

**Development of 18-Hole Golf Course and Allied Facilities
at Bengre village, Mangalore on Public Private Partnership (PPP) Basis**

Pursuant to the **1st Pre-Bid Meeting** for the Project held on **22nd July, 2010** at Bangalore, the following may be noted:

1. Response to the queries raised during the Pre-Meeting as at **Annexure-I**
2. Revised Project Structure as summarised at **Annexure-II**
3. The **Revised Volume – II: Project Information Memorandum** is being issued to parties who have procured the Request for Proposal documents.
4. **2nd Pre-Bid Meeting** for the Project has been scheduled for **16th September, 2010** at 3.30 PM at the Executive Development Centre, Institute of Hotel Management, Bangalore
5. The last time & date for the Bid Submission has been extended to **1500 Hrs on 15th October, 2010**

**Development of 18-Hole Golf Course and Allied Facilities
at Bengre village, Mangalore on Public Private Partnership (PPP) Basis**

Annexure-I

| Sl. No | Clause of RFP | Query / Clarification Sought | Response |
|--------|--|--|---|
| 1 | <p>Def A / i & RFP Vol I 1.1.9 - h / 3</p> <p>Towards the Leasehold rights of the land admeasuring 10 acres (approx), the successful Bidder shall pay the "Annual Lease Rental" payable by the AUTHORISEE to the Department of Tourism or its Assigns annually (every twelve months) during the lease period co-terminus with the Authorisation period, that shall be payable as follows:</p> <p>(i) Rs. 1000/- per annum for the first three years from the date of signing the Lease Agreement.</p> <p>(ii) Rs. 8,00,000/- (Eight Lakhs only) per annum commencing from year 4 that shall be subsequently increased every year by 5% per annum (p.a.) compounded for the balance years of the Lease Period.</p> <p>(iii) Such Fees shall be payable in advance, i.e. prior to commencement of each year</p> | <p>Request to lower the rate of increment of lease rental to 3% instead of 5%?</p> | <ul style="list-style-type: none"> The rate of increment of Lease Rental and Annual Authorisation Fee has been revised. Please refer revised Project Summary at Annexure-II |
| 2 | <p>Vol I 1.1.9 - k / 4</p> <p>The successful Bidder will be required to furnish a Construction Performance Security, equivalent to Rs. 5,04,00,000/- (Rupees Five Crores Four Lakhs Only)</p> | <p>What form to be paid? Is it refundable or not?</p> | <ul style="list-style-type: none"> The Construction Performance Security is to be in the form of a Bank Guarantee which shall be returned on completion of Project Implementation. |

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| | | | <ul style="list-style-type: none"> • The date of submission of Construction Performance Security has been revised. • Please refer revised Project Summary at Annexure-II |
| 3 | <p>Vol I – Clause 4.4</p> <p>The Preferred Bidder shall be required to pay to the Department of Tourism, the „Land Premium payable by him amounting to Rs. 5,00,00,000/- (Rupees Five Crores Only) being the land premium pertaining to the Project Site payable by the PREFERRED BIDDER to GRANTOR along with service tax and other applicable taxes, duties and cesses applicable that shall be payable in the form of a Demand Draft payable at Bangalore, in the following two installments:</p> <ol style="list-style-type: none"> a. 50% within thirty days from the date of issue of LoI b. 50% on the date of handing over the Project Site by the GRANTOR | <ol style="list-style-type: none"> a) Request to reduce the land premium. b) Can the land premium be paid after the environmental clearance / conversion of CRZ II zone to CRZ III and on the handing over of an encumbrance free project site. c) The upfront payment is requested to be deleted from the scope, as this will be an additional burden to the Developer before the revenue starts pouring for such kind of tourism project and it is uncalled for as per the present industry practice. The only bid parameter shall be the annual authorization fees and without any upfront payment. Pl. clarify and confirm. | <ul style="list-style-type: none"> • The Land Premium amount has been reduced to Rs.4,00,00,000/- (Rupees Four Crore only). • The Payment schedule for the Land Premium has been revised • Please refer revised Project Summary at Annexure-II |

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| 4 | <p>Vol I – Clause 4.2</p> <p>The Preferred Bidder shall be required to pay the Project Development Fees equivalent to 1.5% of Estimated Project Cost along with service tax and other applicable taxes, duties and cesses on the aforesaid sum payable by the Preferred Bidder directly to KSIIDC (0.75% of Estimated Project Cost) and IL&FS IIDC Fund (0.75% of Estimated Project Cost) in the form of demand draft payable at Bangalore within 30 (thirty) days from the date of issue of Lol by Department of Tourism.</p> | <p>a) Request to reduce project development fee</p> <p>b) Project development expenses and success fees (%) are being charged on higher side to the Developer.</p> <p>c) Can we pay Project Development Fee after the environmental clearance of conversion of CRZ II zone to CRZ III?</p> | <ul style="list-style-type: none"> • The Payment schedule for the Project Development Fees has been revised • Please refer revised Project Summary at Annexure-II |
| 5 | <p>Vol I – Clause 4.3.</p> <p>The Preferred Bidder shall be required to reimburse the Project Development Expenses not exceeding Rs.30,00,000/- (Rupees Thirty Lakhs Only) being the Project Development Expenses including service & other taxes paid and interest on the total expenses incurred @ SBI PLR rate, to KIPDC in the form of demand draft payable at Bangalore within thirty days from the date of issue of Lol by Department of Tourism.</p> | <p>Can the development Expenses be paid after the environmental clearance / conversion of CRZ II zone to CRZ III?</p> | <ul style="list-style-type: none"> • The terms stipulated in the RFP remain unchanged. |
| 6 | <p>Vol I – Clause 1.1.9 - k</p> <p>The successful Bidder will be required to furnish a Construction Period Performance Security, equivalent to Rs. 5,04,00,000/- (Rupees Five Crores Four Lakhs Only)</p> | <p>Can the Performance security be paid after the environmental clearance of conversion of CRZ II zone to CRZ III at the time of start of construction?</p> | <ul style="list-style-type: none"> • The date of submission of Construction Performance Security has been revised. • Please refer revised Project Summary at Annexure-II |

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| | | | |
| 7 | <p>Vol I – Clause 1.2.4.</p> <p>A Bidder is required to deposit, along with its Bid, a bid security (the "Bid Security") i.e Rs. 1,00,00,000/- (Rupees one crore), refundable not later than 180 days from the Bid Due Date except in the case of the highest Bidder. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Authority, and in such event, the validity period of the demand draft or bank guarantee, as the case may be, shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.</p> | <p>Is the bid security Rs. 1 Cr? Please confirm</p> | <ul style="list-style-type: none"> • Yes. The Bid Security is Rs. 1,00,00,000/- (Rupees One Crore only) |
| 8 | <p>Vol I – Clause 1.2.9.</p> <p>Evaluation of the Financial Bids will be the final stage of evaluation. The sole criterion for evaluation of the Financial Bid is the "Highest Annual Authorization Fee" for the Project Site for year 4 quoted by the Bidder. Such "Annual Lease Rentals" quoted above will be increased by 5% every year compounded for</p> | <p>Is Annual Authorization fee and Annual lease rental same? And Annual authorization fee has 5% escalation yearly?</p> | <ul style="list-style-type: none"> • No. The Annual Lease Rental pertains to only the Leasehold Land (i.e. 10 Acres) whereas the Authorisation Fee is towards the grant of the Project and rights thereof. |

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| | the balance Lease Period. | | <ul style="list-style-type: none"> • The rate of increment of Annual Authorisation Fee has been revised. • Please refer revised Project Summary at Annexure-II |
| 9 | <p>Vol I – Def</p> <p>Minimum Development Obligations or “MDO” means and include:</p> <ul style="list-style-type: none"> • Construction of the following by the AUTHORISEE within 2 (two) years from the date of receipt of CRZ approval for project from Ministry of Environment & Forest, MoEF, Gol: <ul style="list-style-type: none"> ○ International Standard Championship Golf Course with not less than 18 holes on 125 acres of Project Site ○ Golf Club & Golf Resort with a minimum of 75 rooms on 10 acres of Project Site • The MDO to be operational within 2 (two) years from the date of receipt of CRZ approval for project from Ministry of Environment & Forest, MoEF, Gol; | <p>a) We request to change the minimum development obligation (MDO) – to be constructed within 3 years from CRZ approval instead of 2 years.</p> <p>b) The authorizee should be allowed the freedom to decide on the number of rooms within the period depending on the market absorption anticipation.</p> <p>c) Is there any minimum built up area related to this?</p> | <p>a) The terms stipulated in the RFP remain unchanged.</p> <p>b) The terms stipulated in the RFP remain unchanged.</p> <p>c) There is no stipulation of minimum built up area</p> |

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| 10 | <p>Vol I - Def</p> <p>“Lease Hold Site” shall mean the land belonging to the Department of Tourism, admeasuring approximately 10 acres situated beyond 200 mts from the High Tide Line and forming part of the Project Site, over which the Authorisee shall be permitted for development of the allied facilities related to international standards Golf Course including the Golf club and the Golf Resort.</p> | Request for an exemption on registration, stamp duties and other levies as provided by the tourism policies. | <ul style="list-style-type: none"> The Project shall be able to avail the benefits of the Tourism Policy, as may be applicable |
| 11 | <p>Vol I – Def, (Lease rental), Clause 1.1.9 - h & Clause 4.4.</p> <p>Lease rental & Payment of Land Premium</p> | Selected bidder to pay Land premium and Lease rental? Pls. clarify the double financial loading on land authorization. | <ul style="list-style-type: none"> The terms stipulated in the RFP remain unchanged. |
| Volume III – Authorisation Agreement | | | |
| 12 | <p>Vol III – Clause 4.5. & Vol III Def - c</p> <p>“Annual Authorisation Fee” means the “Authorisation Fee” payable by the AUTHORISEE to the GRANTOR as per Schedule “B” annually (every twelve months) during the Term of the Agreement in consideration of the Project Site and the rights appurtenant thereto in favour of the AUTHORISEE (the Special Purpose Company), commencing from the date of completion of three years from the date of CRZ approval from Ministry of Environment & Forest (MoEF), GoI, for the</p> | Request to consider the escalation on Authorization fee payable to be 10% every 3 years as against 5% every year | <ul style="list-style-type: none"> The rate of increment of Annual Authorisation Fee has been revised. Please refer revised Project Summary at Annexure-II |

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| | <p>project till the end of the Term of the Agreement. The Annual Authorisation Fee shall be payable as follows:</p> <p>(i) Prior to the date of completion of 3 (three) years from the date of CRZ approval for the project, the AUTHORISEE shall pay the GRANTOR (Department of Tourism or its Assigns) as per the amount quoted by the Preferred Bidder as "Annual Authorisation Fee".</p> <p>(ii) Such „Annual Authorisation Fee" shall be subsequently increased every year by 5% per annum (p.a.) compounded for the balance years of the Lease Period</p> | | |
| 13 | <p>VOI III – Def</p> <p>"Financial Closure" means the date on which the Financing Documents providing for financial assistance by the Lenders have become effective and the AUTHORISEE has access to such financial assistance.</p> | <p>What is the financial closure date permitted?</p> | <ul style="list-style-type: none"> • Please refer revised Project Summary at Annexure-II |
| 14 | <p>Vol III - Article 2 - b</p> <p>Scope of the Project</p> <p>To obtain the CRZ clearance for the project from Ministry of Environment and Forest (MoEF), Government of India (GoI) within a period of 12 months from the date of signing of Authorization Agreement</p> | <p>Request the Department of Tourism to take the responsibility of the MOEF clearance.</p> | <ul style="list-style-type: none"> • Please refer revised Project Summary at Annexure-II |

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| 15 | <p>Vol III – Article 4 H (i)</p> <p>The AUTHORISEE shall shift the utilities, including power transmission lines, at, on, over or beneath the ground at the Project Site to an appropriate location or alignment. Such shifting of the utilities shall be carried out, only if and to the extent according to the GRANTOR, the non-shifting thereof materially obstructs the implementation of the Project. The cost of such shifting shall be borne by the AUTHORISEE</p> | Request to consider the utility shifting to be the Grantor purview and the Authorisee would provide assistance | <ul style="list-style-type: none"> The terms stipulated in the RFP remain unchanged. |
| General | | | |
| 16 | <p>Vol II – Clause 4.1.1</p> <p>The entire Land is presently classified under CRZ II.</p> | What is the status of CRZ Approval for the Project | <ul style="list-style-type: none"> Please refer revised Volume-II : Project Information Memorandum |
| 17 | <p>Vol II – Clause 4.1.1</p> <p>The identified land, located at Bengre Village, is situated on the peninsular stretch of land between the road coming from the Kullur Bridge on NH 17 ending at the estuary, and the sea, which is along the western side and the river Gurupur on the Eastern side. An existing 3.5 mtr wide asphalted road connects the Bengre Village with Mangalore city through Kullur Bridge. Eventhough the site is about 12 km from Mangalore city centre by road, it is about 1 km from the main city center by ferry across Gurupur River.</p> | PI. clarify will the road be blocked permanently? Request you to take the responsibility of traffic diversion or stoppage during construction and after. Pls clarify the implications. | <ul style="list-style-type: none"> The public road provides access to the Project Site and does not require to be blocked. |

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| 18 | <p>Vol-II, Cl. 5.4 Environmental Clearances The project site is located within the Coastal Regulation Zone (CRZ-1991) notified by the Ministry of Environment and Forests (MOEF), GOI. Application submitted Karnataka State Coastal Zone Management Authority for reclassification of zone from CRZ II to CRZ III and approval of the project.</p> <ul style="list-style-type: none"> • State CRZ committee approved and recommended the project to MoEF for approval, vide. Letter No. FEE61 CRZ 2007;dated: 09.09.2008 • Project was taken before the 71st Meeting of Expert Committee on 25/11/2008 • Clarifications sought by MoEF to submit HTL-LTL & EIA study • HTL-LTL study submitted to MoEF on 06/04/2009 | <p>It is noted that the Environment clearances is not yet obtained by the Project Authority and just the process is initiated.</p> <p>What will happen, finally, after conducting the EIA and submission to MoEF, if the project is not cleared by the Ministry? After award and Signing of concession agreement, if this above scenario happens, will there be a compensation to the Developer? Please clarify.</p> | <ul style="list-style-type: none"> • Please refer revised Project Summary at Annexure-II |
| 19 | <p>Vol II</p> | <p>Data Required:</p> <ol style="list-style-type: none"> 1. scaled topographical map (soft & hard Copy) 2. geological investigation report (required to decide type of soil & structure) 3. hydrological study report etc. <p>Kindly submit these details</p> | <ul style="list-style-type: none"> • Additional Project Site details may be obtained from the office of the Project Advisors |

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| 20 | Encroachments by local / existing people | Will there be encroachments by local people in the project site? If people are habituating within the site will they be rehabilitated legally by the client? Pl clarify. | <ul style="list-style-type: none"> The Project Site is free from any encumbrances |
| 21 | Site boundary and fencing | If the golf fencing is done will there be any restraint from public for having access denied to beach? | <ul style="list-style-type: none"> Due consideration should be given to provide intermittent Public Access along the Project Boundary to the locals while designing the Project. |
| 22 | Vol II – Annexure II (CRZ Notification) (ia) live fencing and barbed wire fencing with vegetative cover may be allowed around private properties subject to the condition that such fencing shall in no way hamper public access to the beach; | Will the beach at the project site become exclusive to the Golf Course and can the entry to the beach by people can be restricted/ regulated by the developer/ Authorizee | <ul style="list-style-type: none"> Due consideration may be given to provide intermittent Public Access along the Project Boundary to the locals while designing the Project. |
| 23 | Ferry facility | Can the ferry facility be operated to the site from other banks? | <ul style="list-style-type: none"> Selected Bidder shall be free to provide such facilities subject to the statutory approvals / clearances from the respective authorities |
| 24 | Resort area | Within the resort area apart from room can developer develop some long term based accommodation such as Golf villa or Golf apartment etc. | <ul style="list-style-type: none"> The development shall be governed by the conditions of the RFP & draft Authorisation Agreement and restrictions as in Schedule “D” of Authorisation Agreement |

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| 25 | Resort running | Can we make some time share arrangement with other resorts? | <ul style="list-style-type: none"> The development shall be governed by the conditions of the RFP & draft Authorisation Agreement and restrictions as in Schedule "D" of Authorisation Agreement |
| 26 | Vol II – ANNEXURES TO VOL II OF RFP – Annexure A Master plan | Can the southernmost tip of the land (beyond 200 m HTL) be considered for Building resort having river front view if it is planned suitable by the authorisee? | <ul style="list-style-type: none"> The development shall be required to comply with the applicable Bye Laws and CRZ regulations. |
| 27 | Helipad and Charter facility from Airport | Can we integrate charter facility between Golf resort and Airport to tap international Golf tourist potential? | <ul style="list-style-type: none"> Selected Bidder shall be free to provide such facilities subject to the statutory approvals / clearances from the respective authorities |
| 28 | Last date for submission of Bid | <p>a) Request for extension of the same by 45 days for reasons of difficulties in assessing the site due to heavy rains</p> <p>b) requested to extend the bid submission date by another 6-weeks i.e. upto 22nd Sept.'10 to submit a very competitive bid. Please confirm.</p> | <ul style="list-style-type: none"> Developers are requested to visit the Project Site The Last Date for Bid Submission has been Extended to 15th October, 2010 |
| 29 | Participation in Consortium Bidding | As GM Golf, Ecotech, JP Kapur and Uberoi are nominated as consultants to the tender, does this mean that they are not | <ul style="list-style-type: none"> No. the Project Consultant shall not be permitted to participate in the Bidding Consortia. |

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| | | eligible to participate in any consortiums bidding? | |
| 30 | Concept Plan | The consultants concept plan for golf is a Par 72, of 6555 yards but this pushes the boundaries of safe golf of International standards and does not even allocate room for the driving range (talked about within the document). The document then talks about achieving a golf course of length 7000 metres (7655 yards / Page 4 & Page 42) (6800m + / Page45). Can you please confirm that these proposed lengths are a "guide only" within the 125 acres. | <ul style="list-style-type: none"> The Technical Specification as provided in the Volume-II are desirable design parameters and for reference only. It shall be the role of the Selected Developer to design and implement the Project to comply to international standards |
| 31 | Road widening | Current road is 3.5m wide, can this be widened and if so who would be responsible. | <ul style="list-style-type: none"> The Department of Tourism shall make no commitment towards the same. |
| 32 | Autocad files of Site | Can we be issued with autocad files of site natural surface contours and boundaries. | <ul style="list-style-type: none"> Additional Project Site Details may be obtained from the office of the Project Advisors |
| 33 | Site Information | The document indicates that the site does not flood, is there available the highest tide levels and lowest tide levels and if so can we have this information. | <ul style="list-style-type: none"> Developers are requested to visit the Project Site Additional Project Site Details may be obtained from the office of the Project Advisors |

REVISED PROJECT SUMMARY

Annexure-II

| Sr. No. | Key Information | Details |
|---------|--|---|
| 1. | Project Title | Development of 18 hole Golf Course & Allied facilities at Bengre village, Mangalore on Public Private Partnership (PPP) Basis |
| 2. | Project Site Location | Site situated at Sy.No.1(A,B & C), 51, Bengre Village Panchayat, Mangalore, Dakshina Kannada district |
| 3. | Site Area | 135 acres |
| 4. | Grantor | Department of Tourism, Government of Karnataka, India |
| 5. | Project Components | <ul style="list-style-type: none"> • The International Standard Green Golf Course of not less than 18 holes on 125 acres • Golf Club • Golf Resort of 150 rooms |
| 6. | Minimum Development Obligations (MDO) | <ul style="list-style-type: none"> ▪ Construction of the following within 2 (two) years from the date of receipt of CRZ approval for project from Ministry of Environment & Forest, MoEF, Gol: <ul style="list-style-type: none"> ○ International Standard Championship Golf Course with not less than 18 holes on 125 acres of Project Site ○ Golf Club ○ Golf Resort with a minimum of 75 rooms ▪ The MDO to be operational within 2 (two) years from the date of receipt of CRZ approval for project from Ministry of Environment & Forest, MoEF, Gol; ▪ The Golf Course should be recognized by the Indian Golf Union (IGU) during the pendency of the lease period, where de-recognition of the same for a continuous period of more than 2 years shall be considered as an event of default leading to termination of the Agreement. |
| 7. | Estimated Project Cost | Rs. 108,00,00,000/- (Rupees One Hundred and Eight Crores Only) |
| 8. | Institutional Structure for Implementation | A Special Purpose Company (SPC) shall be incorporated under the Companies Act, 1956 by the Preferred Bidder for the purpose of implementing and managing the Project. |

REVISED PROJECT SUMMARY

Annexure-II

| Sr. No. | Key Information | Details |
|---------|----------------------|---|
| 9. | Authorisation Format | <p>a) To design, finance, build, operate & maintain the Project during the Authorisation Period of 30 years with automatic renewal for an additional period of 30 years commencing from the date of CRZ approval for the Project from Ministry of Environment & Forest, (MoEF), Government of India (Gol)</p> <p>b) To obtain the CRZ clearance for the project from ministry of Environment and Forest (MoEF), Gol within a period of 12 months from the date of signing of Agreement</p> <p>c) Carry out the EIA Study and other studies as required for submission to the MOEF from time to time.</p> <p>d) To fulfil the Minimum Development Obligation of construction of the following at the Project Site by the AUTHORISEE within 2 (two) years from the date of execution of the Agreement:</p> <ul style="list-style-type: none"> o International Standard Championship Golf Course of not less than 18 holes on 125 acres o Golf Club o Golf Resort of 75 rooms <p>e) The successful Bidder shall follow the following implementation structure</p> <ul style="list-style-type: none"> o A Special Purpose Company (SPC) shall be incorporated under the Companies Act, 1956 by the Preferred Bidder for the purpose of implementing and managing the Project. This SPC shall be the AUTHORISEE in the Authorisation Agreement to be entered into with Department of Tourism and the Preferred Bidder shall be the Confirming Party therein. <p>f) 10 acres of the project site will also be provided on lease basis, the leasehold rights of which may be pledged for financing the Project</p> |

REVISED PROJECT SUMMARY

Annexure-II

| Sr. No. | Key Information | Details |
|-------------------------------|--|--|
| Qualification Criteria | | |
| 10 | Eligibility Criteria for the Bidder (Financial & Experience) | <u>A. Financial Criteria:</u> <ul style="list-style-type: none"> ▪ The Bidder should satisfy either criteria (i) and (ii) together below or criteria (iii) below: <ul style="list-style-type: none"> (i) Minimum Net-worth of Rs. 54,00,00,000/- (Rupees Fifty Four Crores Only) as on 31.3.2010. (ii) Minimum Annual Turn-over of Rs. 32,50,00,000/- (Rupees Thirty Two Crores fifty lakhs Only) in each of the past three financial years (FY 2009-10, FY 2008-09, FY 2007-08). (iii) Minimum Net-worth of Rs. 1,08,00,00,000/- (Rupees One Hundred Eight Crores Only) as on 31.3.2010. ▪ The above financial criteria apply to the Consortium as a whole. The Lead Member of the Consortium should satisfy at least 50% (fifty percent) of the above-mentioned financial criteria. ▪ The Lead Member of the Consortium shall hold minimum 26% of equity in the Project SPC. ▪ All the Financially Significant Members of the Consortium shall hold minimum 10% of equity in the Project SPC. ▪ If the Lead Member or any Financially Significant Member or the Bidder is a subsidiary company of a parent company, then it can claim the capabilities of the parent company only if: <ul style="list-style-type: none"> (a) The parent company holds at least 51% of equity in the Member or the Bidder (b) The parent company issues a corporate guarantee to develop, construct, operate and maintain the Project, if the subsidiary company is not able to do so ▪ In case of the Bidder being a single Entity, the Bidder alone will be required to fulfil the Financial Criteria stipulated. ▪ Annual Turnover means total income/revenue from |

REVISED PROJECT SUMMARY

Annexure-II

| Sr. No. | Key Information | Details |
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| | | <p>operations and other income.</p> <ul style="list-style-type: none"> ▪ Net-worth means 'paid-up capital' plus 'share premium account' and 'free reserves' ▪ The financial year means year starting 1st April to 31st March. In case Bidder's financial/accounting years are different from the above, the immediate past financial/accounting years of the Bidders as per their annual reports shall be applicable for the evaluation. ▪ The single currency for evaluation is Indian Rupee (Rs.). <p>AND</p> <p><u>B. Experience Criteria:</u></p> <p>The Bidder should satisfy criteria below:</p> <p>Any of the Consortium Members who shall be holding at least 10% of equity share capital in the Project SPC should have either of any of below in I and II each respectively:</p> <p>I</p> <p>a) Experience of development and/or implementation of at least one 9 Hole Golf Course with Club House in the last 5 Years</p> <p>OR</p> <p>b) Currently having a valid Operations & Maintenance contract / Agreement for managing at least one 9 Hole Golf Course with Club House with a minimum contract period of 3 years.</p> <p>OR</p> <p>c) Has entered in an Memorandum of Understanding (MoU) / Memorandum (MoA) with a Golf Course Design Consultant having experience in design of atleast 1 (one) 18 Hole Golf Course and 2 (two) Hole Golf Courses that have successfully implemented and operational as on date of MoU / MoA.</p> |

REVISED PROJECT SUMMARY

Annexure-II

| Sr. No. | Key Information | Details |
|---------|-----------------|---|
| | | <p>And</p> <p>II.</p> <p>a) Constructed/developed at least 3 (three) projects of at least 1.00 Lakh Sq.Ft. Built-up Area each, in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>b) Constructed/developed at least 2 (two) projects of minimum 1.25 Lakh Sq.Ft. Built-up Area each, in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>c) Constructed/developed at least 1 (one) project of at least 2.00 Lakh Sq.Ft. Built-up Area in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>d) Implemented at least 3 (three) civil/infrastructure projects worth at least Rs. 50 crores each in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>e) Implemented at least 2 (two) civil/infrastructure projects worth at least Rs. 75 crores each in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>f) Implemented at least 1 (one) civil/infrastructure project worth at least Rs. 100 crores in the past 5 financial years (FY04-05, FY05-06, FY06-07, FY07-08 and FY 08-09).</p> <p>OR</p> <p>g) Ownership of 3 Star or higher Category Hotels with a total number of minimum 150 rooms</p> <p>▪ For the purpose of evaluation:</p> |

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| | | <ol style="list-style-type: none"> 1. In case of the Bidder being a single Entity, the Bidder alone will be required to fulfill the Eligibility Criteria stipulated in the RFP. 2. In case of the Bidder being a Consortium: <ol style="list-style-type: none"> a. The Financial & Experience credentials of Consortium Members who shall be holding at least 10% of equity share capital in the Project SPC for the minimum period stipulated in this RFP shall be considered and added together to arrive at the Financial Criteria and Experience of the Bid. b. The Lead Member of the Consortium shall meet at least 50% of the Financial Criteria and any one of the Experience Criteria mentioned above <ul style="list-style-type: none"> ▪ In computing the Eligibility Criteria of the Bidders, the financial and experience credentials of such Bidders' respective Associates would also be considered for evaluation. ▪ For purposes of this RFP, Associate means, in relation to the Bidder, an Entity who controls, is controlled by, or is under the common control of the Bidder. As used in this definition, the expression "control" means, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such Entity/Bidder. ▪ Bidders shall submit the copies of audited financial statements, annual reports and other documents duly certified by the statutory auditors of the Company and completion certificate of construction/development provided by their clients as documentary proof for fulfilling the above-mentioned Eligibility Criteria |

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| Sr. No. | Key Information | Details |
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| | Bid Parameter | Highest " Annual Authorisation Fee " for the Project Site for year 4 quoted by the Bidder. |
| 11. | Development Guidelines for Construction | Rules, regulations and byelaws of CRZ authority and competent authorities as applicable. |
| 12. | Bid Evaluation | <ul style="list-style-type: none"> ▪ Outer Envelope: Compliance (i.e. Bid Security, other documents as applicable) ▪ Envelope 1: Pass/Fail ▪ Envelope 2: Pass/Fail ▪ Envelope 3: Highest quoted "Annual Authorisation Fee", subject to fulfilment of the terms and conditions of the RFP |
| 13. | Bid Validity | 6 months from the Due Date |
| 14. | Validity of Bid Security | 8 months from the Due Date |
| Payments by Bidder | | |
| One Time Payments | | |
| 15. | Land Premium | Rs. 4,00,00,000/- (Rupees Four Crores Only) payable to Department of Tourism in two instalments as below: <ul style="list-style-type: none"> 1) Rs.1,00,00,000/- (Rupees One Crore only) within 60 days from date of LOI. 2) Rs.3,00,00,000/- (Rupees Three Crore only) within 30 days from date of receipt of CRZ Approval/prior to taking possession of the site. |
| 16. | Reimbursement of Project Development Expenses to KIPDC | Rs.30,00,000/- (Rupees Thirty Lakhs Only) to KIPDC in the form of demand draft payable at Bangalore within sixty days from the date of issue of Lol by Department of Tourism. |
| 17. | Project Development Fees to KIPDC | An amount equivalent to 1.5% of Estimated Project Cost (Rs. 108 Crores) along with service tax and other applicable taxes, duties and cesses on the aforesaid sum payable in two instalments as below: <ul style="list-style-type: none"> 1) 0.50% within 60 days from date of LOI 2) 1.0% within 30 days from date of receipt of CRZ Approval/prior to taking possession of the site. |

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| Annual Payments (commencing from 3rd year from date of receipt of CRZ Approval) | | |
| 18. | Annual Authorisation Fee (Bid Parameter) | <p>The successful Bidder shall pay the 'Authorisation Fee' annually during the Term of the Agreement commencing from the date of CRZ approval from Ministry of Environment & Forest (MoEF), Gol, for the project till the end of the Term of the Agreement. The 'Annual Authorisation Fee' shall be payable commencing from as below:</p> <p>(i) completion of 2 years from the date of CRZ approval for the project</p> <p>(ii) Such 'Annual Authorisation Fee' shall be subsequently increased every year by 15% every 4th compounded for the balance years of the Authorisation Period.</p> |
| 19. | Annual Lease Rental for 10 Acres Land | <p>Towards the 10 acres of land leased, the selected bidder shall commence from the third year from the date of receipt of the CRZ Clearance, pay annual lease rental of Rs. 8.00 Lakhs.</p> <p>This lease rental shall be incremented by 15% every 4th Year compounded for the balance years of the lease period.</p> |
| Submission of Bank Guarantees | | |
| 20. | Bid Security | <p>Rs. 1,00,00,000/- (Rupees One Crore Only) in the form of a Bank Guarantee (Format enclosed) / or Demand Draft drawn in favour of "The Director, Department of Tourism" from a nationalized bank payable at Bangalore, to be submitted along with the Bid. This will be returned on signing of Agreement.</p> |
| 21. | Construction Performance Security | <p>The successful Bidder will be required to furnish a Construction Period Performance Security for Rs. 5,00,00,000/- (Rupees Five Crore Only) in the form of a Bank Guarantee or Demand Draft drawn in favour of "The Director, Department of Tourism" from a nationalized bank payable at Bangalore, to be submitted</p> |

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| | | within 30 days from date of receipt of CRZ Approval. This will be returned on completion of MDO. |
| 22. | Golf Course Maintenance Security | The successful Bidder will be required to furnish a Course Maintenance Security for Rs. 2,00,00,000/- (Rupees Two Crore Only) in the form of a Bank Guarantee or Demand Draft drawn in favour of "The Director, Department of Tourism" from a nationalized bank payable at Bangalore, to be submitted prior to commencement of Operations. |
| Bid Submission | | |
| 23. | Bid Submissions | a) Outer Envelope b) Envelope 1: Capability Statement c) Envelope 2: Technical Bid submissions d) Envelope 3: Financial Bid submissions |
| 24. | <u>Outer Envelope</u> | 1. Covering letter 2. Checklist of submissions 3. Bid Security of Rs. 100,00,000/- (Rupees One Crore Only) in the form of Bank Guarantee (Format enclosed) / or Demand Draft from Nationalised Bank, payable at Bangalore 4. Letter of Undertaking 5. Consortium Agreement including appointing/ authorizing Lead Member in case of the Bidder being a Consortium 6. Board resolution/Power of Attorney of the Bidder authorizing the signatory of the Bid |
| 25. | <u>Envelope 1: Capability Statement</u> | Bidders shall submit the copies of audited financial statements, annual reports and other documents duly |

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| | | certified by the statutory auditors of the Company and completion certificate of construction/development provided by their clients as documentary proof for fulfilling the above-mentioned Eligibility Criteria |
| 26. | <u>Envelope 2:</u> Technical Bid | <p>The Bidder should submit the following:</p> <p>1. Mandatory Submissions</p> <p>a) An undertaking to meet the Minimum Development Obligations as stipulated in the RFP and as per Annexure C1.</p> <p>b) Project Concept, Components, Facilities, Capacity & Investment Plan as per Annexure C2.</p> <p>2. Other Submissions</p> <p>a) Environmental Management Plan as per Annexure C3</p> <p>b) Project Implementation Plan as per Annexure C4</p> |
| 27. | <u>Envelope 3:</u> Financial Bid | <p>The Bidder shall quote the "Annual Authorisation Fee" payable to Department of Tourism for the Project Site for year 3.</p> <p>Such "Annual Authorisation Fee" quoted above shall be increased by 15% every 4th year compounded for the balance Period</p> |
| Execution of Agreement and Handing Over of Project Site | | |
| 28. | Execution of Authorisation Agreement | Within 60 days from the date of issue of Lol by Department of Tourism |
| 29. | Handing Over of Project Site | Within 30 days from date of receipt of CRZ Approval |
| Other Important Parameters | | |
| 30. | Refund | Department of Tourism will refund the initial land premium without interest in the event of CRZ clearance not forthcoming. Similarly, KIPDC will refund the initial instalment of success fee without interest in the event of CRZ clearance not coming |

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| | | through. |
| 31. | Support from Department of Tourism | The Department of Tourism will assist in obtaining all the Applicable Permits from Government Authorities in relation to the Project including forwarding the Project submissions to MOEF, letter of recommendation to MOEF, accompanying the Authorisee as representatives of the Grantor for notified meetings of the State / MOEF etc. |
| 32. | Support from KSIIDC & KIPDC | KSIIDC / KIPDC, on best effort basis, will provide all necessary guidance / hand holding to the Authorisee in preparation of requisite documentation as required for pursuing the CRZ / MOEF Approval. The Project studies / documentation etc shall however be the role of the Authorisee |
| 33. | Date of Financial Closure | Financial Closure to be achieved within 90 days from date of receipt of CRZ Approval |
| 34. | Important Dates & Time | |
| (a) | 2 nd Pre-bid Meeting (Date & Venue) | 3.30 PM on 16 th September, 2010 at the Executive Development Centre, Institute of Hotel Management, Bangalore |
| (b) | Due Date for Submission of Bids | 15.00 Hrs on 15 th October, 2010 |