

CONSTRUCTION AGREEMENT

Present Construction Agreement is executed on.....day of, 20.....at..... (Place) between Mr./Ms..... s/o, d/o, w/oand resident of..... hereinafter referred to as the "Owner"

And

Mr./Ms.....s/o, d/o, w/o.....am resident of hereinafter referred to as the "Developer".

Unless it be repugnant to the context, the expressions 'Owner' and 'Developer' shall include their respective heirs, executors, attorneys, legatees, administrators and all persons claiming through each of them.

Whereas 'Owner' is in de-facto and de-jure owner-in-possession of the property No....., admeasuring sq. yards and bounded as under:

East: West:
North: South:

And whereas owner gets his title of ownership by virtue of.....(state the document), executed by.....(state the name and the particulars of the person executing title-deed in favour of the owner on (state the date) and duly registered withstate the name of the authority) in

Volume No..... Book No.....Document No, at pages..... to

And whereas the said property continues to be wholly under the physical possession of the owner.(Note: If whole of property is not with the owner, then give full description of the portions of property and the persons in possession thereof and their respective title to be in their respective possessions)

And whereas owner continues to hold the absolute title of the property till date and has not encumbered the property in any manner like sale, mortgage, long-lease, bank loan or otherwise.

And whereas the owner has not entered into any construction agreement on any earlier date with any third party.

And whereas the owner seeks to develop the property after demolishing the old structure, for which the owner has no ready funds or the expertise; therefore the owner has approached the developer in this respect, who is an accomplished and renowned builder and has agreed to develop the property at his own expense and with his expertise, know-how and experience.

And whereas the owner and builder have agreed to enter into the present construction-agreement on the terms and conditions, which are enumerated as under:

NOW THE PRESENT CONSTRUCION AGREEMENT WITNESSETH:

1. Owners grant exclusive right to the Developer to develop the said property after getting the building plans sanctioned from the sanctioning authority.
2. That all costs and expenses to be incurred in the paper-work and otherwise, for getting the plans sanctioned and for making applications for other purposes like installation of water connection, electricity connection, telephone connection, lifts, and for all other similar purposes shall be entirely borne by the developer. Owner shall execute a 'Power of Attorney' in favour of the Developer or any of his

nominees for the purposes of representing the owner before statutory and public authorities in this respect.

3. That the entire super-structure shall be in accordance with the sanctioned plan and the permissible compoundable deviation, of which the developer has the special knowledge and the owner has none. The nature of material used for each component of the super structure is detailed in the schedule attached herewith.
4. The all applications submitted on behalf of or in the name of the builder shall be with full prior information and consent of the owner.
5. In exchange of Owners granting exclusive rights of development to the Developer under this Agreement, the Developer has agreed to pay a sum of Rs.....(Rupees..... in words) to the owner.
6. Simultaneously with payment of agreed consideration by the developer to the builder, the owner shall deliver the *de-facto* physical possession of the property to the developer for the purposes of the development, under an irrevocable license.
7. The super-structure built by the developer with his own funds on the land-property owned by the 'Owner' shall be distributed as under:

Basement with entire constructed floor area shall go to.....
Ground Floor with entire constructed floor area shall go to
First Floor with entire constructed floor area shall go to.....
Second Floor with entire constructed floor area shall go to.....
Third Floor with entire constructed floor area shall go to

8. The tentative schedule for completing the construction of super-structure shall be..... months from the construction *oil* the entire super-structure under the present agreement. If the construction is not completed within this specified time, then the developer shall pay to the owner, damages at the rate of Rs. per..... month.
9. The development rights granted herein by the owner in favour of the developer are not transferable or sharable by the developer; with any third party.
10. Owner shall have absolute prerogative to retain the original of the title deeds of the property with himself. However owner agrees to permit the advocate of the developer to examine and scrutinize all the title deeds relating to the said property, in the presence of the advocate of the owner.
11. The developer shall have absolute right to dispose of or appropriate the portion of the super-structure falling in his share and appropriate the sale-proceeds thereof. The owner shall remain duty-bound to execute the title documents in favour of the developer or his nominee in respect of the portion of the superstructure falling in the share of the developer. However the developer must hand-over the portion of the super-structure falling in the share of the owner, complete in all respects to the owner, before the owner is called upon to execute the title documents in favour of the developer or his nominee.
12. All title-deed in favour of all third parties, who may be nominees of the owner or the developer, with regard to their respective shares, shall be tripartite in nature, in which both owner and developer shall be the signatories. Developer alone shall be responsible for defects and irregularities in the construction of the super-structure for the services of development agreed to be rendered by him under this agreement.

13. Owners shall procure the requisite Certificate under the provisions of section 230A of the Income-tax Act, 1961 for effectively vesting the portions of the super-structure of the said property in favour of the third parties who may be the nominees of the Developer or the developer himself.
14. The Owner shall be liable to pay all assessments, outgoings, taxes, etc. payable in respect of the said property up to the date of execution of the present construction agreement. Thereafter, the same shall be paid and borne by the Developer alone till the apportionment of the super-structure is completed in all respect as agreed in the present construction agreement. Thereafter respective owners of the respective part of the super-structure themselves shall be responsible for the. same from the respective dates of their coming to acquire their respective shares of super-structure.
15. All disputes and differences that may arise between the parties hereto relating to or in connection with the matter of the present construction agreement or between the parties or their representatives shall be referred to the sole and final arbitration of Mr.....or failing him Mr.....as the sole Arbitrator whose decision shall be final and binding on both the parties All disputes and differences that may arise between the parties hereto relating to or in connection with the matter of the present construction agreement or between the parties or their representatives shall be subject to the jurisdiction of the court located at (state the place, which may be where the property is situate or where either party to the present agreement is residing or works for gain)
16. All out-of-pocket expenses of and incidental to this agreement including stamp duty and registration charges shall be borne and paid by the Developer alone. The parties shall bear and pay their respective Advocates' professional fees.

In witness whereof the parties to the present construction agreement have set their respective hands on this.....day of....., 20.....at.....(place)

Witnesses:

1.....
.....	(Owner)
2.....
.....	(Developer)

{Note: The schedule to be attached with the present Construction Agreement must specify in detail the nature of material, that is to be used for each component of the super-structure).