |
| <b>Total Ground Coverage</b> |   | <b>1,272.78 Sq Mtrs</b>          | <b>13,700 Sft</b>            |

## **SCHEDULE – 6**

### **CONSTRUCTION SPECIFICATIONS & STANDARDS INCLUDING APPROVED MATERIAL**

Keeping in view of the guidelines issued by MoEF in similar projects, the construction materials that would be used should match following specification & standards.

#### **For the activities / components that would be taken up inside the National Park area**

- i) The construction material should be eco-friendly like that made of bamboo, timber, reconstituted wood, clay etc.
- ii) However, cement concrete flooring shall be allowed for all toilets and bathrooms..
- iii) Architecture of construction should be of the type that blends with the surrounding landscape.

#### **For the activities / components that would be taken up in the Government (APFDC) land of 1.275 Ha (Ac 3.06 guntas) located at Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur**

- i) The construction should be in compliance to GO Ms No. 111 Municipal Administration and Urban Development (II) Department dated 08.03.1996 and other statutory clearances from the competent authorities. The implementation shall be as per GO Ms No. 39 YAT & C Dept., dt 09.06.2010 and other statutory clearance from the competent authorities.

\*\*\*

**SCHEDULE – 7**

**MAINTENANCE PROGRAM**

1. All the facilities will be periodically maintained with high quality standards.
2. Proposed to have tie ups with international/national chain of operators for key facilities like accommodation, Auditorium etc., to the extent required to make the project commercially viable
3. Preventive maintenance will be carried out.
4. Eco friendly materials will be used for maintenance inside the National Park Area.
5. Local people will be recruited for maintenance.
6. Information technology systems will be implemented.
7. Personnel with requisite experience are being employed.
8. Adequate safety precautions will be taken.
9. Services like security, cleaning etc., will be out sourced in consultation with & with prior intimation to APFDC.

\*\*\*

## SCHEDULE – 8

### FORM OF BANK GUARANTEE (REPAYMENT GUARANTEE)

To be provided within the 20 days of the Acceptance of Agreement

**(To be executed on appropriate value of Non – Judicial Stamp Paper as per Stamp Act prevailing in the State of Andhra Pradesh)**

KNOW ALL MEN by these presents that we \_\_\_\_\_ (name of bank) of \_\_\_\_\_ (country) having our registered office at \_\_\_\_\_, \_\_\_\_\_ (hereinafter called “the Bank”) are bound to the Andhra Pradesh Forest Development Corporation, Government of Andhra Pradesh, represented by the Vice Chairman & Managing Director, hereinafter called “APFDC” (which expression shall include its successors and assigns) in the sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ Lakhs only) which payment can truly be made to APFDC. The Bank bind themselves, their successors and assigns by these presents.

Sealed with the Common Seal of the Bank this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

### WHEREAS

- (a) By the Concession Agreement dated \_\_\_\_\_ entered into between APFDC and the Concessionaire \_\_\_\_\_, the Concessionaire has been granted a concession to implement the Project, as per the terms and conditions defined in the Agreement.
- (b) In terms of Article 5.1(a) of the Concession Agreement, the Concessionaire is required to furnish to APFDC an unconditional and irrevocable bank guarantee for an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as security for due and punctual performance / discharge of its obligations under the Concession Agreement for the repayment of the APFDC expenditure as stipulated in Article 5.1(a) and the Guarantee so given shall be valid for a period of 15 months from the date of issuance and would be extended further, so as to make the total validity period of the guarantee to be 15 months from the date of Commencement of Concession (COC).
- (c) At the request of the Concessionaire, the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance / discharge by the Concessionaire of its obligations under the Concession Agreement for the repayment of the APFDC expenditure as stipulated in Article 5.1(a).

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby guarantees the due and punctual performance by the Company for its obligations under the Concession Agreement to repay APFDC expenditure as stipulated in Article 5.1(a).
3. The Guarantor shall without demur, pay to APFDC exceeding in the aggregate Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only), within five (5) days of receipt of a written demand therefore from APFDC stating that the Concessionaire has failed to meet its repayment obligations under the Concession Agreement. The Guarantor shall have no obligation to go into the veracity of any demand so made by APFDC and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Concessionaire.

4. This Guarantee shall be irrevocable and shall remain in full force and effect until discharge by the Guarantor of all its obligations hereunder up to 15 months from the Commencement of Concession.
5. This Guarantee shall not be affected by any change in the constitution or winding up of the Concessionaire / the Guarantor or any absorption, merger or amalgamation of the Concessionaire / the Guarantor with any other entity.
6. The Guarantor has the power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under \_\_\_\_\_.

IN WITNESS WHEREOF THE GUARANTOR HAS SET IT'S HANDS HEREUNTO ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

SIGNED AND DELIVERED BY \_\_\_\_\_.  
Bank of the hand of Sri. \_\_\_\_\_.

Its \_\_\_\_\_ and authorized official.

\*\*\*

## SCHEDULE – 9

### FORM OF BANK GUARANTEE (CONSTRUCTION GUARANTEE)

To be provided within the 20 days of the Acceptance of Agreement

**(To be executed on appropriate value of Non-Judicial Stamp Paper as per Stamp Act prevailing in the State of Andhra Pradesh)**

KNOW ALL MEN by these presents that we \_\_\_\_\_ (name of bank) of \_\_\_\_\_ (country) having our registered office at \_\_\_\_\_, \_\_\_\_\_ (hereinafter called “the Bank”) are bound to the Andhra Pradesh Forest Development Corporation, Government of Andhra Pradesh, represented by the Vice Chairman & Managing Director, hereinafter called “APFDC” (which expression shall include its successors and assigns) in the sum of Rs. 50,00,000/- (Rupees Fifty Lakhs only) which payment can truly be made to APFDC. The Bank bind themselves, their successors and assigns by these presents.

Sealed with the Common Seal of the Bank this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

#### WHEREAS

- (a) By the Concession Agreement dated \_\_\_\_\_ entered into between APFDC and the Concessionaire M/s Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited the Concessionaire has been granted a concession to implement the Project, as per the terms and conditions defined in the Agreement.
- (b) In terms of Article 5.1(b) of the Concession Agreement, the Concessionaire is required to furnish to APFDC, an unconditional and irrevocable bank guarantee for an amount of Rs. 50,00,000/- (Rupees Fifty Lakhs only) as security for due and punctual performance / discharge of its obligations under the Concession Agreement during the Construction Period valid from the Commencement Date to the Project Completion Date.
- (c) At the request of the Concessionaire, the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance / discharge by the company of its obligations under the Concession Agreement during the Construction period.

#### NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Concession Agreement.
2. The Guarantor hereby guarantees the due and punctual performance by the company of all its obligations under the Concession Agreement during the Construction Period.
3. The Guarantor shall without demur, the pay to APFDC sums not exceeding in the aggregate Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) within five (5) days of receipt of a written demand therefore from APFDC stating that the Concessionaire has failed to meet its performance obligations under the Concession Agreement during the Construction period. The Guarantor shall have no obligation to go into the veracity of any demand so made by APFDC and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Concessionaire.
4. This Guarantee shall be irrevocable and shall remain in full force effect until discharge by the Guarantor of all its obligations hereunder up to the Date of Project Completion.

5. This Guarantee shall not be affected by any change in the Constitution or winding up of the Concessionaire / the Guarantor or any absorption, merger or amalgamation of the Concessionaire / the Guarantor with any other entity.
6. The Guarantor has the power to issue this guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this Guarantee pursuant to the power granted under \_\_\_\_\_.

IN WITNESS WHEREOF THE GUARANTOR HAS SET IT'S HANDS HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN.

SIGNED AND DELIVERED BY \_\_\_\_\_.  
Bank by the hand of Shri. \_\_\_\_\_.

Its \_\_\_\_\_ and authorized official.

\*\*\*

**SCHEDULE – 10**

**ORIGINAL PROJECT COST & COMPONENTS**

**ORIGINAL PROJECT COST**

| S.NO | PARTICULARS  | AMOUNT ( Rs Cr) |
|------|--|-----------------|
| 1    | Implementation Plan (Protection and Maintenance of Mrugavani National Park & creation of Visitor Amenities in the Government (APFDC) Land excluding payments to APFDC towards NPV) | 5.64            |
|      | <b>Total</b>   | <b>5.64</b>     |

**COMPONENTS OF ORIGINAL PROJECT COST**

| S.NO   | PARTICULARS   |
|--|---|
| <b>Components inside the National Park Area (with the approvals from APFDC / Chief Wild life Warden of AP)</b> |   |
| 1  | Taking care of the existing national park & its wild life   |
| 2  | Protection through required veterinary and animal health care services  |
| 3  | Fencing of the park in required places  |
| 4  | Up keeping existing fodder plot & providing salt licks for the fauna in the Park  |
| 5  | Improving water body, if necessary  |
| 6  | Providing eco-friendly vehicles for Safari Drive (2 No's)   |
| 7  | Face lifting of existing entrance to the park   |
| 8  | Upgrading of existing Environment Education Centre, Nature Camp Zone, Mud Houses, Watch tower, Cafeteria, Dining Area, Toilets & Bathrooms, and Land Scaping  |
| 9  | Providing sighting facilities   |
| 10   | Construction of Toilets   |
| 11   | Construction of Ticket Counter & Security Room  |
| 12   | Carrying out any other construction activities or making provision for any other facilities with the approvals from APFDC, Chief Wildlife Warden AP / National Wildlife Board, Ministry of Environment & Forest Services. |
| <b>Components in the Government (APFDC) Land (with the Approval from APFDC)</b>                                |   |
| 1  | Restaurants (2 Nos with One Bar & Restaurant)   |

| <b>S.NO</b> | <b>PARTICULARS</b>             |
|-------------|--------------------------------|
| 2           | Parking Area                   |
| 3           | Auditorium / Conference Hall   |
| 4           | Hotel with Suites              |
| 5           | Nature Spa and Therapy Centres |
| 6           | Sewerage treatment plant       |
| 7           | Swimming Pool                  |

\*\*\*

**SCHEDULE – 11**

**APPROVED BUSINESS & PROJECT COMPONENTS OF ADDITIONAL PROJECT**

| <b>S.NO</b> | <b>PARTICULARS</b>                              | <b>COST<br/>(Rs Lakhs)</b> |
|-------------|---|----------------------------|
| 1           | Restaurants (2 Nos with one Bar and Restaurant) | 436                        |
| 2           | Parking   |                            |
| 3           | Auditorium / Conference Hall                    |                            |
| 4           | Hotel with 40 Suits                             |                            |
| 5           | Nature Spa with massage Centers                 |                            |
| 6           | Sewerage water treatment plant                  |                            |
| 7           | Swimming Pool                                   |                            |

\*\*\*

**SCHEDULE – 12**

**APPROVED ACTIVITIES**

| <b>S.NO</b>  | <b>PARTICULARS</b>  |
|--|---|
| <b>Components inside the National Park Area with the approvals from APFDC / Chief wild life warden AP.</b> |   |
| 1  | Taking care of the existing national park & its wild life   |
| 2  | Protection through required veterinary and animal health care services  |
| 3  | Fencing of the park in required places  |
| 4  | Up keeping existing fodder plot & providing salt licks for the fauna in the Park  |
| 5  | Improving water body, if necessary  |
| 6  | Providing eco-friendly vehicles for Safari Drive (2 No's)   |
| 7  | Face lifting of existing entrance to the park   |
| 8  | Upgrading of existing Environment Education Centre, Nature Camp Zone, Mud Houses, Watch tower, Cafeteria, Dining Area, Toilets & Bathrooms, and Land Scaping  |
| 9  | Providing sighting facilities   |
| 10   | Construction of Toilets   |
| 11   | Construction of Ticket Counter & Security Room  |
| 12   | Carrying out any other construction activities or making provision for any other facilities with the approvals from APFDC, Chief Wildlife Warden AP / National Wildlife Board, Ministry of Environment & Forest Services. |
| 13   | Lease Agreement   |
| <b>Components in the Government (APFDC) Land</b>   |   |
| 1  | Restaurants (2 Nos with One Bar & Restaurant)   |
| 2  | Parking Area  |
| 3  | Auditorium / Conference Hall  |
| 4  | Hotel with Suites   |
| 5  | Nature Spa and Therapy Centres  |
| 6  | Sewerage treatment plant  |
| 7  | Swimming Pool   |

\*\*\*

## **SCHEDULE – 13**

### **LEASE AGREEMENT**

THIS LEASE AGREEMENT is entered into on this.....  
day of ....., 20\_\_ at Hyderabad, Andhra Pradesh, India.

#### **BETWEEN**

The Governor of Andhra Pradesh in his executive capacity for the Government of Andhra Pradesh, represented by the Director Andhra Pradesh Forest Development Corporation, hereinafter referred to as "APFDC" / "Lessor" which expression shall include its successors and assigns, on the one part,

#### **AND**

M/s. Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited, a company registered under the Indian Companies Act 1956, having its registered at 8-3-964/101; Flat No. 303; R R Reidency; Srinagar Colony; Hyderabad - 500 073 represented by its Director Sri. P. Krishna Chaitanya Reddy S/o. Sri Narasimha Reddy, aged about 29years, resident of Hyderabad hereinafter referred to as the "Lessee", which expression shall include its successors and assigns; on the second part.

Whereas, APFDC identified and got alienated Governmnet land to an extent of 1.275 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur, for development of Base Camp for grounding of Mruvagani National Park Eco-Tourism Project (hereinafter referred to as "Project") as a part of the development of Eco-Tourism projects under the Public Private Partnership mode on Design, Built, Finance, Operate and Transfer Basis (DBFOM).

Whereas the Lessee entered in to a MoU with APFDC for development of Mrugavani National Park Eco-Tourism Project on 29th April 2002 and issued Letter of Award of the project to M/s. Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited on 18th June 2010 for the Development and Operation of the Project as required under the Terms & Conditions of the concession agreement and undertook, to be responsible for development and operation of the Project on DBFOM basis

And whereas, to M/s. Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited entered in to a concession agreement with APFDC for grant of concession to ground and operate the project on 19<sup>th</sup> November, 2010.

And whereas, pursuant to the conditions of the Concession Agreement, APFDC has agreed to grant on lease of the Government (APFDC) land to an extent of 1.275 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur, for development of Base Camp for grounding of Mrugavani National Park Eco-Tourism Project for a total period of 33 years from the date of Commencement of Concession (COC).

In pursuant of the terms and conditions of the MoU, Letter of Award and the Concession Agreement, APFDC had now agreed to execute a Lease Agreement in favour of the Lessee in respect of the said site, being these present on the terms and conditions hereinafter contained.

**NOW THEREFORE THIS LEASE AGREEMENT WITNESSTH AS UNDER:**

**ARTICLE 1**

**1. DEFINITIONS**

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

- 1.1 "Appointed date" means the date of this agreement on which date the physical possession of the site i.e. Government (APFDC) Land would be handed over.
- 1.2 "Concession Agreement" means the concession agreement entered by both the parties.
- 1.3 "GOAP" means the Government of Andhra Pradesh.
- 1.4 "Project" means and includes:

List of utilities, user amenities and approved business activities that would be undertaken in the land as described in the Annexure 1 to this agreement.

- 1.5 "Site" the Project site measuring approximate 1.275 Ha (Ac 3.06 guntas) in Sy no. 177/1 of Aziz Nagar village, Moinabad Mandal; Ranga Reddy District, opposite to the Mrugavani National Park, Chilkur.

## **ARTICLE 2**

### **2. LEASE**

#### **2.1 Grant of Lease**

In consideration of the Lease Fee and the Lessee agreeing to observe and perform the covenants, terms and conditions set forth in this Agreement, as also agreeing to abide by the terms and conditions contained in the Concession Agreement, APFDC hereby grants to the Lessee a Lease of the said Site to Design, Built, Finance, Operate, Maintain and transfer the Project and to exercise and/or enjoy the rights, powers, privileges, authorisations and entitlements as set forth in this Agreement and the Concession Agreement.

#### **2.2 Tenure of Lease**

The Lease hereby granted is for a tenure of 33 years (Thirty Three Years) commencing from the Appointed Date during which the Lessee is authorized to Design, Built, Finance, Operate and Maintain the Project in accordance with the provisions hereof.

#### **2.3 Lease Amount / Fee**

In consideration of the grant of Lease under this Agreement, the Lessee shall pay an annual Lease Fee to APFDC from the Appointed Date. The per annum Lease Fee payable shall be Rs 100/- (Rupees One Hundred Only) per Annum.

#### **2.4 Manner of Payment of Lease Fee**

- a) The Lease Fee shall be paid on annually before 10<sup>th</sup> of the first month of each financial year in advance.
- b) The Lessee shall open a "No-Lien" account with its bankers for payment of the Lease Fee before the due date and issue standing instructions to its bankers to transfer from its operating account to the "NO-Lien" account and from the no-lien account to the lessor.
- c) Payment of Lease Fee beyond the due date shall carry an interest at 2% above the PLR of the State Bank of India for medium term, which is without prejudice to the right of termination.
- d) All other payments of the lessee to any third party including the servicing and repayment of the debt shall be subordinate to the payment of Lease Fees to the lessor.

#### **2.5 Advance Lease Fee**

Lessee shall at all times keep with APFDC an Advance Lease Fee of an amount equal to a one year Lease Fee.

#### **2.6 Renewal**

After expiry of the term period as per the conditions of this agreement & concession agreement, the Lease may be renewed at the absolute discretion of APFDC on such terms and

conditions as may be determined by the lessor and the lessee shall have the first right of refusal.

## **2.7 Use of the Project Site**

The Lessee shall not without prior written consent or approval of APFDC use the Project Site for any other purpose except for the purpose of the Project / the Project Facility and purposes incidental thereto as permitted under this Agreement and Concession Agreement.

## **2.8 Development, Operation & Management of the Project**

- a) The Lessee shall develop, operate & manage the Project at the site now Leased under this Agreement in accordance with the terms and conditions of the "Concession Agreement".
- b) This Lease agreement shall co-terminate along with the Concession Agreement, if the concession given under concession agreement is terminated for whatever the reason.

## **2.9 Acceptance of the Lease**

The Lessee hereby accepts the Lease and agrees and undertakes to implement the Project/provide Project Facility and to perform/discharge all of its obligations in accordance with the terms and conditions set forth in this Agreement and the Concession Agreement.

## **2.10 Project Site**

- a) APFDC hereby undertakes to hand over to the Lessee physical, vacant, peaceful and exclusive possession of the Project Site free from encumbrance, charges, and other liabilities on this day, together with the necessary rights of way for the purpose of implementing the Project in accordance with this Agreement and Concession Agreement dated 19<sup>th</sup> November, 2010 entered between the parties.
- b) APFDC confirms that upon the Project Site being handed over pursuant to the preceding sub-article (a) the Lessee shall have the exclusive right to enter upon, occupy and use the Project Site and to make at its costs, charges and expenses such development and improvements in the Project Site as may be necessary or appropriate to implement the Project and to provide Project Facility subject to and in accordance with the provisions of this Agreement and Concession Agreement dated 19<sup>th</sup> November, 2010 entered between the parties.

## **2.11 Peaceful Possession**

APFDC warrants that:

- a) The Project site has been acquired through the due process of law and has been under the ownership, possession and occupation of APFDC and that APFDC has full power to hold, manage, dispose off and deal with the same consistent, inter-alia, with the provisions of this agreement and Concession Agreement dated 19<sup>th</sup> November, 2010 entered between the parties.

- b) That Lessee, during the tenure of this Lease, shall have the full and exclusive right and authority to enter upon and remain in the said site and to design, develop, construct, operate, manage and / or to renovate, modernize, expand and develop the said site in implementation of this Agreement & the Concession Agreement and for this purpose do all acts and agreements in any manner it may think fit without any interference of whatever nature from APFDC or any person or party claiming through or under APFDC so long as Lessee does not commit any act which would in any way materially affect adversely the interest of APFDC either during the tenure of this Agreement or Concession Agreement.
- c) That Lessee is entitled to exercise all rights granted under this Agreement & Concession Agreement to enter into any agreement, contract, arrangement as it may think fit, necessary and expedient in furtherance of the purpose covenants herein and for the proper implementation of the terms of this Agreement & Concession Agreement and APFDC will not do any act of commission or omission that will in any way jeopardize and / or affect such rights and facilities, except as otherwise provided in this agreement & Concession Agreement.
- d) That it hereby indemnifies and will keep indemnified the Lessee against all/any claims demands and/or legal proceedings, suits of whatsoever nature arising on and after this Agreement date, if it pertains to the period before the said Agreement Date.
- e) Lessee shall, subject to complying with the terms and conditions of this Agreement, remain in peaceful possession and enjoyment of the Project Site during the Tenure of Lease.

## **2.12 Rights and Title over the Project Site**

- a) The Lessee shall have exclusive rights to the use of the Project Site in accordance with the provisions of this Agreement and for this purpose it may regulate the entry and use of the same by third parties.
- b) The Lessee shall not sub-Lease or part with or create any Encumbrance on the whole or any part of the Project Site, save and except as set forth and permitted under this Agreement provided, however, that nothing contained herein shall be construed or interpreted as restriction on the right of the Lessee; to appoint any Contractor for Operation and Maintenance of all or any part of the Project / Project Facility.

### **ARTICLE 3**

#### **3. OBLIGATIONS AND UNDERTAKINGS**

In addition to and not in derogation or substitution of any of the obligations set out elsewhere in this Agreement and the Concession Agreement, the Parties agree and undertake as under:

##### **3.1 General Obligations of the Lessee**

- a) The Lessee shall use the site solely for such purposes and for such business for which the right to use the site has been granted under the Concession Agreement. Lessee shall take adequate measures to ensure that vacant and peaceful possession of the said Project is handed over to APFDC at the time of expiry of the Concession Agreement unless it is renewed or sooner determination of this Lease.
- b) It shall be the responsibility of the Lessee to obtain all necessary permissions, approvals, permits, NOC's etc., from concerned Authorities, Departments and Agencies as are required for development, construction, operation, maintenance and management of the Project and its facilities throughout the Lease period and kept in force from time to time by it at its own cost and expenses.
- c) That it shall use the said site or any part thereof solely and exclusively for the purposes of development and operation of the Project and other Project components defined in the Concession Agreement entered into with APFDC and shall not use or permit the said site to be used for the purpose for which it is not granted;
- d) That it shall at all times exclusively use the said site for only lawful purposes;
- e) That it shall not transfer, assign, sub-Lease or part with the possession of the said site or any portion thereof in any manner, form, device, method or arrangement to anybody else nor shall it be entitled to allow any person/s to occupy the said site or to use any part thereof save as otherwise provided in this agreement. The Lessee may sub-contract the operations in the business; which shall be co-terminus with this Agreement. Such sub-contractor shall have no better title or right than the Lessee.
- f) That it shall run, operate, conduct, manage and maintain, at its own cost & expenses, the said Project in accordance with international standards and good industrial practices and as prescribed under the Concession Agreement entered between the parties.
- g) That it shall during the Tenure of this Lease, pay and discharge all expenses for running and operation of the said Project;
- h) That it will diligently and promptly pay to APFDC the Lease Fee in the manner provided herein and make all other payments as provided in the Concession Agreement entered into with APFDC;
- i) Subject to the clauses of the Concession Agreement that lessee alone shall bear and pay with effect from the appointed date all existing and future charges, rates, taxes, or assessments, of every description and of whatsoever nature and charges levied and / or charged in respect of the said site or by any authority or body during the Tenure of the

Lease, and that it will forward proof of payment thereof APFDC within 15 days of payment thereof;

- j) Make payment to any Government Agency, if required, for provision of such services as are not provided in the normal course or are available only on payment;
- k) That upon the expiry of the Lease by efflux of time and in the normal course, the Lessee shall at the end of the Lease Period, shall hand over the said site with the immovable assets embedded in the said site to APFDC without claiming any compensation or consideration;
- l) That the Lessee will indemnify and keep indemnified APFDC, its officers and employees or its agents against any claim and / or liabilities and / or any suit and / or legal proceeding if it arises on and after the appointed date in the course of its running, managing, conducting and / or operating the said Project.

### **3.2 Obligations of APFDC.**

APFDC shall:

- a) Hand over the physical possession of Project Site together with necessary right of way to the Lessee free from any Encumbrance;
- b) Grant or where appropriate provide necessary assistance to the Lessee in securing Applicable Permits;
- c) Ensure peaceful use of the Project Site by the Lessee under and in accordance with the provisions of this Agreement & Concession Agreement without any let or hindrance from APFDC or persons claiming through or under it;
- d) Observe and comply with all its obligations set forth in this Agreement and Concession Agreement.
- e) It will indemnify and keep indemnified the lessee and employees or its agents against any claim and / or liabilities and / or any suit and / or legal proceeding if it arises on and after the appointed date concerning the title over the site

## **ARTICLE 4**

### **4. FINANCING ARRANGEMENT**

#### **4.1 Raising of Loans and Financing and Assignment of Lease Rights**

- (a) Lessee shall be entitled to raise loans and/or financial facilities from financial institutions and banks for development and completion of the Project and for this purpose Lessee may (with specific approval from APFDC), if required by such banks and/or financial institutions assign all or any part of the Lease hold rights in or over the said Project and mortgage, charge, hypothecate or otherwise encumber all or any of the other assets of the Lessee in or pertaining to the said Project, as and when required;
- (b) Liens and mortgages or encumbrances so created by the Lessee shall be for a maximum period of 25 years (Twenty Five Years) from the date of COC.
- (c) All the liabilities shall be discharged and settled by Lessee before expiry of the 25 years from the date of this agreement or sooner determination of the Termination of the Lease.
- (d) APFDC shall grant approval for mortgaging or assigning of the Leasehold rights of the Developer over the land under this agreement for the purpose of raising the loans for development and construction of the Project and its facilities in favour of any Bank or Financial Institution,. If requested for by the Developer, subject to the conditions as stipulated in the Concession Agreement.
- (e) The Lessor shall not be liable for any payments/liabilities of the lessee on account of repayment of loans.

## **ARTICLE 5**

### **5. FORCE MAJEURE**

#### **5.1 Force Majeure Event (FM)**

A Force Majeure Event may be a Non Political Event, and/or Political Event, the occurrence of which materially affects the either party (affected party) from performing its obligations under this Agreement and which act or event, (i) Is beyond the reasonable control and not arising out of the fault of the Affected Party, (ii) The Affected Party has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care, and (iii) Has Material Adverse Effect on the Project. The FM events, effects of FM events termination including termination payments as stated in clause 13 of the Concession Agreement shall be applicable for this agreement also.

## **ARTICLE 6**

### **EVENTS OF DEFAULT AND TERMINATION**

#### **6.1 Event of Default**

Event of Default means the Lessee Event of Default or APFDC Event of Default or both as the context may admit or require. It is agreed between the parties that the Events of default and the actions to be taken in the event of occurrence of event of default shall be as per the rules & procedures laid down under the clause 14 of the concession agreement.

## **ARTICLE 7**

### **HANDOVER OF THE SITE**

#### **7.1 Handing Over of the Site**

Upon the expiry of the tenure of the Lease, the Lessee shall hand over the said site with all the immovable structures & fixtures created under both OPC & APC and with all movable properties create under OPC, to APFDC without any claim of compensation.

## **ARTICLE 8**

### **MISCELLANEOUS**

#### **8.1 Governing Law and Jurisdiction**

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India and the Courts at Hyderabad, Andhra Pradesh State, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

#### **8.2 Dispute Resolution**

It is agreed and understood between the Lessee and APFDC that the dispute resolution would be as per the Dispute resolution procedures agreed to under Concession Agreement.

#### **8.3 Notices**

Unless otherwise stated, notices to be given under this Agreement including but not limited to a notice of waiver of any term, breach of any term of this Agreement and termination of this Agreement, shall be in writing and shall be given by hand delivery, recognized courier, mail, telex or facsimile transmission and delivered or transmitted to the Parties at their respective addresses set forth below:

If to APFDC

Vice Chairman & Managing Director, APFDC Ltd., 3rd Floor, UNI Buildings, AC Guards, Hyderabad - 500 004 (Phones 040-23392652/23395750/23372977 Fax 040-23320032

If to the Lessee

M/s Laxmi Jyothi Eco-Tourism and Jungle Resorts Private limited represented by its Director Mr. P. KRISHNA CHAITANYA REDDY, having its registered office at 8-3-964/101; flat no. 303; R R Residency; Srinagar Colony, Hyderabad – 500 073

Or such address, telex number, or facsimile number as may be duly notified by the respective Parties from time to time, and shall be deemed to have been made or delivered (i) in the case of any communication made by letter, when delivered by hand, by recognized courier or by mail (registered, return receipt requested) at that address and (ii) in the case of any communication made by telex or facsimile, when transmitted properly addressed to such telex number or facsimile number.

#### 8.4 Severability

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing upon one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable. Provided failure to agree upon any such provisions shall not be subject to dispute resolution under this Agreement or otherwise.

#### 8.5 No Partnership

Nothing contained in this Agreement shall be construed or interpreted as constituting a partnership between the Parties. Neither Party shall have any authority to bind the other in any manner whatsoever.

#### 8.6 Language

All notices required to be given under this Agreement and all communications; documentation and proceedings, which are in any way relevant to this Agreement, shall be in writing and in English language.

#### 8.7 Exclusion of Implied Warranties etc.

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by any Party not contained in a binding legal agreement executed by the Parties.

#### 8.8 Amendments / Modifications

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the Agreement between the Parties on the subject hereof and no amendment or modification hereto shall be valid and effective unless agreed to by all the Parties hereto and evidenced in writing.

#### 8.9 Misstatements and Wrong Information

The Lessor shall have the right to terminate this Agreement, if it comes its notice that any information, facts, statements or any other evidence furnished or produced by the lessee's individually or jointly at any stage during the process leading to entering into the this Agreement are false or wrong or does not exist at all by giving an advance notice of 30 days. In such case of termination the land along with the structures & fixtures there on shall revert to the lessor without any liability for compensation and without prejudice to any of its other rights and claims to proceed against the lessee either and appropriate law.

8.10 Counterparts

This Agreement may be executed in two counterparts on non-judicial papers of Rs 100/-, each of which when executed and delivered shall constitute an original of this Agreement.

8.11 Stamp Fee & Registration

It shall be the responsibility of the Lessee to register this Agreement at the concerned office of the Registration & Stamps Department under the Indian Stamps Act 1899 and the Indian Registration Act 1908 and the Rules made thereunder and as amended from time to time within the stipulated period under the said Act and Rules at his own cost and expenses.

**IN WITNESS WHEREOF THE, PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.**

**SIGNED SEALED AND DELIVERED**

| <b>For and on behalf of the Lessor / APFDC</b> | <b>For and on behalf the Lessee / Concessionaire</b> |
|--|--|
| Signature:                                     | Signature:   |
| Name:  | Name:  |
| Designation:                                   | Designation:   |
| Seal:  | Seal:  |
| <b>In the presence of</b>                      |  |
| Signature:                                     | Signature:   |
| Name:  | Name:  |
| Designation:                                   | Designation:   |
| Seal   | Seal:  |

**Annexure 1 to Lease Agreement**

**PROJECT SITE & ACTIVITIES**

Project Site: Visitor amenities base camp of Mrugavani National Park; CHikur Eco-Tourism Project would be provided in the Government (APFDC) Land of 1.275 Ha (Acres 3.06 Guntas) located at Sy No. 177/1; Aziz Nagar Village; Moinabad Mandal; RR District located opposite to the Mrugavani National Park.

The construction should be in compliance to GO Ms No. 111 Municipal Administration and Urban Development (II) Department dated 08.03.1996 and other statutory clearances from the competent authorities.

The implementation shall be as per GO Ms No. 39 YAT & C Dept., dt 09.06.2010 and other statutory clearances from the competent authorities.

Activities that would be carried out in the area with approvals from APFDC.

| S. No.                | Component                                 | Ground coverage Area in Sq Mtrs. | Ground Coverage Area in Sft. |
|-----------------------|---|----------------------------------|------------------------------|
| 1.                    | Hotel with Suites                         | 278.71                           | 3,000                        |
| 2.                    | Spa & Therapy Centre                      | 232.26                           | 2,500                        |
| 3.                    | Auditorium / Conference Hall              | 185.81                           | 2,000                        |
| 4.                    | Two Restaurants with one Bar & Restaurant | 390.19                           | 4,200                        |
| 5.                    | Swimming Pool                             | 185.81                           | 2,000                        |
| Total Ground coverage |   | <b>1,272.78 Sq Mtrs</b>          | 13,700 Sft                   |

**ANNEXURE**

---

**ANNEXURE – 1**

**LIST OF THE GOVERNMENT ORDERS**

1. GO Ms.No. 54 EFST Department dated 26<sup>th</sup> June 2001,
2. GO Ms.No. 240 EFST (FOR.II) Department dated 31<sup>st</sup> July 2001
3. MOU dated 29<sup>th</sup> April 2002,
4. MOEFGOI F.No:6-3/2003 WL-I(Pt) dated.16<sup>th</sup> January, 2004
5. GO Ms No.1028 Revenue (ASN.V) Department dated 14<sup>th</sup> August, 2008
6. District Collector, Ranga Reddy District Proceeding No. LC1/1207/2004 dated 27<sup>th</sup> December, 2008
7. GO Ms.No. 39 YAT & C Department dated 9<sup>th</sup> June 2010
- 8 GO Ms No. 111, MA & UD (II) department dated 8<sup>th</sup> March 1996
9. Letter of Award dated 18<sup>th</sup> June 2010
10. Dismissal of writ petition 2853 of 2009 by High Court of Andhra Pradesh dated 18<sup>th</sup> August, 2010.

**ANNEXURE – 2**

**IMPLEMENTATION PLAN & APPROVED DESIGNS**

To be provided within the 60 days of the signing of this Agreement

**ANNEXURE – 3**

**DETAILED BUSINESS PLAN**

To be provided within the 60 days of the signing of this Agreement

**ANNEXURE – 4**

**APPROVED ACTIVITIES BY CHIEF WILD LIFE WARDEN OF AP**

**ACCEPTED TO THE TERMS AND CONDITIONS OF THE CONCESSION AGREEMENT  
INCLUDING SCHEDULES & ANNEXURE AS ABOVE  
(From page No.1 to 105)**

**SIGNED SEALED AND DELIVERED**

For and on behalf of APFDC by

**(C. SIVA SANKARA REDDY, IFS)**  
Vice Chairman & Managing Director  
A.P. Forest Development Corporation Ltd  
Hyderabad

**SIGNED, SEALED AND DELIVERED**

For and on behalf of CONCESSIONAIRE by:

M/s Laxmi Jyothi Eco-Tourism & Jungle Resorts Private Limited,  
Hyderabad

In the Presence of.

**1) WITNESS 1**

(Signature)

(Name)

**4) WITNESS 4**

(Signature)

(Name)

**2) WITNESS 2**

(Signature)

(Name)

**5) WITNESS 5**

(Signature)

(Name)

**3) WITNESS 3**

(Signature)

(Name)