

## **RENTAL AGREEMENT**

THIS AGREEMENT is made at Quepem , Goa , on this    day of    in the year ;

### **BETWEEN**

1. Mr. \_\_\_\_\_  
Hereinafter referred to as “ the OWNERS” , ( which expression unless repugnant to the meaning or context thereof , shall include their heirs , representatives , administrators and assigns ) on the ONE PART ;
- AND**
2. M/s SANATAN FINANCERS AND REAL ESTATES PRIVATE LIMITED , a company , having its registered office at Shop No. 14 , Peace Valley , Deumol , Sirvoi , Quepem , Goa; represented herein by its Director Mr. Ankit Kumar ; hereinafter referred to as “ the HOTEL MANAGER” ( which expression unless repugnant to the meaning or context thereof , shall also include its successors in office , representatives , administrators and assigns ) on the OTHER PART

WHEREAS the OWNERS have purchased a Flat No. \_\_\_\_\_ from M/s Sanatan Financers and Real Estates Pvt. Ltd., in their project at Shirvoi , which is named as “ Peace Valley” , which Flat is hereinafter referred to as “ the said Premises”;

AND WHEREAS the HOTEL MANAGER in the said project is also having a hotel project ;

AND WHEREAS the OWNERS desire to rent back the said Premises to the HOTEL MANAGER;

AND WHEREAS the HOTEL MANAGER also agrees to rent back the said Premises on the terms and condition hereinafter contained .

### **NOW THIS AGREEMENT WITNESSES AS UNDER:**

1. That the OWNERS hereby agrees to rent back the said premises to the HOTEL MANAGER for the period **of 10 years** , which period can be extended up to **another 10 years** by mutual agreement between the parties herein.
2. The owners authorize the Hotel Manager to appoint a hotel operator of an international name.
3. The hotel manager can either take the franchise of the international chain or give them the management contract for a renewable period of 10 years.
4. That the OWNERS shall make the said premises available at all times to the HOTEL MANAGER for the purposes of use by the HOTEL MANAGER as Part of the Hotel Complex for the Hotel Managements Period in accordance with the terms of this Agreement .
5. That the OWNERS agree to fully co- operate with the HOTEL MANAGER , the Hotel Operator and other owners , in promoting the property and the Hotel Complex , and shall comply with the terms of this Agreement at all times .
6. That the OWNERS shall not grant any Lease , Sub – Lease , Licence to occupy or any other Agreement allowing a Third Party to occupy the said premises during the Hotel Management Period

7. That the OWNERS shall have the right to occupy a unit similar to the said Premises for 21 days in a year during the month of March to Sept. as determined by the HOTEL MANAGER , for the number of nights as specified in the Owners' Occupancy Right , subject to availability and upon giving the HOTEL MANAGER or the Hotel Operator no less than 60 ( sixty ) days prior notice , detailing the proposed dates of occupancy . The owners can avail of the 21 days or part of room nights in full season subject to availability – but the difference in special rates might have to be paid for all practical purposes. However if season is full and the owner wants to still use his room nights , they will be reduced as per the prevailing price.
8. That during the First year of operation of the Hotel Complex , the number of days notice required to book a room shall be reduced pro-rata to the number of months already expired in that year .
9. That the HOTEL MANAGER shall give the OWNERS the best available unit similar to the Said Premises, on the reserved days and will endeavour to extend upgrade to the OWNERS subject to availability .
10. That the OWNERS may occupy a unit in excess of the Owners' Occupancy Right , subject to availability , at the Special Rates .
11. That the OWNERS agree to furnish the said premises as per the Best Western International standard .
12. That the Furnishing shall be done by the HOTEL MANAGER and the bill of Expenses towards the Furnishing shall be paid by the OWNERS
13. That the HOTEL MANAGER shall be at liberty to rent said Premises to the Third Party/ Hotel Guests.
14. a) That under option A , from the proceeds received towards the rent of the said premises, during the first year , the HOTEL MANAGER shall pay to the OWNERS 40 per cent of the gross income and 60 per cent shall be retained by the HOTEL MANAGER towards the cost of maintenance , payment of taxes and other ancillary expenses and towards the profit .

**OR**

- b) That under option B the owner will be given a guaranteed income of 10% of the purchase price per annum during the period of the contract from the date opening of Best Western Peace Valley Hotel Apartments and Resort. 10% of the purchase price will be paid to owners at the end of each year from the date of the opening of the Hotel. The date of opening of the hotel is August 3, 2009.
15. That from the Second year onwards , the amount payable to the OWNERS shall be decided at the end of the first year , by mutual Agreement between the parties herein.
16. That the HOTEL MANAGER shall maintain the accounts diligently and faithfully towards the income received by renting the said Premises .
17. That the entire hotel project shall be monitored by project Management System and the HOTEL MANAGER shall give access to the OWNERS to the said system . Further , the accounts shall be furnished to the OWNERS on quarterly basis .
18. That the HOTEL MANAGER shall perform all management and operational obligation necessary to operate the Hotel Complex as a

Star Hotel in compliance with applicable laws , rules and regulation of the Best Western International .

19. That the HOTEL MANAGER shall manage and operate the said Premises upon such terms and at such occupancy rates as the HOTEL MANAGER , in its sole discretion , may determine to be in the best interest of the OWNERS , with a view towards obtaining the greatest total room revenue from the units commensurate with the nature , class and atmosphere of the Hotel Complex .
20. That the HOTEL MANAGER shall plan , organize and carry out such advertising , sales marketing , promotional and public activities as it form time to time , sees fit .
21. That the HOTEL MANAGER shall use all reasonable endeavors to optimize the Gross Revenue of the Hotel Complex
22. That the HOTEL MANAGER must not , without the written agreement of the OWNERS pledge the OWNERS' credit or borrow or lend any money in the name of the OWNERS , or give any guarantees , or issue , sell or purchase any negotiable instrument , other than in the ordinary course of operating the Hotel Complex .
23. That the OWNERS acknowledge that Operational Facilities form part of the common area and are required for the effective operation of the Hotel Complex by the HOTEL MANAGER . The Operational Facilities shall at all times remain under the exclusive use , control , operation and management of the HOTEL MANAGER .
24. That the HOTEL MANAGER shall keep or cause to be kept full and adequate books of account and such other financial records as are necessary to reflect the operation of the Hotel Complex . All records shall at all times , be the property of the HOTEL MANAGER and the records shall be kept in accordance with generally accepted accounting principles .
25. That the parties shall have the right to terminate this Agreement by giving three months notice in writing and at the end of the period of three months , the Agreement shall stand terminated .
26. That the HOTEL MANAGER has entered into an agreement **with Best Western International** and the whole project shall be run as per the guidelines of the Best Western International and the said premises of the OWNERS as long as it is Utilized by the HOTEL MANAGER shall be **utilized under the brand name of Best Western International** .
27. That upon signing of this agreement the OWNERS have given possession of the said premises to the Hotel Manager for the sole purpose of daily renting to prospective clients and management of the premises as hotel apartments as per the guide lines of Best Western International

WITNESS WHEREOF , the parties hereto have signed this Agreement on the day , month and year first herein above mentioned .

\_\_\_\_\_  
MR. ANKIT KUMAR (HOTEL MANAGER)

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MR. \_\_\_\_\_ ( OWNER)