

CONCESSION AGREEMENT

This LICENCE AGREEMENT made this _____ day of _____ between the Karnataka State Industrial and Infrastructure Development Corporation Ltd, Karnataka, a body corporate constituted by the State Government and having its office at Khanija Bhavan, 4th Floor, East Wing, No 49, Race Course Road, Bangalore – 560001 , hereinafter called the “Authority” (which term shall unless excluded or is repugnant to the context, be deemed to include its Managing Director or any Member specified by Managing Director in this behalf, Executive director, . Deputy General Manager, Asst. General Manager or any of them and shall also include its successors and assigns) of the one part and M/s. _____ having its Corporate Office at _____ (hereinafter called the Licensee) represented by _____ on the other part.

1. WHEREAS the Authority is the owner of the plot of land admeasuring approximately _____ Sq. Meters and as shown in red in the sketch attached to this instrument.
2. AND WHEREAS, the Licensee is desirous of being granted a Licence for using the said plot of land for a period for 10 years in the first instance for purpose of constructing the hangar / structures / installations more fully described hereunder for the purpose of Flying School.
3. And whereas THE Authority is willing to grant the Licence to the Licensee as above.
4. NOW HEREBY it is agreed between the said Authority and the Licensee that in consideration of the premises and on payment of Rs. P.S.M.P.A. with 7.5% annual compounded increase as Licence Fee and also on payment of the Lease rental amount as indicated herein below, the Authority grants unto the Licensee and authorizes him to use the said plot of land for a period of TEN years from _____ to _____, extendable by another 5 years on mutually agreed terms & conditions.
5. Both the Licence fee for land and the projected Lease rent shall be paid every year in advance.
6. The Licensee shall construct the hangar / Buildings / Structures (including class rooms) / installations only in accordance with the plans, elevations and specifications approved in writing by the Authority and in no other manner. No new additions or alternations structurally or otherwise shall be made by the Licensee to the Buildings / Structures / Installations without the previous approval in writing and in accordance with such terms and conditions as may be prescribed by the Authority.

7. The Licensee shall comply with all rules, regulations, instructions and directions pertaining to FSI as approved by the Authority from time to time. The maximum FSI allowed is 1.0 and the height permissible will be as per that by AAI. No construction exceeding FSI 1.5, will be allowed.
8. The plot as well as the buildings / structures / installations shall be used by the Licensee solely for the purpose specified in Annexure-II and for no other purposes. The said plot and the buildings / structures / installations shall be kept and preserved always in good, clean and sanitary condition to the satisfaction of the Authority. The Licensee shall observe and comply with all instructions of the Airport Health Officer or any one authorized by him regarding the observance and maintenance of Public Health in the said plot of land and the buildings / structures / installations.
9. The Licensee shall be given 6 months gestation period from the date of handing over of the land for commencing the operations after obtaining all statutory clearances. During the gestation period only land Licence fee will be charged and thereafter besides land Licence fee, the Lease rent Amount as quoted by the Licensee shall be payable irrespective of the date of commencement of operation.
10. If the land is not used for the purpose for which it was allotted within a period of 12 months from the date of handing over, KSIIDC reserves the right to cancel the allotment and take over possession of the land without paying any compensation and adjust the dues if any from the Security Deposit.
11. The Licensee / allottee shall submit a set of “as constructed” drawings and the premises made useable only after a certificate is given by KSIIDC, in this respect.
12. (i) If required the Licensee shall install at his own cost to the satisfaction of any officer appointed by the Authority in this behalf, obstruction lights on the buildings / structures / installations.
(ii) The Licensee shall make adequate arrangements for aliening engines under test.
(iii) The Licensee shall comply with all safety requirements required by Enactments, Rules and Regulations and / or requirements and directions in connection there with which may be issued by the Authority and / or the Chief Inspector of Explosives and / or of other appropriate authorities concerning the storage of petrol or other explosive materials and / or for the housing of lorries or other vehicles containing petrol or other explosive materials.

- (iv) The Licensee shall neither erect any flag – staff, wireless poles or other such high structures nor shall he erect or display or any high power electric light or any electric sky signs or any other mechanism lighted or otherwise for purpose of advertisements or signboards without the previous approval in writing of the Authority.
13. In general, the Licensee shall observe and comply with all rules and regulations made by the Authority or on its behalf by any Officer with regard to the plot and the buildings / structure / installations and in particular having regard to the safety or aircrafts using the Airport and the need to facilitate use of the Airport by the Aircrafts.
14. A Licence fee of Rs. _____ per annum calculated @ Rs. _____ per Sq.Mt. per year shall be paid by the Licensee to the Airport-in-charge. KSIIDC and shall be paid in advance, before the said plot is occupied by the Licensee. In the event of this licence being continued / extended for a period exceeding one year, the Licence fee will be enhanced by 7.5% cumulative annual increase on the Licence fee of the previous year and should be paid in advance every year. In case of termination of the Licence before the expiry of any year, the Authority shall refund to the Licensee the Licence fee for the period from the date of the termination till the end of the year. The Licence fee is subject to increase due to rationalization on finalization of Land Licence Policy of the Airports Authority of India and Government of Karnataka, whose decision shall be final one and not liable to be disputed in any manner whatsoever by the Licensee.
15. The annual lease rent of Rs. (Rupees _____) for the 1st year shall also be paid in advance before the said plot is occupied by the Licensee. The Lease Rent for the subsequent years (2nd year onwards) shall be calculated by enhancing the Lease Rent for the 1st year by 7.5% cumulative annual increase or at the rate decided by KSIIDC from time to time w.e.f. 1st April every year. The lease rent as applicable for subsequent years shall be paid in advance at the commencement of every year.
16. All rates, taxes and assessments and outgoings whatsoever in respect of the said plot and the buildings / structures / installation payable thereon under any law to any authority shall be paid to the appropriate Authority by the Licensee. The failure on the part of the Licensee to do so shall have the consequences as failure to pay the Licence fee and other charges payable to the Authority. The Service Tax on Land Licence Fee and lease rent amount at rates applicable from time to time shall be paid by the Licensee to the Authority as per Finance Act, 1994 (as amended).

17. The plot of land as well as the buildings / structures / installations thereon shall be deemed to be public premises as defined in the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. The Licensee shall be subject to all the provisions of the said Act and any rules and regulations framed there under.
18. The Licensee shall construct the hangar / builds other installation on Design, Finance, Build, Operate & Transfer (DFBOT) basis. After the expiry of the contract period the Licensee shall hand over the hangar / Building / Installation to KSIIDC / Authority on “As is where is” basis without any compensation.
19. General Terms and Conditions & scope of work incorporated in Annexure-1 & II hereto shall also be terms and conditions of the Agreement and both the parties are bound by the same.

IN WITNESS WHEREOF and on behalf of the Managing Director, KSIIDC has signed this licence and the Licensee has also signed this Licence, they, year first above written.

Signed by Sri _____
(Designation
KSIIDC Bengaluru.

For and on behalf of KSIIDC and the Licensee aforesaid, in the presence of

(Officer Seal)

(Name and Designation of Aerodrome-in-charge)
For and on behalf of Kalaburgi Airport

WITNESS: (Name & address in Bold Capitals)

1.

(Seal & Signature of Witness No.)

2.

Signed by

GENERAL TERMS & CONDITIONS

The Authority hereby Covenants with the Licensee as follows:

- (i) The Licensee, his servants and agents shall be entitled to use all ways, paths and passages as may from time to time be maintained on the said Airport / Aerodrome / Landing ground subject to such rules and regulations as may be imposed by the authorities of the Airport / Aerodrome / Landing ground.
 - (ii) The Licensee paying the said Licence fee / rent and performing the covenants herein contained and on his part to be performed, shall and may possess and enjoy the premises with user of the ways, paths and passages as aforesaid during the said terms, without any lawful interruption from or by the Authority or any person claiming under the Authority.
 - (iii) If the Licensee shall desire to determine this Agreement he shall give the Authority six calendar months (180 days) notice in writing of such desire and shall upto the time of such determination, pay the amounts due and perform and observe the covenants on his part herein before contained, then immediately on the expiration, of such notice, this licensee shall cease but without prejudice to the rights and remedies which the Authority has become entitled in respect of any antecedent claim or breach of the covenant.
2. Any notice required to be served on the Licensee under this Agreement shall be deemed to have been served if delivered at or sent by registered post to his last known address or to his authorized representative or agent. Similarly, any notice to be given to the Authority under this Agreement shall be deemed to have been served if delivered at or sent by registered post to the Authority.
- (i) The period of notice given under this Agreement will count from the date of delivery (receipt) of notice by either side.
3. Subject as herein before otherwise provided, all notices to be given on behalf of the Authority and all other actions to be taken on behalf of the Authority may be given or taken on behalf of the Authority by the Airport Director or Airport-in-charge of the Airport or any other officer for the time being authorized by or entrusted with functions duties and powers of the said Airport Director, or Airport-in-charge, in respect of the Airport under his charge.

4.
 - (a) The Licensee shall not create a sub contract of any description with regard to this licence or any part thereof; not shall he assign or transfer this Licence or any part thereof.
 - (b) The Lincensee shall use the premises only for the purpose indicated in the Agreement under Annex-II and for no other purpose whatsoever.
5. In the event of any default, failure, negligence or breach in the opinion of the Authority, on the part of the Licensee in complying with all or any of the conditions mutually agreed between the parties. The Authority will be entitled and be at liberty to terminate the licence forthwith and resume possession of the premises wherever provided without payment of any compensation or damages and also forfeit in full or in part the amount deposited by the Licensee for due performance of the Agreement.
6. Nothing herein contained shall constitute a partnership or licence or any other relationship between the parties except that of Licencer and Licensee.
7. The Licensee, his agents and servants shall observe perform and comply with all rules and regulations of the Shop and Establishment Act, Factories Act, Industrial Disputes Act and Provision of any law including any rules and regulations made by the Authority, Civil Aviation Dept. or Departments of Government/ KSIIDC and / or local body or administration in force from time to time and applicable to the business which Licensee / lessee is allowed to carry on under this Agreement and to the area in which the said premises are located. The Licensee should seek approval from the local authorities for the construction of any non-operational building at the Airport.
- 8 (a) The Licensee hereby indemnifies the lincenser and saves the Licenser harmless against any action, proceedings, claims or demands of any person made against the Licencer in respect of or as a result of the business carried out by the Licensee or the Licensee committing any breach of the provisions of the Shop and Establishment Acts or any other statutory regulations or in consequences of any act of commission or default of the Licensee, its / his / her servants agents or workmen and against all cost, charges and expenses which the Licencer may have to pay, incur or sustain by reason of any such action, proceedings, claim or demand or otherwise in relation hereto.
- (b) The Authority shall not be responsible in any way for loss or damage by any means caused to the stock or property or belongings of the Licensee or his / her / its staff or representatives in the shop arising for any cause whatsoever.
9. The Licensee shall comply with the requirements of all standard Health Clauses including those given below:

- (i) The Airport Health Officer or any authorized persons, without notice enter the premises any time and inspect the premises, material, instruments and implements etc, used by the Licensee.
- (ii) All instructions given by the Airport Health Officer or any authorized persons in the maintenance of Public Health of the Airport including sanitation control and prevention of infectious disease, control and prevention of nuisance from insects, rodents or any other source, shall be carried out by him and his agents and servants.
- (iii) The Licensee shall notify to the Airport Health Officer whenever any person working under him is suffering or suspected to be suffering nor convalescing from any infectious disease. The Airport Health Officer whenever from any infectious disease. The Airport Health Officer may medically inspect the said person or any person who is suspected to have been in contact with the person and take any precautionary and preventive measures considered necessary.
- (iv) The Licensee his agents and servants shall not without consent of the Airport Health Officer, interfere with, injure, destroy or render useless any work executed or any material of things placed in under or upon any land or building by or under the orders of the Airport Health Officer with the object of preventing the breeding or entry of mosquitoes or maintenance of sanitation.
- (v) The Licensee, his agents and servants shall not abuse the water sources and drainage facilities provided in the Airport area so as to create nuisance or insanitary situation, prejudicial to Public Health.
- (vi) In the event of any default, failure, negligence or breach in the opinion of the Authority or the part of the Licensee in complying with either of these conditions specified in the foregoing sub clauses (i) to (v) the Authority will be entitled and be at liberty to terminate the Licence forthwith and resume possession of the premises without payment of any compensation of damages and forfeit in full or in part the amount deposited by the Licensee for the due performance of the Agreement.

10. The Licensee shall employ only such servants as shall good character and be well behaved and skillful in their business. He shall furnish the Authority in writing with the names, photographs (3 copies), parentage, age, residence and specimen of signature or thumb impression of all servants whom he proposes employ and the Authority shall be at liberty to forbid the employment of any person whom it may consider undesirable. The servants employed by him shall be under the general discipline of the Authority. Confirm to such direction as may be issued by the Authority in respect of point or routes of entry to an exit from the premises and in

respect of the use of toilet and wash rooms. The Licensee shall also have the character of all persons employed by him verified by the police to the satisfaction of the Authority before employment. Police verification papers are to be produced to the Authority within a month of signing of this contract.

11. The Licensee will during the continuance of his Licence ensure against claims for workman's compensation or otherwise of all person employed by him in connection with his business to be carried on as aforesaid with such insurance Company as the Authority shall approve of and shall produce for inspection on demand by the Authority, all policies in respect thereof and the receipt from time for current premium. He shall pay employees atleast minimum wages, PF, ESI, etc., as prescribed by Central / State Government from time to time.

12. In the case of such breach of the terms of this Licence minor offences and complaints coming to its notice; for which in the opinion of the Authority this Agreement need not be terminated, the Authority may at its discretion recover compensation from the Licensee up to the limit of the Security Deposit of the Licence. The decision of the Authority in this respect will be final and binding on the Licensee.

13. In the event of failure to pay be Licence fee and other amounts herein provided for on the respective due dates. Simple interest at the rate of 18% per annum shall be payable on all delayed payments without prejudice to the Authority's other rights and remedies. Interest rate can be revised upwards without assuming any reasons and without notice.

14. The Licensee shall deposit Security Deposit in the form of Pay Order / Bank Draft / Bank Guarantee for an amount equal to 12 Months revenue payable to KSIIDC towards land Licence fee plus lease rent during the 5th year of the Contract for the due fulfillment and performance by him of the terms and conditions herein contained provide the Authority may accept in lieu thereof deposit receipt of a Nationalized / Scheduled Bank in such denominations as may be prescribed by the Authority duly endorsed in its favor. In the event of the Licensee committing any breach of the terms and conditions herein contained and on his part to be observed and preformed, the Authority may without prejudice to other rights and remedies be entitled to forfeit the security or any part thereof and in such an event he shall pay such additional sum immediately as he may be called upon by the Authority to pay so that the Security Deposit shall at all times during the continuance of these present, be above the said sum. On the expiration or earlier determination of the term of the contract, the Authority shall return the Security Deposit or part thereof which has not been forfeited as aforesaid to him without any interest.

15. If the Licence fee and other charges hereby reserved or any part thereof shall at any time be in arrears and un – paid for one month after the same shall have become due (whether formally demanded or not) or if the Licensee shall at any time fail or neglect to perform and observe any of the terms and conditions and covenants herein contained and on his part to be

observed and performed or in the event of his being adjudged insolvent or may other appointing a Receiver is made under the insolvency Act against him, then an in any such case, the Authority may without prejudice to other rights and remedies by giving fifteen days notice in writing to him, determine this Agreement and he shall upon such determination peacefully give up the contact and made over vacant possession of any premises made over to him for carrying on his business / service without any rights to compensation whatsoever and thereupon this Agreement shall absolutely determine without prejudice to any right of action or remedy of the Authority in respect of any antecedent breach of terms, conditions and covenants by him.

16. This Licence may be terminated by the Authority by giving six calendar months (180 days) notice in writing given time without assigning any reasons. When this Agreement is so terminated all structures, installations, equipments and all other things whatsoever, provided that the Authority shall have the first option of purchasing the said structure or installations on the said space or any part of them at a valuation to be agreed to between the Authority and the Licensee and in case of disagreement valuation may be fixed by arbitration as provided in this Agreement.

17. The Licence hereby granted shall not be constructed in any way as giving or creating any other right or interest in the said space building(s) / land / garden / tank / premises to or in favor of the Licensee but shall be only as a Licence on terms and conditions herein contained.

18. The Authority, its servants and agents shall at all times have the absolute rights to entry into the said premises.

19. The provision of the Public Premises (Eviction of Unauthorized Occupants) Act 1971 and the rules framed there under which are now in force or which may hereafter come into force shall be applicable for all matters provided to the said Act.

20. All disputes and difference arising out of or in any way touching or concerning this Agreement (except those the decision whereof is otherwise herein before expressly provided for or to which the Public Premises (Eviction of Unauthorized Occupants) Act 1971 and the rules framed there under which are now force or which may hereafter come into forces are applicable shall be referred to the sale arbitration of a person to be appointed by the chairman of the Authority on in case the designation of chairman is changed or his office is abolished by the person for the time being entrusted; whether or not in addition to other functions with the functions of the Chairman. Airport Authority of India, by whatever designation such person may be called and if the arbitrator so appointed and willing to act, to sole arbitration of some other person to be similarly appointed and willing to act as such arbitrator. It will be no objection to any such appointment that the arbitrator so appointed is a servant of the Authority and that he had to deal with the matters to which this Agreement relates and that in the course of his duties

as such servant of Authority he had expressed views on all or any of the matters in dispute or difference. The award of the arbitrator so appointed shall be final and binding on the parties. The Arbitrator may with the consent of the parties extend from time to time then for making the publishing the award.

21. The Licence is prepared in quadruplicate and the acceptance of its terms, is signified by the signature of the Licensee thereon.

22. The Licensee shall bear all the expenditure on stamp duty etc. applicable to this Agreement.

Signature
(Licensee)

SCOPE OF WORK IN THE ALLOTTED PREMISES / LAND

The Licensee hereby covenants with the authority (Grantor) as follows:-

1. The land premises allotted under this agreement shall be used by me / us for the following purposes only and if any other business is found taking place directly or indirectly at the licenced premises / land, this licence agreement shall be liable for termination.
 - a) FLYING TRAINING OPERATION
 - b) HANGAR AND BUILDING
 - c) MAINTENANCE OF AIRCRAFT (MRO)

For_____.

Place:

Date: