## LEASE AGREEMENT

THIS INDENTURE OF LEASE made at Ahmedabad this \_\_\_\_\_ day of \_\_\_\_\_, Two Thousand and Eight

**BETWEEN**;

\_\_\_\_\_\_, a company incorporated and registered under the Companies Act, 1956, and having its registered office at : \_\_\_\_\_\_\_, through its Authorized Signatory \_\_\_\_\_\_\_, hereinafter called "LESSOR" (which expression shall unless it be repugnant to the context or meaning thereof be deemed and mean to include its members, shareholders, directors, successors-in-interest and assigns) of the First Part

#### AND

\_\_\_\_\_\_, a company incorporated and registered under the Companies Act, 1956, and having its registered office at : \_\_\_\_\_\_\_, through its Authorized Signatory \_\_\_\_\_\_\_, hereinafter called "LESSEE" (which expression shall unless it be repugnant to the context or meaning thereof be deemed and mean to include its members, shareholders, directors, successors-in-interest and assigns) of the Other Part.

#### **RECITALS**:

1) WHEREAS the LESSOR herein is the sole and lawful owner and in possession of the immovable property being Commercial Premises being Shop / Showroom / Office No. \_\_\_\_, on \_\_\_\_ floor, in admeasuring about \_\_\_\_\_ square feet (Super Built Up Area), in the building known as "\_\_\_\_\_\_", situated at : \_\_\_\_\_\_\_, Ahmedabad, constructed on Final Plot No. \_\_\_\_\_ of T.P.Scheme No.\_\_\_\_ situated at Moje \_\_\_\_\_\_ Taluka City Ahmedabad, in the Registration Sub district Ahmedabad and District of Ahmedabad-4 (Paldi) (hereinafter be referred to as the "Said Premises").

2) AND WHEREAS the LESSEE is proposing to do the business of Pilot Training Center (AVIATION) and is desirous of taking the Said Premises on lease from the LESSOR for its business, which the LESSOR has agreed to give in the manner and on the terms, conditions, covenants and stipulations as stated hereafter.

## NOW THIS INDETURE WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

 In this Agreement, the terms given below, wherever used, shall have the meanings as ascribed hereunder:

"Force Majeure" or "Force Majeure Circumstances" shall mean acts, events, conditions or occurrences beyond the control and not arising out of the fault or negligence of the affected Party and shall include acts of God such as earthquake, lightning, tempest, fire, acts of war, riot, bombing, civil commotion, terrorist acts and agitations.

"**IFRSD**" shall mean the Interest Free Refundable Security Deposit referred to in Clause 8.

"Lease" shall mean the demise of the Premises by the Lessor to the Lessee as provided in Clause 2.

"Lease / Rent Commencement Date" shall mean the \_\_\_\_\_, 2008 or such other date as may be mutually agreed by the Parties.

"Lease Period" shall mean the period of the Lease as mentioned in Clause 2.

"Lease Rent" shall mean the rent payable by the Lessee to the Lessor for the Demised Premises, as provided in Clause 3.

- 2. a) That in consideration of the monthly rent hereby reserved and of the terms, conditions, covenants and stipulations contained herein, the LESSORS doth hereby demise by way of lease unto the LESSEE, the Said Premises, more particularly described in the Schedule hereunder written (hereinafter referred to as the "Demised Premises") and to hold the same for the terms of \_\_\_\_\_ (\_\_) years (The said lease period is hereinafter referred to as the "Lease Period"), with no additional function to renew the said Deed for any further period, commencing from \_\_\_\_\_, 2008 (hereinafter referred to as the "Lease / Rent Commencement Date").
  - b) The LESSORS confirms having handed over the actual, physical, vacant and peaceful possession of the Demised Premises to the LESSEE and the LESSEE confirms having received the same, alongwith specifications mentioned hereunder, complete in all respects and in a good and proper condition.

#### 3. MONTHLY RENT:

The LESSEE shall pay with effect from the Lease Commencement Date, the sum of **Rs.\_\_\_\_/- (Rupees \_\_\_\_\_** 

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**only)** as monthly rent (hereinafter referred to as the "**Lease Rent**"). The said rent shall be paid to the Lessor by the Lessee every month in advance on or before the 10<sup>th</sup> day of the english calender month. Failure on the part of the LESSEE to effect the remittance in time will entail, without prejudice to other rights and remedies of the LESSORS referred herein the said Deed, the LESSEE having to pay interest @ 18% per annum calculated on day to day basis, and will also result into breach of this Deed, giving rise the right of termination to the LESSORS.

Further the obtaligation to pay lease rent shall commence from the \_\_\_\_\_, 2008, i.e. "**Rent Commencement Date**" provided.

The said rent shall be paid without any deduction or reduction but subject to Taxes Deducted at Source (TDS) under the provision of the Income Tax Act.

Such Lease Rent is subject to increase after expiry of every \_\_\_\_\_ (\_\_\_\_\_) months by \_\_\_\_\_% of the last month's rent paid in the manner referred hereinbelow :

#### Description of the Monthly Lease Rent payable

for the period from	to	o shall be	Rs00 P.M.
for the period from	to	o shall be	Rs00 P.M.
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for the period from	to	o shall be	Rs00 P.M.
for the period from	to	o shall be	Rs00 P.M.
for the period from	to	o shall be	Rs00 P.M.

#### 4. OTHER CHARGES:

In addition to the payment of quarterly Lease Rent referred to hereinabove, the LESSEE shall bear and pay the following, from the Lease Commencement Date, in respect of the Demised Premises:-

- All costs, charges and expenses for electricity consumed including meter rent, as per the bills that may be received from the concerned authorities.
- ii) All rates, charges, taxes, cess and assessment, in respect of the Demised Premises levied, charged or imposed by the Municipal Corporation or any other authority constituted in that behalf in actual. Any increase – decrease thereto will exclusively be bear by the Lessee.
- iii) All costs, charges and expenses for telecommunication or other utilities and services used, enjoyed or consumed.
- iv) Service tax or any other levy in respect of the Said Premises.
- v) All charges in respect of the Demised Premises for the maintenance of the building charged or imposed by the Society/Association or any other authority constituted in that behalf (hereinafter referred to as the "Association") in actual.
- vi) All kind of other duties, taxes, cesses, levies etc. payable under present State / Central Government / Semi Government Policies or payable in future under any newly implemented Government Policy/ies in respect of the said premises.

The LESSEE hereby agrees to make the payments referred to in Sub-Clauses (i), (ii), (iii), (iv) (v) and (vi) above regularly without any delay and default and shall produce to the LESSOR, after expiry of every 12 months, certified copies of the receipts for the payments made during such period.

# 5. <u>THE LESSEE DOTH HEREBY COVENANT WITH THE LESSOR</u> <u>AS FOLLOWS</u>:-

- a) The LESSEE shall pay the Lease Rent and all other amounts, agreed to be paid by it hereunder without any delay or default.
- b) In case the LESSEE fails or neglects to pay any such amount of Lease Rent or taxes and other outgoings, the LESSOR may, at its discretion but without being bound to do so, pay the same and the LESSEE, on production of receipts or other proof regarding such payment by the LESSOR, shall immediately reimburse the same to the LESSOR, failing which the amounts so paid by the LESSOR, without prejudice to its other rights and remedies including right of termination of the Lease, shall carry interest at the rate of 1% (one percent) per month or part thereof from the date of payment by the LESSOR.
- c) The LESSEE shall maintain at its own cost the Demised Premises in good condition, state and repair and shall abide by all bye-lays, rules and regulations of the Government, Municipal Corporation, Association and / or any other authorities and local bodies and shall attend, answer and be responsible for all deviations or violations as are committed by the Lessee of any of such bye laws, rules and regulations.
- d) The LESSEE shall use the Demised Premises with due care and caution, and keep the same, walls, glass windows, sewers, drains, pipes and appurtenances thereto in good tenable repair and condition.
- e) The LESSEE shall use the Demised Premises as per the rules and regulations of the Association, if any, and for its commercial / business purposes only and not for any other purpose whatsoever.
- f) The LESSEE shall, during the term of the Lease insure and keep insured with an Insurance Company of repute, all fixtures, furniture, interior design including window glasses, decorations, all and every other articles or things belonging

to the LESSEE in the Demised Premises against any loss and damage by fire, lightening, earthquake, typhoon, war, riots, flood, explosion, civil commotion or any other act of God and shall regularly pay premium thereof.

- g) The LESSEE shall not alter or redesign the structure of the existing building of the Demised Premises, or undertake any structural changes to the Demised Premises except with the prior written approval of the LESSOR. The LESSEE may also erect partitions for making cabins or false ceiling at any time during the term of the Lease at its own cost and expense without in any manner permanently altering or irreparably damaging the Demised Premises or any part thereof. The LESSEE shall give back the Demised Premises to the LESSOR in good and tenable condition on the expiry of the Lease Period, normal wear and tear accepted.
- h) The LESSEE shall not be entitled to sublet or underlet the Demised Premises or part thereof or part with possession thereof nor shall create any charge, mortgage, lien or otherwise deal with the Demised Premises or any part thereof. However, the LESSEE shall subject to rules and regulations of the Association, be entitled to use the Demised Premises for commercial / business purposes, for itself, or for any of its group companies, associates or subsidiary companies or assigns, currently existing or which may come into existence hereafter, with the prior written consent of the LESSOR, which will not be unreasonably withheld. In the event of the Lessee being merged, acquired or amalgamated by any corporate entity anytime during the Lease Period, such corporate entity shall be deemed to be the Lessee under this Agreement with all the other terms and conditions of this lease remaining unchanged. The Lessor shall not have any objection whatsoever to any such merger, acquisition or amalgamation of the Lessee or the acquirer continuing in the Said Premises as the Lessee.

- i) The LESSEE shall permit the LESSOR and / or its authorized representatives, with atleast 07 working days prior notice to enter the Demised Premises for repairs or inspection, during the normal working hours and in the presence of the representative of the LESSEE.
- j) The LESSEE shall, at the time of expiry or sooner determination of lease, quietly surrender, deliver up and hand over to the LESSOR, the Demised Premises in good condition subject to normal wear and tear and in the event the LESSEE fails to hand over possession as aforesaid, without prejudice to the other remedies available to the LESSOR hereunder, the LESSEE shall be liable to pay, by way of penalty, twice of the amount of Lease Rent payable by it at the time of such expiry or sooner determination, to be payable on daily basis.
- k) The LESSEE has agreed to pay to the LESSOR, by way of Interest Free Refundable Security Deposit, an amount as laid down in Clause No.8 below.

# 6. THE LESSOR DOTH HEREBY COVENANT WITH THE LESSEE AS FOLLOWS:-

- a) The LESSOR is the absolute and exclusive Legal and Lawful owner and occupier of the Demised Premises and its title to the Said Premises is clear and marketable. The LESSOR has full right and absolute authority to give the Demised Premises on lease to the LESSEE.
- b) The Demised Premises can be used by the LESSEE for its office/ business purposes for which it is given on Lease.
- c) The LESSEE may use the Demised Premises during routine office/business working hours and seven days a week,. subject however to the rules and regulations of the Association / Scheme / Local Governing Body / Municipal Authority, etc.

- d) The LESSOR shall acknowledge and give valid receipts for each and every payment of Lease Rent made by the LESSEE to the LESSOR or its order.
- e) The LESSEE shall at its cost and expenses have the right, during the term of the Lease to carry out the interior works or make additions, alterations, or attach fixtures / fittings, in the Demised Premises provided that these shall not be inconsistent with or in violation of the bye-laws of the Municipal Corporation, Local Government of any other Statutory Body or Authority or the rules and regulations of the Association. The additions, alterations so made or fixtures and fittings so placed in or attached to the Demised Premises by the LESSEE shall remain the sole and exclusive property of the LESSEE and may be removed therefrom by the LESSEE prior to the expiry of the period of the Lease, but before handing over of possession of the Demised Premises to the LESSOR.
- f) The Demised Premises are provided with electric load of \_\_\_\_\_KVA with three-phase power connection. The LESSEE may at its cost and expense obtain additional electric load that may be required by it, but the Lessee shall on termination of the said Agreement will neither be entitled to receive the refund of the expenditure incurred by Lessee nor be entitle to receive the refund of any deposit made by it with the concerned authority. The LESSOR agrees to cooperate for obtaining additional power load. The LESSOR has provided electric connection and meter only. The LESSEE has done / shall do the wiring and cabling from meter to the Demised Premises and internal wiring at their own cost.
- g) The Lessor will provide \_\_\_\_\_ (\_\_) car park spaces in the Basement, for the exclusive use of the Lessee, free of cost. The LESSEE shall be entitled to use this parking facility for itself, its staff members and visitors. There is common general facility of car /two wheeler parking for the members, owners, occupiers and visitors of the Said

Premises in the Building. However, the same shall be on first come first served basis for the LESSEE, its staff members and its visitors in the Building and such facility of parking will be at the risk, cost and consequences of the LESSEE and other concerned persons.

- h) The LESSEE shall at its cost and expenses be entitled to put its logo, nameplate and board at the demarcated area of the Demised Premises, as per the rules of the Association / Scheme. Provided however, that the LESSEE shall be responsible to pay all charges, taxes or levies, if any imposed by any local body or authority or Municipal Corporation and the electricity bill, for such logo / nameplate / board.
- i) The LESSEE paying rent hereby reserved and observing and performing the terms and conditions hereof, on the part of the LESSEE to be observed and performed, shall and may peacefully hold and enjoy possession of the Demised Premises during the term or duration of the Lease, without disturbance or interruption from the LESSOR or any person claiming under it.

# 7. IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

- a) The LESSOR at any time during the period of the lease may transfer, assign, sell, mortgage, encumber or otherwise dispose of the Demised Premises as it may deem fit and give written intimation thereof to the LESSEE provided that such disposal shall not affect or impair the rights of the LESSEE to continue to occupy the Demised Premises until the expiry or sooner determination of this Lease in accordance with the terms hereof and the LESSOR shall cause the transferee to recognize and accept the Lease hereby created.
- b) The LESSOR may at any time during the period of the lease ask the LESSEE to do amendments in this Agreement in regard to the ownership of the property in

part or in full, in case of change of the name of the LESSOR or change in owning entity, in part of in full. On presentation of proper documents, the LESSEE shall have generally no objection in accepting such change; subject to all conditions mentioned in this Agreement continuing with the new entity. All the costs of documenting any such transfer/amendment of ownership, shall be done at the cost of the Lessor.

c) If at any time during the term of the Lease, the Demised Premises or any part thereof shall be destroyed or damaged due to any Force Majeure Circumstances such as fire, tempest, earthquake, flood, enemy war, civil commotion or other irresistible force so as to become unfit for occupation and use due to any cause not attributable directly or indirectly to the LESSEE, then, the lease hereby created shall forthwith stand terminated and the LESSOR shall forthwith refund the unadjusted Deposits and any other amounts to the LESSEE, after deducting therefrom all amounts or other charges if any, outstanding to be paid by the LESSEE under clause 3 and / or clause 4 hereinabove.

### 8. DEPOSIT :-

The LESSEE has paid to the Lessor, the sum of Rs. \_\_\_\_\_/-(Rupees \_\_\_\_\_\_ only), which is equivalent to \_\_\_\_\_ (\_\_\_) months lease rent, as Interest Free Refundable Security Deposit (hereinafter referred to as "IFRSD") as security for due observance and performance of the terms and conditions and obligations on the part of the LESSEE herein. Such IFRSD has been paid to the LESSOR on or before the execution hereof, the receipt of which, the LESSOR doth hereby admit and acknowledge.

It has been agreed that the said IFRSD, on the expiry of or in the event of termination of the Lease prior to the expiry of the Lease Period and against handing over of possession by the LESSEE of the Demised Premises, shall be refunded to the LESSEE in one lump-sum after deducting therefrom all amounts or other charges if any, outstanding to be paid by the LESSEE under clause 3 and / or clause 4 hereinabove simultaneously when the LESSEE vacates and deliver the vacant and peaceful possession of the Demised Premises to the LESSOR.

The LESSEE on paying the IFRSD hereby reserved and duly observing and performing the terms, conditions, covenants and stipulations on its part under this Lease Agreement, shall peacefully hold and enjoy the Demised Premises throughout the term of the LEASE without any interruption, eviction, claim or demand by the LESSOR.

In the event the LESSOR sells or transfers the Demised Premises during the terms of the Lease, the new purchaser(s), assignees (s) or transferee(s), prior to such sale or transfer shall be made aware of and bound by the terms and conditions contained in this Lease Agreement. The LESSOR shall also obtain acknowledgement of said IFRSD and any other amounts paid by the LESSEE, from such purchaser(s), assignee(s) or transferee(s) or attorneys and of their (new purchaser's) liability to refund the same to the LESSEE as per the terms hereof and under Deed of Lease.

#### 9. SPECIFICATIONS :-

The LESSEE undertakes and agrees to upkeep all the specifications & amenities provided by the Lessor and as handed over alongwith the Demised Premises to the LESSEE by the LESSOR. The LESSEE agrees to maintain all these specifications alongwith the property in full and also that all expenses towards maintenance of such specifications will be fully borne by the LESSEE.

It is also agreed by and between both the Parties that the specifications above mentioned shall always remain under the ownership of the LESSOR.

#### 10. TERMINATION:

a) <u>Right to Terminate</u>:- Subject to whatsoever has been stated in clause 08 (b) herein below, if the LESSEE fails to pay the Lease Rent for \_\_\_\_ (\_\_\_) consecutive months or violates any

of the terms stated herein and does not remedy such breach within \_\_\_\_ (\_\_\_\_\_) days of receiving written notice / intimation in that behalf from the LESSOR, the LESSOR shall be entitled to terminate the Lease executed on expiry of such notice period and as a result of that the said Lease shall automatically come to end and the Lessor shall become entitle to take the possession back from the Lessee on "as it was where it was basis" without giving any prior intimation to the Lessee and the said action of Lessor shall be binding to the Lessee and the Lessee shall not claim for any rights or damages against the Lessor for any of its belongings, goods, movables, furniture, fixture, interior, business loss etc. Further the Lessor shall also be entitled for and entitled to claim for the due amounts / arrears with 18% interest from the Lessee. Further the Lessor shall become entitled to sale / dispose off all or any of the belongings, goods, movables, furniture, fixture, interior of the Lessee remain in the said property in custody of the Lessor to recover the out-standings towards the agreed amounts payable by the Lessee under the said agreement.

- b) <u>Lock-in-Period</u>:- It has been specifically agreed by the LESSEE that this Deed has a Lock-in-Period of initial \_\_\_\_\_ (\_\_) months, from the Lease Commencement Date. By any which case it means that the LESSEE will continue to pay the Lease Rent for the first \_\_\_\_\_ (\_\_) months continuously and without any interruption.
- c) It has been specifically agreed by the LESSEE that if the Lease is terminated by the LESSEE during the initial period of \_\_\_\_\_ (\_\_) months or the LESSEE commits any default in observance of the terms and conditions on its part, on account of which the LESSORS shall terminate this Lease during the initial period of \_\_\_\_\_ (\_\_) months, then the LESSEE shall without prejudice to the other rights and remedies available to the LESSOR, be liable to pay lease rent for the balance period out of total \_\_\_\_\_ (\_\_) months.

- d) The Lessee shall have the right to terminate the Lease any time after \_\_\_\_\_ (\_\_) months from the Lease Commencement Date, by giving not less than \_\_\_\_\_ (\_\_) months written notice in advance to the LESSORS of its intention to terminate. If this Lease is cancelled or terminated by the LESSEE during the initial period of \_\_\_\_\_ (\_\_) months or if the LESSEE commits any default in observance and performance of the terms and conditions mentioned in this Deed on its part, on account of which, the LESSORS shall terminate the Lease, the LESSEE shall be liable to pay lease rent for the balance period out of total \_\_\_\_\_ (\_\_) months to the LESSORS. This will be without prejudice to other rights of the LESSORS.
- e) In the event of expiry or termination of the Lease and the Lessee continuing to occupy the Demised Premises beyond expiry or termination of the Lease Period and in the absence of any dispute, the LESSEE shall pay to the LESSORS the Lease Rent of that period plus interest @ 1% per month on the said Lease Rent.
- f) Consequences of Termination:-
  - (i) <u>Handing over of possession</u>:- The LESSEE shall upon expiry of the Lease or upon sooner termination/determination of this Lease, deliver vacant and peaceful possession of the Demised Premises to the LESSORS.
  - (ii) <u>Restoration of Demised Premises</u>:- The LESSEE shall restore the Demised Premises nearly to the same condition in which they were taken, repairing at its own cost any damage that may be caused by any act or default by the LESSEE, its servants, agents or visitors. However, normal wear and tear and any improvements/interior decoration work done with the knowledge or consent of the LESSORS shall be excepted.
- g) The Lease is for a fixed period of \_\_\_\_\_ (\_\_) years. And the LESSOR at its sole descretion may renew the same for any

further period, subject to fresh terms and conditions mutually agreed upon between the LESSOR and the LESSEE.

- 11. This Lease Agreement shall be executed in duplicate and the Lessee shall retain the Duplicate and the Lessor shall retain the Original Lease Agreement. Both counterparts shall constitute one and the same Lease Agreement. Stamp Duty payable on this Lease Agreement and registration charges have been borne equally by both the LESSOR and the LESSEE. Both the Parties also confirm that the liability, if any, arising in future on account of stamp duty as well as registration charges, will be shared equally.
- 12. That it has been agreed by the Lessee that in no circumstances the Lessee shall reduce or intimate the Lessor to reduce the lease rent of the said premises and further it is immaterial and irrelevant for the Lessor and / or for any of the terms & conditions of the said lease deed that whether the Lessee doing loss and / or the market going through recession or whatsoever. Meaning thereby the Lessee shall continue paying the lease rent during the entire lease period as agreed hereinabove without any reduction / revision in it And further the Lessee shall in no event shall reduce / intimate the lessor to reduce the area of said premise, meaning thereby the Lessee shall use / occupy the said premises in whole during the entire lease period and if any of such action is taken by lessee, the same shall not be accepted by the Lessor.
- 13. In case of any dispute or difference arising between the Parties hereto in any of the matters under this Lease Agreement or interpretation or implementation of any of the terms and conditions herein, the same shall be resolved through arbitration under the Arbitration and Conciliation Act, 1996. Any such arbitration shall be conducted by a three member arbitral tribunal with each of the parties appointing their respective arbitrators and the two arbitrators so appointed shall appoint the presiding arbitrator. The venue of the arbitration shall be at Ahmedabad. The parties shall pay the cost of arbitration as may be directed by the Arbitrators in their Award.

## -: THE SCHEDULE ABOVE REFERRED TO :-

## (Description of Demised Premises)

ALL THAT Premises Commercial Premises being Shop / Showroom / Office No. \_\_\_\_, on \_\_\_\_ floor, in admeasuring about \_\_\_\_\_ square feet (Super Built Up Area), in the building known as "\_\_\_\_\_", situated at : \_\_\_\_\_\_, Ahmedabad, constructed on Final Plot No. \_\_\_\_\_ of T.P.Scheme No.\_\_\_\_ situated at Moje \_\_\_\_\_\_ Taluka City Ahmedabad, in the Registration Sub district Ahmedabad and District of Ahmedabad-4 (Paldi) in the State of Gujarat.

### Bounded By:

East : West : North : South :

IN WITNESS WHEREOF the Parties have hereunto set and subscribed their respective hands in duplicate the day, month and year first hereinabove written.

SIGNED SEALED AND DELIVERED BY THE WITHINNAMED:

	)
through its Authorized Signatory	)
	)
pursuant to the powers and authorities	)
conferred upon him / a power of attorney	)
granted to him by the Board of Directors	)
of the Company vide their resolution	)
datedth 200	)
	)
SIGNED, SEALED & DELIVERED BY	
THE WITHINNAMED:	
	)
through its Authorized Signatory	)
	)
pursuant to the powers and authorities	)
conferred upon him / a power of attorney	)

granted to him by the Board of Directors of the Company vide their resolution dated \_\_\_\_\_\_th \_\_\_\_\_ 200\_\_\_\_

In the presence of:

1. \_\_\_\_\_

2.\_\_\_\_\_

Schedule under sec. 32 (A) of The Registration Act :-

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## <u>LESSOR</u>

By the hand of its Authorised Signatory

## **LESSEE**

By the hand of its Authorised Signatory