

AGREEMENT TO LEASE

This Agreement to Land Lease is made and executed on _____ day of Two Thousand Twelve (-08-2012);

BETWEEN

hereinafter referred to as the "**LESSORS**", (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its partners, authorized representatives, heirs, successors, executors, survivors, administrators and permitted assigns), of the FIRST PART.

AND

hereinafter referred to as The "**LESSEE**" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its partners, authorized representatives, heirs, successors, executors, survivors, administrators and permitted assigns) of the SECOND PART)

(The "**LESSOR**" and the "**LESSEE**" are hereinafter referred to individually as "Party" and collectively as "**PARTIES**".)

_____ being the Sole and Absolute Owners of all that piece and parcel of vacant land bearing _____ (Hereinafter referred to as the "**Said Land**") The Sketch has been annexed hereto as **ANNEXURE A**.

The **LESSORS** represents that they are duly entitled to Lease the said Land to the prospective **LESSEE**, on the terms and conditions as the **LESSORS** may deem

fit.

The **LESSEE** is engaged in the _____ .

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE **PARTIES** HERETO AS FOLLOWS: -

1. LEASE, DURATION OF LEASE AND EXTENSION:

(a) The **LESSORS** hereby demise unto the **LESSEE** on lease and the **LESSEE** hereby agrees to take on lease the Premises on as is where is basis, measuring a total Land area of Approx. _____ sq. ft. of the said Land, more particularly described and delineated in red in the Sketch of the Premises as agreed between the **PARTIES** and enclosed hereto as **Annexure A**, subject to the fulfillment of the terms and conditions of this Deed by the **PARTIES**.

(b) The lease of the Schedule Premises shall be for a period of (_____ years (hereinafter called the "Lease Period") commencing from the _____. and shall expire on _____ subject to the terms and conditions hereinafter mentioned.

(c) It is hereby agreed that in case the **LESSEE** is desirous of continuing its lease in the premises, on the expiry of the said period of years, prior written consent of **LESSORS** shall be taken to extend the same. The terms, conditions, lease period, lease rent and security deposit of the same shall be mutually agreed by both the **PARTIES** and shall have no relation whatsoever with the present deed of lease and a fresh Lease Deed shall be executed.

2. PLAN/LICENCES, CONSTRUCTION AND COMPLIANCE WITH LICENCE & PLAN:

a. The LESSEE shall at their cost prepare necessary plans, drawings, designs etc. whatsoever for the establishment of the _____ in the schedule premises as per the building bye-law, rules and regulations in force and submit the same to BMP/BBMP/BDA and/or other applicable local authorities at present and in future from time to time. The responsible and expenses for preparing the plans obtaining necessary licenses and sanction plans and all other permissions what so ever required to take up, commence and complete the construction of the Showroom and Service centre in the schedule premises shall be that of **LESSEE**. The **LESSEE** shall make available to the **LESSORS** on set of all the permissions and sanctions obtained from the authorities time to time. The **LESSORS** shall be in no way responsible for any kind of delay, penalty, cause of action etc, what so ever to the said permissions and licenses at present and in future either from the concerned authorities or from the **LESSEE**

b. All the expenses, cost, deposits, fees, etc, which may have to incurred in connection with the preparation of the plans, drawings, estimates, etc, and/or obtaining clearances and sanctions for the plan and also the entire cost of construction of the buildings and providing the amenities, services and facilities including the fee payable to the Architects, Engineers, Contractors and other staff and workmen shall be borne by the **LESSEE**. In case of any dispute between the **LESSEE** and/or its contractors, architects, engineers and other workmen and suppliers of materials and the persons who are engaged in the construction at the Schedule Premises the same shall be fully settled by the **LESSEE** who shall also be liable and answerable for the claims, if any. In case of any accidents or injury or death occurring during the course of construction period and/or after construction, while using the premises to any workmen or third party in the Schedule Premises, the **LESSEE**

will solely be responsible. All claims arising and other compliances shall be met and answered by **LESSEE** only. The **LESSOR** shall have no liability to any extent in this behalf what so ever.

c. In putting up the construction and providing electricity, water supply, sewerage and other amenities therein, the **LESSEE** shall duly observe the rules and regulations and other laws relating thereto. The **LESSEE** can make necessary changes in the plans submitted/to be submitted to the BMP/BBMP/BDA and/or other authorities based on applicable building bye-laws, rules and regulation from time to time. The cost, fees, deposits incurring for the required/altered licenses and sanction shall be borne by the **LESSEE**.

3. HAND OVER DATE, RENT COMMENCEMENT DATE & LOCK IN PERIOD:

(a) The Premises is being handed over to the **LESSEE** for fit outs on this day of _____

(b) The period of 90 (Ninety) days shall be referred to as the **rent free fit-out** period and no Lease Rent shall be payable for this period. However, the **LESSEE** is bound to make payment for electricity and water consumed during the rent free fit-out period. Duration from _____ August 2012 to _____ November 2012.

(c) The date of commencement of lease rent shall be from _____, irrespective of whether the **LESSEE** has made the fit out or not, started the business operation or not, whatsoever, in this event if the **LESSEE** defaults in paying rent for whatsoever reasons, it will be treated as Breach of Contract and the **LESSORS** can terminate the Lease and recover their losses with interest at 24%.pa., including the arrears of rent, if any, payable by the **LESSEE**.

(d) There will be a **lock in period** of 60 months from

the date of commencement of the lease during which neither party shall have the right to terminate this Agreement. This is subject to the performance of all the obligations under this Deed by the **LESSEE** which includes the payment of the rent regularly.

4. RENT, COMMON AREA MAINTENANCE, ESCALATION OF RENT, TAXES AND UTILITIES CHARGES:

(a) It is hereby agreed that the **LESSORS** shall charge, and **LESSEE** shall pay to the **LESSORS**, monthly lease Rent (herein after called the "**Lease Rent**") **more fully detailed in the table hereunder;**

LEASE RENT

From	To	Period	
-08-2013	-08-2014	2nd Year	
-08-2014	-08-2015	3rd Year	
-08-2015	-08-2018	4th,5th & 6th Year	
-08-2018	-08-2021	7th,8th & 9th Year	
-08-2021	-08-2024	10th,11th & 12th Year	

THE ABOVE TABLES SUBJECT TO MODIFICATION

(b) The Lease rent payable by the LESSEE to the LESSORS shall be split up into four equal parts and paid to each one of the LESSOR.

(c) The **LESSEE** will pay the Lease rent after completion of each month and within 5th of the following month which it is due to the **LESSORS** either by payable-at-par cheque or any other means of electronic transfer as agreed by both parties in individual names. The Lease rent so payable by **LESSEE** to the **LESSORS** shall be subject to applicable income tax deductions at source, other statutory deductions, if any, and such other adjustments as may be agreed to in writing between the **PARTIES** under this Deed.

(d) Service Tax or any other taxes or levies imposed on Lease Rent Charges shall be payable by the **LESSEE**, along with the monthly lease rent. The **LESSORS** shall provide the certificate of registration of Service Tax to enable the **LESSEE** to pay service tax along with the monthly lease rentals.

(e) It is hereby agreed that the Lease Rent as specified shall be enhanced at a fixed rate of 15% (**fifteen percent**) on the last Lease Rent paid at the end of 3rd year and thereafter at the end of every **3 (three) years**.

(f) The **LESSORS** have agreed to receive individual tax deduction certificate from the **LESSEE** in individual names mentioning their PAN separately at the end of the financial year. In case of non-payment or non furnishing of TDS certificate by the **LESSEE** within the statutory time allowed by The Income Tax Act, **LESSEE** will be liable to pay the amount

deducted along with interest @24% per annum.

(g) The **LESSORS** shall pay all present and future property taxes, including all interest and penalties, thereon commercial charges or any taxes and charges with respect to the Schedule Premises and assessments, outgoings etc. imposed or payable to any statutory or local authority or government or any local authority in respect of the Schedule Premises. The **LESSEE** will not be liable in any manner whatsoever for the payment or non-payment of the above amounts by the **LESSORS** and the **LESSORS** shall keep the **LESSEE** indemnified, in case it is not able to pay the same outgoings to the concerned authority. **LESSORS** shall bear and pay any increase in the existing rates, taxes or cess or any levy or imposition of any new rates taxes or cess payable by the **LESSORS** to any local or public body or authority in respect of the Schedule Premises. However all business related taxes shall be borne by the **LESSEE**.

(h) Electricity, water, Captive Electricity (Back-up power) charges shall be borne by the **LESSEE** during the entire period of Lease, as per the actual meter readings and as per agreed rates / invoices for the Premises. The Transformer and other losses between the actual meter reading and the HT metering by the authorities shall be borne by the **LESSEE**, and the same shall be proportionate to the connected Electrical load of the **LESSEE**. The **LESSEE** shall pay all such charges within the stipulated time as mentioned in the bills and maintain the records and also issue a copy of such payments and bills to the **LESSORS** for their records from time to time. Delay or Non – payment of such charges by the **LESSEE** shall be construed as default. The **LESSORS** shall be at liberty to withdraw the amenities for such default, until paid by the **LESSEE** along with penalties and interest at 24% Per Annum for the delay.

5. SECURITY DEPOSIT

The **LESSEE** has agreed to pay refundable interest free Security Deposit amounting to _____ (hereinafter to be referred to as "**Security Deposit**") to the **LESSORS** as detailed below.

a.

The **LESSORS** hereby acknowledge the payments.

6. USE OF PREMISES, INSPECTION AND SIGNAGE

(a) The **LESSEE** shall be entitled to use the premises for Commercial use of Automobile Sales and services any time of the day or night and/or on holidays at the sole option of the **LESSEE** without any restrictions or limitations relating to the working days or hours of the premises, subject to statutory restrictions, if any.

(b) The **LESSORS** and its agents shall be permitted to enter the Schedule Premises for the purpose of inspection and maintenance during normal business hours.

(c) The **LESSEE** shall, Subject to all local laws applicable, have the right to display its own signage, name, logo, corporate symbol in the Schedule Premises. All taxes, duties, rates, cesses, costs and charges relating to the signage payable to the concerned authorities shall be borne and paid by **LESSEE**

7. TERMINATION

An event of default shall be deemed to occur should any of the following events happen:

a. In case the **LESSEE** fails to pay the **Lease Rent** for

two (2) consecutive months then the **LESSORS** shall serve the notice in writing of 15 days to the **LESSEE** for payment of the due amounts. However, if the **LESSEE** still fails to discharge its rent liability on the expiry of the notice along with interest on delayed payment @ 24% per annum, the **LESSORS** at its discretion, may terminate the lease forth with, even if this event has occurred in the lock in period.

b. Failure of the **LESSEE** to comply with any other term or condition of this agreement.

In the event of such termination, the **LESSEE** shall stop using the Scheduled Premises and pay the arrears of the Lease Rent Charges and any other outstanding with interest of 24% pa thereon and hand over the Scheduled Premises to the **LESSORS** against the simultaneous refund of the Security Deposit, in accordance with the terms of this Agreement.

It is hereby agreed that **LESSEE or LESSORS** shall be at liberty to terminate the Lease Upon the expiry of the Lease or due to a breach of any of the terms of lease or on the happening of any of the contingency warranting the termination of lease, the **LESSOR** shall refund to the **LESSEE** the said security deposit after deducting from the arrears of rent/Electricity/Water supply/Income Tax/Service Tax etc.,. whatsoever as applicable with interest of 24% p.a. within 30 working days after termination of lease through Cheque on delivery of vacant possession of the schedule property in the same condition as it was handed over to the **LESSEE**, on the date of this deed.

8. ALTERATIONS & RENOVATIONS AND HANDOVER

On expiry or early termination of the Lease, the **LESSORS** and the **LESSEE** hereby agree that:-

(a) The **LESSEE** shall hand over the Premises to the

LESSORS simultaneously against **LESSORS** refunding the security deposit amount, after deducting all arrears there from, if any with interest of 24% pa, to the **LESSEE**.

(b) The **LESSEE** shall remove all the movable assets installed in the premises at its own cost.

9. COVENANTS, REPRESENTATION AND WARRANTIES OF THE LESSOR:

(a) The **LESSORS** further covenants, represents and warrants to the **LESSEE** as follows :

(b) The **LESSORS** are duly authorized and empowered to give the Premises on lease to the **LESSEE**.

(c) The **LESSORS** have paid all the charges, dues and taxes, payable in respect of the premises.

(d) That the **LESSORS** do not intend to sell the leased premises during the term of this agreement. However, if the leased premises are required to be sold in part or full during the term of this agreement, the rights of the **LESSEE** under this agreement shall not be affected and the new owner shall honour the terms of this Lease agreement and attornment of the lease will be facilitated by the **LESSORS**.

10. COVENANTS, REPRESENTATION AND WARRANTIES OF THE LESSEE:

The **LESSEE** covenants, represents and warrants to the Licensor as follows:

(a) The person signing this Agreement is duly authorized and empowered to sign this Agreement on their behalf.

(b) The **LESSEE** shall ensure that their employees, agents and members use the Scheduled Premises and facilities in an appropriate manner and will not cause any damage or destruction to the Scheduled Premises.

(c) The **LESSEE** shall not carry on any unlicensed, illegal, unlawful, offensive, immoral and prohibited activities whatsoever in the Schedule Premises or any part thereof and shall not sub-let the Schedule Premises.

(d) Subject to the provisions of Clauses 5 and 8, upon the expiry of the Lease Period by efflux of time or the earlier termination of the lease, as stipulated herein, they shall cease to use the Scheduled Premises and ensure that the same is returned to the **LESSORS** in good condition.

(e) The **LESSEE** shall not have the right to sublicense, sub-lease, sub-let, transfer of Lease agreement, change of business, whatsoever, either the whole or any part of the Scheduled Premises during the term of this Agreement except to the firms/associations/companies/jvs where the **LESSEE** has interest with prior written concern from the **LESSORS**.

11. COMPLIANCE:

a. **LESSEE** shall, at its own costs, make all necessary applications for permissions, approvals and / or sanctions as may be necessary or required for the purpose of conducting its commercial business from the Premises. **LESSORS** have all ready provided all the necessary documents in respect of the Premises as may be required by any competent authority for the purpose of granting such permission / approval sought for by **LESSEE**, whatsoever and the **LESSEE** acknowledges the receipt of the same.

12. SEVERABILITY:

If any provisions of this Agreement to Lease and any part thereof is declared invalid by any Court of competent jurisdiction, such act shall not affect the validity of this Agreement and remainder of this shall remain in full force and effect according to the terms of remaining provisions or part of provisions hereof.

13. WAIVER:

Failure of either Party to enforce at any time or for any period of time the provisions hereof shall not be construed to be waiver of any provisions or of the right thereafter to enforce each and every provision hereof.

14. HEADINGS

The headings in this Deed have been included solely for easy reference and shall not be considered in the interpretation or constructions of this Deed.

15. EXHIBITS / SCHEDULES:

The Schedule to this Deed is part and parcel of this Deed and shall be considered and read as such.

16. NOTICES:

Any notice, letter or communication to be made, served or communicated unto the **LESSORS** under these presents shall be in writing and shall be deemed to be duly made, served or communicated only if the notice or letter or communication is addressed to the **LESSORS** at the address shown below or such other address as may be intimated in writing by the **LESSORS** in this behalf and sent by Registered post or delivered personally with the acknowledgement. Similarly any notice letter or communication to the **LESSEE** shall be deemed to be made, served

communicated only if the same in writing is addressed to the **LESSEE** at the address shown below or such other address as may be intimated in writing by the **LESSEE**. Each Party shall inform the other of any change in their respective mailing address.

17. AMENDMENT OF LEASE:

The terms of this Lease Deed shall neither be altered or added to and nor shall anything be omitted there from except by means of a Supplementary Deed in writing duly signed by the PARTIES.

18. CUSTODY:

This agreement is prepared in two original sets and each party shall have one set each.

19. EXPENSES:

The stamp duty, registration charges, legal fees and expenses in connection with preparation and execution of this deed/s shall be borne by the **LESSEE**.

20. DISPUTE RESOLUTION AND JURISDICTION:

(a) All claims, disputes or differences between the **LESSORS** and **LESSEE** arising from or in relation to and/or connected with this Deed and/or concerning the Lease or the Schedule Premises shall be settled amicably between the Parties. However, in case the dispute is not settled amicably, the matter shall be referred to an Arbitrator common Arbitrator that would be suggested by the **LESSORS**.

(b) The terms of this Agreement shall be subject to the laws of India and The Courts at Bangalore shall have jurisdiction to the exclusion of all other Courts.

SCHEDULE

All that Portion of vacant land bearing _____ and bounded by:-

EAST :

WEST :

NORTH :

SOUTH :

In total measuring _____ sft.

IN WITNESS WHEREOF THE PARTIES
HEREUNTO HAVE SET THEIR HAND TO THESE
PRESENTS ON THE DAY, MONTH AND YEAR
ABOVE WRITTEN IN THE PRESENCE OF
KNOWN WITNESSES

SIGNED AND DELIVERED by the Lessors

In the presence of:

SIGNED AND DELIVERED by the Lessee

Authorized Signatory

In presence of:

ANNEXURE A

(Schedule Premises Sketch)

**