

ENGAGEMENT LETTER FOR SOCIETY REDEVELOPMENT

25 April 2024

To
Malad Co-operative Housing Society Limited
Poddar Park, Malad East, Mumbai.

Kind Attention: - Chairman / Secretary

Sub: - Engagement for Legal advice for redevelopment of the freehold land and building belonging to Malad Co-Operative Housing Society Limited, situated at Poddar Park, Malad East, Mumbai.

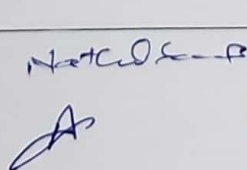
We understand that the Society is desirous of redeveloping its captioned Property and in this regard the Society has appointed Project Management Consultant and published notice inviting tenders from Developer for submitting their offers for redevelopment of its captioned Property. Several Developers have submitted their offers to the Society for redevelopment, which are being considered by the Society.

We thank you for having finalised our engagement to assist the Society in the matter.

Please see below our Scope of work, agreed fee quotes and other broad terms of engagement:

Scope of Services

Details	
Scope of Work – A - 1 (Before the Draft LOI is shared with us):	
(i)	Attending meetings, conferences and teleconferences with the members of managing committee/redevelopment committee of Society for discussing matters and addressing queries relating to redevelopment of the Society;
(ii)	Reviewing or commenting on any documents to be provided by the Society in relation to the redevelopment of the Society.
Scope of Work – A - 2 (From the date draft LOI is shared with us):	
(i)	Advising, vetting, recommending revisions in all draft resolutions to be passed at the Special General Body Meeting in respect of the redevelopment of the captioned Property and providing comments on the same;
(ii)	Perusal of Title Documents, Land Revenue Records and other relevant title deeds/documents furnished to us in respect of the Property for the purpose of vetting and revising of the development agreement;









- (iii) Attending meetings to be held for selection of the Developer, if required by the Society
- (iv) Drafting, reviewing, revising, negotiating and finalization of the Letter of Intent/Memorandum of Understanding to be executed between the Society and the Developer;
- (v) Advising, vetting, reviewing, revising, negotiating and finalization of the Development Agreement to be executed by the Society with the Developer, the draft of which shall be prepared and shared by the Developer. Indemnity clause to be included in Development Agreement to protect the interests of committee members for any action of the developer/its agents/its representative/its sub-contractors;
- (vi) Advising, vetting, reviewing, revising, negotiating and finalization of the Power of Attorney(s) to be executed by the Society in favour of the Developer, the draft of which shall be prepared and shared by the Developer. Also attending execution and registration of the Power of Attorney provided we only need to make one visit for attending to such execution and registration;
- (vii) Drafting, reviewing, revising, negotiating and finalization of the format/template Consent Letter of the Members;
- (viii) Drafting, reviewing and finalization of the format/template Allocation Letter(s), if any;
- (ix) Advising, vetting, reviewing, revising, negotiating and providing comments on the Bank Guarantee/Corporate Guarantee etc.;
- (x) Attending meetings with the Committee Members, prospective Developer, Developer's representatives/legal counsel, for negotiating and finalizing all documents related to redevelopment process, to protect the interests of society and its members;
- (xi) Attending Special General Meetings by the members of the society/Society for explaining and discussing the drafts of the Development Agreement, Power of Attorney, Permanent Alternate Accommodation Agreement and addressing queries raised during such meeting;
- (xii) Attending meetings, conferences and teleconferences with the managing committee of Society for discussing the drafts of the Development Agreement, Power of Attorney, Permanent Alternate Accommodation Agreement;
- (xiii) Advising the Society on the procedure to be followed by the Society under Section 79A of the Maharashtra Cooperative Societies Act, 1960 in connecting with the redevelopment of its property. Please note that we will not be able to advise on technical aspects / DCR provisions which are within the domain of an Architect / PMC;
- (xiv) Advising Society with regards to implication of Real Estate (Regulation and Development) Act, 2016; and

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- (xv) Guiding the Society regarding the details of the documents to be uploaded by the society on their website pertaining to redevelopment of the society relating to the redevelopment as may be required as per the redevelopment guidelines under section 79A of the Maharashtra Cooperative Societies Act, 1960.

Please note that as regards point no. (xi) and (xii) we are estimating that we will not be required to attend on and average more than three meetings in a month with the Society.

Scope of Work – B (From Execution of Development Agreement till Execution of PAAA):

Advising, vetting, reviewing, revising, negotiating and finalization of the format/template of the following documents the draft of which shall be prepared and shared by the Developer:

- (i) Individual Agreement/Permanent Alternate Accommodation Agreement in respect of the Member's New Premises.
- (ii) Payment receipts of monthly displacement compensation, hardship fund compensation, brokerage charges, shifting charges, letter of obtaining possession of respective flats for demolition, letter for obtaining possession of society.

Please note that we will not customize any of the aforesaid documents for each of the flats.

SCOPE OF WORK – C (At the time of Possession of the Flats to the Society):

Vetting, negotiating and revising the forms/template drafts of the documents to be prepared and shared by the Developer (i.e., possession letter, car parking allotment letter, undertaking for usage of car parking, undertaking for no addition and alteration, undertaking for granting consent of additional usage and any other incidental documents to be executed at the time of possession), for execution with the Society or its members at the time of handover of possession of the flats and the car parks post completion of the construction of the project.

Please note that we will not customize any of the aforesaid documents for each of the flats.

PROFESSIONAL FEES

1. FEES FOR SCOPE OF WORK A-1 (Before the LOI is shared with us):

For the work set out in Scope of work A-1 above, we shall be charging a lump sum professional fee as maybe mutually agreed in advanced basis the time and effort to be spent by us or a discounted hourly rate of Rs. 8,000/- (Rupees Eight Thousand Only) for time to be spent by any of the Lawyers.

2. FEES FOR SCOPE OF WORK A-2 & B (After the LOI is shared with us):

For the work set out in Scope of work A-2 and B above, we shall be charging a lump sum discounted professional fee of **INR 15,00,000/- (Rupees Fifteen Lakhs Only)** plus applicable

Abhishek Sharma
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taxes and also out of pocket expenses which may be incurred by us at actuals. The aforesaid Fees shall be payable by the Society in the following manner:

- (i) **INR 3,00,000/- (Rupees Three Lakhs only)** as advance immediately on confirmation of our engagement and prior to commencing any meeting or work in the matter;
- (ii) **INR 3,00,000/- (Rupees Three Lakhs only)** to be paid on execution of Letter of Intent/ Memorandum of Understanding by us;
- (iii) **INR 4,00,000/- (Rupees Four Lakhs only)** to be paid on execution of the draft of the Development Agreement and the POA;
- (iv) **INR 1,00,000/- (Rupees One Lakh only)** to be paid prior to commencing the work on the draft of Permanent Alternate Accommodation Agreement to be executed between the Parties;
- (v) **INR 2,00,000/- (Rupees Two Lakh only)** to be paid on execution of the first draft of Permanent Alternate Accommodation Agreement between the Developer and any of the members of the Society;
- (vi) **INR 2,00,000/- (Rupees Two Lakh only)** to be paid on execution of Bank Guarantee /Corporate Guarantee etc.

We have assumed that our work mentioned in Scope A above would be completed within 11 months from the date the draft of the LOI is given by the Society and our work mentioned in Scope B above would be completed within 8 months from the date of execution of the Development Agreement. If the scope of work is extended beyond the aforesaid estimate time then we will mutually agree with the Society on the way forward and any revisions in the fees that will be required considering the amount of work completed and remaining to be done by us.

3. FEES FOR SCOPE OF WORK C:

For the work set out in Scope of Work C, we shall charge a professional fee of **Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only)**.

We are assuming that (i) we will be required to attend not more than 3 meeting with the society and/or the Developer (ii) we will not be required to spend more than 30 (Thirty) hours for the work mentioned in Scope of Work C. The professional fee to be charged for additional time to be spent shall be mutually agreed close to completion of the aforesaid time estimated by us.

4. FEES PAYABLE IN CASE OF CONTINGENCIES:

- (a) Please note that although at the request of the Society, payment of our professional fees has been linked to execution of the drafts as mentioned above, however please note that if after commencing the work in relation to either LOI/MOU or Development Agreement or PAAA or Bank Guarantee, the Society or the Developer

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decides not to execute any of such documents or not to proceed with the transaction for any reasons, then we shall be entitled to charge the fee proportionately relating to the document on which we would have commenced the work.

- (b) In case if the Parties decide not to execute LOI/MOU or the Bank Guarantee and directly proceed with the Development Agreement then the fees mentioned above for the LOI/MOU or the Bank Guarantee shall be payable along with the fees payable for the services to be rendered in relation to the Development Agreement.
- (c) That if the Society, after having negotiated the MOU, decides to change the Developer resulting in fresh negotiation, then such change of Developer is likely to involve additional work/ redrafting of documents which will entail an additional fee, the quantum of which will be mutually decided.

5. OUT OF POCKET EXPENSES:

In addition to the Legal Fees, we will be entitled to payment or reimbursement of all out of pocket expenses which shall incurred by us after taking approval of the Society.

6. TAXES:

Our fees will be net of any rates, taxes or duties that may be applicable except Indian income tax deducted at source. You will be separately required to deposit GST (on reverse charge basis) or any other applicable taxes, on the Fees as applicable, to the Government.

EXCLUSIONS

Exclusion — Our scope of work will **not include**—

- (i) Issuance of Title Report or Title Certificate in respect of the Property or review of the chain of title documents of the individual flats.
- (ii) Advising on the technical and financial aspects of the project (such as present Development Control Regulations, FSI availability, Construction cost, all Approval cost and present Selling cost and Current market analysis), will be undertaken independently by the Society with the assistance of the PMC.
- (iii) Any direct or indirect tax related advice on the redevelopment of the project or the structure of the transaction/ Individual Members Agreement. Society to engage a Chartered Accountant to seek independent advice in this regard.
- (iv) Advising on or attending any pending or future litigation/s, between the Society and the Developer and/or inter-se between the Member of the Society and/or Society and any other person. Giving any written opinion on the pending litigations. If required by the Society, the Firm can agree under a separate engagement letter for providing advise on such litigation matters.

Abhishek Sharma
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MALAD CO-OP. HSG. SOC. LTD.
MUMBAI

[Signature]



Please note that we will only interact and communicate with the Committee Member/s or Redevelopment Committee members who shall be identified by the Society's Managing Committee and we shall not be required to communicate / discuss any matter and updates individually with the members.


The Client and the Firm has the right to discontinue and terminate this engagement at any time. In such case of termination of the engagement, the Firm will be entitled to charge the Client its professional fees to the extent of the work done by us in the matter.

The liability, if any, of the Firm pursuant to this engagement shall be limited up to the professional fees payable to the Firm.

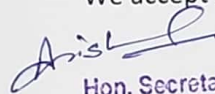
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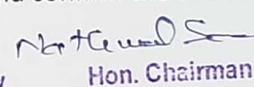
Yours faithfully,

Abhishek Sharma & Associates


Abhishek Sharma
Advocate & Solicitor
Managing Partner

THE MALAD CO-OP. HSG. SOC. LTD.
We accept and confirm the above


Hon. Secretary


Hon. Chairman



Malad Co-operative Housing Society Limited

Date:

Place: Mumbai