

17th October, 2025



To
The Manager
National Stock Exchange of India Limited (NSE)
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Subject: Management Contract between Saj Hotels LTD & Lemon Tree Hotels LTD

Dear Sir/Madam,

We wish to inform you that Saj Hotels Limited (“Owner”) has entered into a **Hotel Operating Agreement** with Carnation Hotels Private Limited (“Operator”), a subsidiary of Lemon Tree Hotels Limited. The Agreement will come into effect from **April 2026**.

Purpose of the Agreement:

The Agreement outlines the terms for the management, branding, and operation of the Company’s hotel property by Carnation Hotels Private Limited under the “**Lemon Tree Resort**” brand. This collaboration is aimed at enhancing operational efficiency, brand recognition, and adherence to applicable hospitality and regulatory standards.

Key Highlights:

- The Company’s property located at **Mahabaleshwar, District Satara, Maharashtra**, will be operated and marketed as “**Lemon Tree Resort, Mahabaleshwar.**”
- The Operator, Carnation Hotels Private Limited, will be responsible for the management, marketing, and day-to-day operations of the hotel in accordance with Lemon Tree Hotels Limited’s brand standards.
- The Agreement ensures compliance with all relevant laws, NSE by-laws, and provisions of the Companies Act, 2013, while facilitating a transparent and efficient execution of management responsibilities between both parties.

Availability of Information:

Details of the Agreement are available for review on the **NSE website (www.nseindia.com)** and with the **NSE Regulatory Department**.

We request you to kindly take the above information on record.

Thank you.

Yours faithfully,
For Saj Hotels Limited

Karna K. Timbadia
Managing Director





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INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

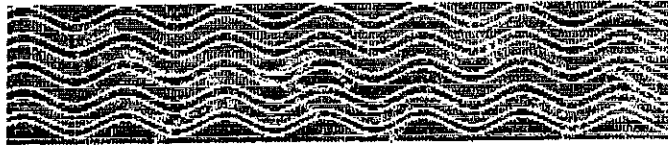
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Certificate No.
Certificate Issued Date
Account Reference
Unique Doc. Reference
Purchased by
Description of Document
Property Description
Consideration Price (Rs.)
First Party
Second Party
Stamp Duty Paid By
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This Stamp Paper forms an integral part of the Hotel Operating Agreement executed between Carnation Hotels Private Limited and Saj Hotels Limited on 16th October, 2025.

Statutory Alert:

1. The authenticity of the Stamp certificate should be verified at www.shilsestamp.com or using e-Stamp Mobile App of Stock Holding.
2. Any discrepancy in the details on the Certificate and as available on the website / Mobile App renders it invalid.
3. The user of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.





INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

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Certificate No.
Certificate Issued Date
Account Reference
Unique Doc. Reference
Purchased by
Description of Document
Property Description
Consideration Price (Rs.)
First Party
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Stamp Duty Paid By
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Article 5 General Agreement
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This Stamp paper forms an integral part of the Hotel Operating Agreement executed between Carnation Hotels Private Limited and Saij Hotels Limited on 16th October, 2025.

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2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



CARNATION HOTELS – LEMON TREE

HOTEL OPERATING AGREEMENT

**By and between
[16th October 2025]**

**SAJ HOTELS LIMITED
(OWNER)**

AND

**CARNATION HOTELS PRIVATE LIMITED
(OPERATOR)**



This stamp paper is integral part of the HOTEL OPERATING AGREEMENT dated 16.10.2025 entered into by and between-

SAJ HOTELS LIMITED ('Owner')

AND

CARNATION HOTELS PRIVATE LIMITED ('Operator')



This stamp paper is integral part of the HOTEL OPERATING AGREEMENT dated 16.10.2025 entered into by and between-

SAJ HOTELS LIMITED ('Owner')
AND

CARNATION HOTELS PRIVATE LIMITED ('Operator')



HOTEL OPERATING AGREEMENT

This Hotel Operating Agreement ("hereinafter referred to as the 'Agreement') is made at New Delhi on this 16th day of October, 2025 ("Effective Date") by and

Between:

SAJ HOTELS LIMITED (CIN:L55101PN1981PLC023814), a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Mahabaleshar Panchgani Road, Mahabaleshwar, Satara, Maharashtra-412806, represented through its Authorized Signatory, Mr. Karna Kartik Timbadia, duly authorized vide its Board Resolution dated 12th August 2025 (hereinafter referred to as "**Owner**", which term unless repugnant to the context shall include its successors in interest, permitted assigns, legal heirs, legal representatives, executors, administrators, as the case may be) of **ONE PART**;

AND

CARNATION HOTELS PRIVATE LIMITED, a company incorporated under the Companies Act, 1956 and having its registered office at Asset No. 6, Aerocity Hospitality District, New Delhi - 110037, represented through its authorized signatory, Mr. Vilas Pawar by way of board resolution dated 7th February 2024 (hereinafter referred to as "**Operator**", which term unless repugnant to the context shall include its successors in interest and permitted assigns) of the **OTHER PART**.

The Owner and the Operator are hereinafter collectively referred to as "Parties" and individually as "Party".

RECITALS

WHEREAS:

- A. The Owner is in the business of acquisition, construction & development of real estate as well as owning and to carry out the business of hotels, motels, resorts, guest houses, holiday camps, canteens, restaurants, food courts, etc.
- B. The Operator is in the business of owning and operating hotels across multiple segments and Owner is satisfied that Operator has the experience, skill and technical know-how for the operation of luxury / upper midscale / midscale / budget hotels under various brands of Lemon Tree Hotels Limited, to accepted international standards, and is authorised by Lemon Tree Hotels Limited for this purpose.
- C. The Owner is the absolute owner and in possession of all that piece and parcel of land measuring 1.99 Hectares i.e., 214192.41 Sq. ft. (approx.) falling in Survey No. 18/2A, situated in Village-Metgutad, District-Satara, Taluka-Mahabaleshwar (hereinafter referred to as "Site"), who was recorded owner in possession of the said Site by a registered Sale Deed bearing document No. 41 dated 4th August 1981 registered before the Sub Registrar office, Satara, Maharashtra together with the building constructed thereon.



Owner has set up an upper midscale hotel on the Site and is desirous of engaging Operator to brand and operate the hotel as a 'Lemon Tree Resort' (Brand) hotel, and Operator is agreeable to do the same in accordance with the Brand Standards of the Operator (with a Property Improvement Plan will be provided to the Owner on or before 31st December 2025) and the provisions of this Agreement. The hotel is intended to have 78 Rooms/Keys and other facilities viz. restaurant, banquet hall, meeting/conference room, swimming pool, spa, fitness center, etc., as further detailed hereunder and defined in Article I – under the head "Hotel";

- D. The Owner shall be solely responsible for financing the construction, completion, fit-out, equipping and renovation of the Hotel (as applicable) and for meeting all financial obligations thereof and for providing the necessary working capital and funds required for the operation and management of the Hotel, in accordance with the terms and conditions of this Agreement;
- E. Reference to execution of License Agreement and Services Agreement on the same date as this agreement.
- F. **AND WHEREAS** based upon representations of the Owner and believing the same to be correct and true, the Operator is agreeing to render such services to the Owner on mutually negotiated and agreed terms and conditions as herein enshrined.

NOW THIS AGREEMENT WITNESSETH AND IN RECEIPT OF VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS ACKNOWLEDGED BY THE PARTIES, IT IS EXPRESSLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE-I

DEFINITIONS AND INTERPRETATION

1.1. Definitions

For the purpose of this Agreement, the terms defined hereunder in this Clause shall have the meanings herein specified unless the context otherwise requires:

"Affiliate" means any other person that controls, is controlled by or is under common control with the Party. For the purposes of this definition, "control" means the possession of the power to direct or cause the direction of the management and policies of the controlled entity through the ownership or ultimate ownership of more than 50% (Fifty Percent) of all voting or equity securities. Notwithstanding the above, any direct or indirect subsidiary, associate, group company of the Operator shall at all times be deemed to be an Affiliate of the Operator and any direct or indirect subsidiary, associate, group company of the Owner shall at all times be deemed to be an Affiliate of the Owner.

Annual Operation Plan (AOP) shall mean the annual plan for the operation of the Hotel. First AOP to be prepared and approved after six (6) months of the Opening



Date in accordance with Brand Manuals and keeping in view the market conditions, previous year performance of the Hotel, the competition forecast, Smith Travel Research ('STR') Report, foreseeable operating expenses up to gross operating profit (as per Indian GAAP), marketing needs of the Hotel, expected occupancies, and shall consist of: -

- (a) Projection of the Gross Operating Revenues
- (b) Budget for Operating Expenses
- (c) Projection of operating cash flows
- (d) Annual marketing plan
- (e) Capital Expenditure Plan
- (f) Refurbishment and Renovation Plan / FFE

"Agreement" shall mean this instrument with Annexure, schedules alongwith exhibits as originally executed and delivered, or if amended or supplemented in writing as so amended or supplemented, and any renewal thereof and overrides all previous correspondence and representations, if any, made expressly or impliedly. The relationship of the parties hereto shall be solely and exclusively governed by the terms agreed or in such further amendments as may be agreed by the parties in writing.

"Auditor" means the statutory auditor appointed by the Owner for the purpose of auditing the accounts of the Hotel.

"Black-out Dates" are days, as may be decided by the Hotel Operator from time to time, to denote specific dates where rewards, negotiated rates, extended stay discounts and other travel promotions are not available.

"Brand" means the brand name "Lemon Tree Resort" along with all related trademarks, logos, tradenames, which is the exclusive trademark and copyright of the Lemon Tree Hotels Limited.

"Brand Owner" means Lemon Tree Hotels Limited, having its registered office at Asset No. 6, Aerocity Hospitality District, New Delhi - 110037.

"Brand Standards" shall mean all standards, standard operating procedures, specifications, parameters, policies and programs specifically devised, evolved, developed and specified by the Brand Owner pertaining to product and services in effect from time to time by the Brand Owner for each Brand of Lemon Tree Hotels, as appropriate and fit for the purpose of development and hotel operations under the Brand as may be amended by the Brand Owner from time to time in its sole discretion and which are applicable to the operation of substantially all of the hotels managed / operated by the Operator / Brand Owner under the Brand. Brand Standards may reflect variations to recognize regional features and practices as Brand Owner may consider appropriate.

"Business Day" shall mean any business day upon which banks are open for business in the city in which the Hotel is located and in New Delhi.



"Capital Expenditure" shall mean and include expenditure on buying capital assets namely, plant and machinery, equipment, civil works, additions thereto and replacements that are necessary for the operation of the Hotel in accordance with the terms of this Agreement.

"Claim" shall mean any claim, action, proceeding, demand or allegation or any threatened claim, action, proceeding, demand or allegation of whatever nature, whether in contract, tort (including negligence) or otherwise.

'Operator's Confidential Information' shall mean information relating to Operator's business that derives value from being not generally known to others, including the terms of this Agreement, the Brand Manuals, Brand Standards, Guest Data, list of approved suppliers, proprietary software, fees and terms of all system programs and services, and any documents or information specifically designed by Operator orally or in writing as confidential or by its nature would reasonably be understood to be confidential or proprietary.

'Execution Date' means 16th October 2025, the date of execution/signing of this Agreement.

"Expert" shall mean an independent expert mutually agreed by both Parties as being an independent and nationally recognized hotel expert with at least ten (10) years' consulting or senior management experience in the hospitality field in India.

"Financial Year" means the twelve (12) month period commencing on the first (1st) day of April in each year and ending on the thirty-first (31st) day of March of the next year.

"Furniture, Furnishings and Equipment" or "FF&E" shall mean and include all movable furniture, furnishings, fixtures and equipment located in or used in connection with the operation of the Hotel, other than Plant & Machinery (*as hereinafter defined*), Operating Supplies and any items contained within the walls and ceilings of the structure (which shall be deemed to be part of the Hotel building).

"GOP Margin" means the Gross Operating Profit divided by the Gross Revenue for the relevant period.

"Governmental Authority(ies)" shall mean any statutory authority, government, department, municipal authority, regulatory agency, commission, board, tribunal, court or other entity authorized to make Laws.

"Gross Revenue" means all receipts, revenues, income and proceeds of sale of any kind, derived directly or indirectly, from the operation of the Hotel and its facilities, and without limiting the generality of the foregoing, gains from foreign exchange fluctuations pertaining to operating income/expenses, Spa income, service charges / common maintenance charge for providing services and facilities to persons occupying shops and commercial space in the Hotel, and proceeds, if any, from business interruption or other loss of income insurance, mark-ups on bought outs and commissionable items (for example, car rentals, travel desk services, concierge services such as movie tickets and florist services), service charge (gratuities) not paid



out to Hotel employees and all other revenues accruing from the use of these facilities net of direct and /or indirect taxes due to the Local Authorities and any other taxes imposed by any Governmental Authority including Goods and Services Tax. It being specifically understood and agreed that Gross Revenue shall not include:

- (a) interest income;
- (b) any income arising out of the sale of fixed assets;
- (c) service charge paid out to employees, however service charge retained by the hotel, will be part of Gross Revenue;
- (d) Loans taken by Owner or third party from Hotel and interest thereon;
- (e) proceeds of insurance (save for proceeds of business interruption insurance mentioned in Article XI);
- (f) sums and credits received in settlement for loss, theft or damage to property, and proceeds of sales of property (real and personal);
- (g) receipts attributable, under the accrual method of accounting pursuant to generally accepted accounting practice or the Indian GAAP, to a different Financial Year provided that in the event of a conflict, the provisions of this Agreement and subsequently the Indian GAAP shall apply; and
- (h) proceeds of condemnation or sales or conveyances made in lieu thereof.

"Gross Operating Profit" or "GOP" means the amount, if any, by which the Gross Revenue of the Hotel for each Financial Year is in excess of the Operating Expenses of the Hotel for such Financial Year. It is understood and agreed that in determining the Gross Operating Profit for any Financial Year, no adjustment shall be made for or on account of any losses and/or deficiency in the Gross Operating Profit relating to any prior Financial Year or Years.

"Gross Room Revenue" means the revenue generated from or in relation to the sale of Hotel rooms and Hotel rooms related packages including but not limited to No Show Charges, Retention Charges, Extra Bed Charges, etc.

"Hotel" means the hotel set-up comprising of 78 Rooms/ Keys and other facilities (as described in Article-III), located at Survery No. 18/2A, Village-Metgutad, District-Satara, Taluka- Mahabaleshwar, developed and completed in accordance with Brand Standards, approved plans and designs and Laws, and fully financed by Owner. The term 'Hotel' includes (i) all its immovable and movable assets, Operating Supplies and (ii) any future extensions, improvements or expansions of the Hotel, which shall be constructed and implemented with Operator approval, (iii) all easements, entry and exit rights for the Hotel including on land adjacent or appurtenant to the Site. For clarity, the 'Hotel', is distinct from the Owner or the Owning Company.

"Indemnified Party" has the meaning set forth in Clause 12.1 (C) (1).

"Indemnifying Party" has the meaning set forth in Clause 12.1 (C) (1).

"Indian GAAP" the conventions, rules, procedures and practices, consistently applied, affecting all aspects of recording and reporting financial transactions which are stipulated under Laws in India or otherwise generally accepted by major independent international accounting firms in India at the time in question. Any



financial or accounting terms not otherwise defined herein shall be construed and applied according to Indian GAAP.

"Internal Auditor" means any person or entity mutually appointed by the Owner and the Operator for the purpose of internal audit of Hotel. The selection of Internal Auditor shall be from the list of empaneled firms with the Operator/brand owner. The Internal auditor shall submit its report within such a time period as decided by the Operator.

"Intellectual Property Rights" means any rights available under patent, copyright, trademark, service mark, trade name, product configuration, industrial design, or trade secret law or any other applicable law with respect to designs, formulas, algorithms, procedures, methods, techniques, ideas, know-how, programs, subroutines, tools, inventions, creations, improvements, works of authorship, other similar materials and all recordings, graphs, designs, drawings, reports, analyses, other writings and any other embodiment of the foregoing, in any form which may subsist in any part of the world, for the full term of such rights, including any extension to the terms of such rights.

"Laws" shall mean and include all laws of India and of any other applicable jurisdiction including all statutes, enactments, acts of legislature or the parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority or Person acting under the authority of any Governmental Authority and/ or of any statutory authority, whether in effect on the date of this Agreement or thereafter.

"License Agreement" means the agreement executed on even date between Lemon Tree Hotels Limited ('Brand Owner') of the One Part and Carnation Hotels Private Limited ('Operator') of the Second Part and Saj Hotels Limited of the Third Part ('Owner') for allowing Brand use in respect of the Hotel.

"Loyalty Program Member" means the guest who is enrolled or is in the process of enrollment under the loyalty program of the Brand Owner namely 'Infinity Rewards by Lemon Tree Hotels' or loyalty reward program run under any other name by the Brand Owner from time to time.

"Operating & Marketing Fee" means the Base Fee, Incentive Fee and Sales and Marketing Fee collectively, as detailed under Article V and Article VII respectively.

"Net Room Revenue" means net revenues attributable to or payable for rentals of rooms, including all credit transactions but excluding separate charges to guests for food and beverage, telephone, GST and other sales, occupancy and usage taxes.

"Non-defaulting Party" has the meaning set forth in Clause 15.2.2.

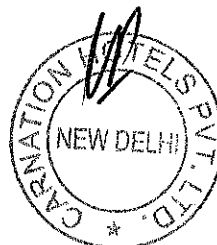
"Opening Date" shall mean the date on which Hotel commences its business operations, more particularly specified in Clause 4.2.



"Operating Accounts" means the Hotel Operating Bank Accounts as designated in terms of Clause 10.1 of this Agreement to be used for the operational requirements of the Hotel.

"Operating Expenses" means all costs, expenses, and disbursements incurred or paid or payable in connection with or relating to the operation, marketing and maintenance of the Hotel (excluding expenditure of a capital nature), including, without limiting by reason of specific reference, the generality of the foregoing, the following:

- (a) the total payroll and related benefits and other expenses for all personnel employed in the operation of the Hotel including the personnel of the Operator permanently or temporarily assigned on whole time basis to the Hotel, all costs and expenses for recruiting & training of personnel, including overseas training in accordance with the Annual Operation Plan;
- (b) the cost of all Operating Supplies sold or consumed in the operation of the Hotel;
- (c) the expenses for all utilities, such as heat, water, fuel, power, gas and other related services, used in the operation of the Hotel;
- (d) the cost of repairs and maintenance necessary to keep the Hotel in good operating condition in accordance with Clause 9.1;
- (e) the Premiums for operational insurance maintained pursuant to Article XI of this Agreement;
- (f) all costs and expenses of any advertising, sales promotion, public relations, and other such expenses incurred in respect of the Hotel;
- (g) the Sales and Marketing Fee and re-imbursements of the pro-rated costs of group advertising, call center, sales promotion, public relations sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programs, etc.) created and administered by the Operator in furtherance of the interests of the Hotel, as specified under Article V hereof;
- (h) the fees payable under the Loyalty Program under the License Agreement;
- (i) the commission actually paid or payable to travel agents and credit card companies;
- (j) all administrative and general expenses relating to the operation of the Hotel, including fees payable to consultants or specialized personnel retained for the operation of the Hotel;
- (k) all legal expenses and fees of the statutory and internal Auditors for services directly relating to the operation of the Hotel;



- (l) all disbursements or reimbursements for out-of-pocket expenses, including traveling expenses by the employees and executives of the Operator which are directly related to the marketing and operation of the Hotel;
- (m) the reimbursable expenses payable under Clause 7.2 of this Agreement;
- (n) all costs and expenses for maintenance of information technology tools and systems, and data privacy and information security systems, attributable to the marketing and operation of the Hotel, as specified under Article V;
- (o) extraordinary expenses for that Financial Year.
- (p) bad debts written off;
- (q) all expenses for maintenance of Third Party Operated Areas;
- (r) the cost of maintaining and renewing all operational related licenses and permits,
- (s) Operating insurances including but not limited to the public liability insurance(s) is payable by the Hotel and to be expensed in the Hotel P&L.
- (t) All other costs and expenses incurred in relation to the operation, management and marketing of the Hotel

but shall not include the following:

- (a) any expenditure of a capital nature.
- (b) repayment of installments of loan and payment of interest on borrowings including short term and long-term loans;
- (c) depreciation, amortization (including amortization of deferred revenue expenditure) and other capital allowances and charges including lease and hire-purchase payments but excluding lease rental for operational activities such as capital equipment rental, rental for staff accommodations, car hire etc.;
- (d) the Base Fee and the Incentive Fee payable to the Operator as defined in Clause 7.1 (A) and (B) respectively.
- (e) any costs, expenses and disbursements not related to the operation of the Hotel;
- (f) any extraordinary item including loss from exchange fluctuations but any loss arising from exchange fluctuations on account of operating income/expenses shall be included in Operating Expenses;
- (g) Pre-opening expenses
- (h) property insurance premiums which are not operational in nature



- (i) cost of obtaining occupancy permits and any other non-operating licenses and permits;
- (j) the amount of any transfer to the FF&E Reserve;
- (k) property tax, wealth tax, stamp duty etc. on property/land lease including renewals thereof;
- (l) Any expenditure of any nature whatsoever, relating to any activity not directly connected with operation of the Hotel and any expenditure pertaining to Owner's registered/corporate/head office.

For avoidance of doubt, it is expressly understood and agreed by the Parties herein that all costs and expenses specifically excluded from the Operating Expenses as defined above and specifically excluded elsewhere in this Agreement shall be borne and met by the Owner exclusively. It is clarified that the nature of expenses shall be determined in accordance with Indian Accounting Standards and generally accepted accounting principles ('GAAP').

"Operating Supplies" means all operating supplies and inventory used and/or stored for use in the operation of the Hotel, including food and beverages, chinaware, glassware, silverware, cleaning supplies, linen, guest room supplies, retail merchandise and other similar consumable and expendable items, the costs of which are not capitalized.

"Operating Term" or "Term" means the Term of this Agreement and all Renewal Terms as referred to in Clause 4.3 of this Agreement.

"Plant & Machinery" being all plant machinery and other like equipment and all component parts thereof (including wiring, cabling and conduits) being air conditioning plants, heating, cooling, exhaust and / or ventilation systems including air handling units and fan coil units, cooling towers, chillers and pumps, boilers, steam and hot water systems and steam pipes, refrigeration, cold storage equipment and refrigerated rooms, electrical systems including substations, distribution boxes, wiring and cabling, communication systems including telephone inter communication, paging and message systems, pneumatic tube system, central video equipment, plumbing, drainage and sewerage including waste disposal, sanitary fixtures, bathroom fixtures and fittings, lifts, elevators and systems including sprinklers, smoke detectors and pressurization equipment, mechanical and hydraulic systems power generating plants, water softening and filtration plants and other like items and installations forming a part of the building not being trade fixtures as hereinbefore described.

"Pre-Mature Termination Fee" is the fee payable by Owner to Operator in case of termination of this Agreement before expiry of its Term and has the meaning as set forth in Clause 14.1.1.

"FF&E Reserve Account" means the account so designated to be used for the renewal and replacement of the Furniture, Furnishings and Equipment of the Hotel.



"Renewal Term" means the renewed Term of this Agreement for further period in accordance with Clause 4.3.

"Safety Standards" has the meaning set forth in Clause 3.2.

"Takeover Date" means the date when the Hotel is operationally ready with all Operating Supplies and Equipment along with all requisite statutory registrations, licenses, permissions / approvals, no-objections, undertakings, etc. as per the prevailing applicable laws and Operator takes over the charge of the Hotel to make it ready for Opening Date.

"Technical Review" shall mean fee, to be paid by the Owner to the Operator in accordance with Clause- 5.1 hereof, as consideration for the Operator's review, recommendations, and suggestions, of planning documents, drawings etc. pertaining to conceptual design, architectural guidelines, schematic layouts, interior design and providing recommendation for specifications of furniture and fabrics, fire-fighting, lighting, kitchen and laundry equipment, operating equipment, specifications on uniforms, graphic design for art work, menus, signages and logos, inputs on security, communication and technology and generally to advise Owner on development matters such that the Hotel is developed and completed in accordance with Brand Standards. It is clarified that all above documents, drawings, plans etc. is in the scope of Owner's responsibility, however, the Owner is required to furnish all such documents, drawings, plans etc. prepared by Owner's appointed Architect, Interior Desinor, Project Management Consultant, Mechanical Engineering & Procurement and BOH consultant etc. (hereinafter collectively referred to as the **"Owner's Consultants"**) to the Operator for its review, recommendations and suggestions thereon basis upon Brand Standards/specification of the Operator.

All travel and incidental expenses of the Operator, technical team(s), vendors etc. shall be billed separately at actuals to the Owner.

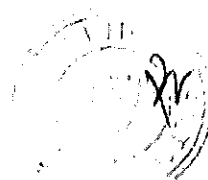
"Termination Date" shall mean the date of expiry of the Term under this Agreement by efflux of time or earlier date of termination, provide all post termination obligation under this Agreement have been completed by the Owner.

"Third-Party Operated Areas" has the meaning set forth in Clause 8.8.

"Third-Party Operators" has the meaning set forth in Clause 8.8.

"Working Capital" shall mean such sum as is required to ensure the uninterrupted and efficient operation of the Hotel, generally equivalent to two (2) months average operating expenses in preceding year and in case of a new hotel, two (2) months estimated expenses as per budgeted expenses of first financial year, as the case may be, and amounts required to meet emergency, sudden or extra-ordinary expenses, and includes initial working capital before commencement of the Hotel Operations.

1.2. Interpretation:-



In this Agreement:

- A. Headings to the Articles and Clauses of this Agreement are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement.
- B. Words in the singular also mean and include the plural and vice-versa and words in one gender also mean and include the other gender.
- C. The Recitals and appendices hereto form part of this Agreement and are expressly incorporated herein, and shall be binding on the Parties.
- D. The Owner shall on request by the Operator do, execute and perform all such deeds, acts, matters and things as the Operator may require in order to obtain any necessary approvals from the relevant authorities.
- E. This Agreement is being executed between the Parties, has been drafted and signed only after due negotiations of the terms and conditions agreed between the Parties hereof. In the event of any ambiguity, doctrine of contra-proferentem shall not apply against the Party drafting this Agreement as the Owner had/has every liberty and opportunity to get the same reviewed/ vetted through its professional advisors, consultants and to discuss, negotiate the same prior to finalizing and executing.

ARTICLE II

GENERAL COVENANTS

2.1. Hotel Branding

Owner and Brand Owner have entered into a License Agreement dated 16th October 2025 for getting the Hotel being operated as per Brand Standards of the Brand Owner, by the Operator. Brand Owner has granted a non-exclusive license to the Owner to use its Brand "Lemon Tree Resort" in relation to the Hotel. Such license also requires that the Hotel be managed and operated by the Operator.

During the Term, including any Renewal Term, the Hotel shall be named as 'Lemon Tree Resort' or such variation thereof as may be made from time to time which includes the brand name and a locator. For clarity, the Hotel name shall not include any name or brand of Owner without the prior express approval of Operator in its sole discretion.

In this regard, Owner acknowledges, undertakes and agrees that:

- a. Owner shall not do or cause anything to be done that will be inconsistent with the License Agreement or which could result in a violation or termination of the License Agreement. Further, any breach of the License Agreement shall automatically be treated as a material breach of this Agreement.



- b. This Agreement and the License Agreement shall be co-terminous. Similarly, any extension of either Agreement shall automatically cause or result in an extension of the other Agreement.
- c. Owner does not have any right to the Brand and its use in any manner other than as granted on non-exclusive basis under the License Agreement and to be implemented by Operator in terms of this Agreement. Owner shall not use the brand name 'Lemon Tree Resort' or any likeness thereof or any association Intellectual Property Rights for any purpose, other than as permitted by the License Agreement and this Agreement, and shall not have any right or claim any kind of right, title, interest or benefit of any type, extent or nature whatsoever on any of the aforementioned brand name / trade name, or any other Intellectual Property Rights of the Operator and / or the Brand Owner, at all times during the subsistence of this Agreement and also, at any time after the termination of this Agreement;
- d. That immediately on and from the Termination Date, Owner shall immediately cease to use the Brand and the brand name 'Lemon Tree Resort' or any other Intellectual Property Rights of the Operator and / or the Brand Owner, or make any representation for any purpose, of whatsoever nature and / or use by any means, of whatsoever nature, whether with regard to this present venture, any other hotel venture or any other business venture, of whatsoever nature, in any state, region, country, etc. in relation to the Brand and / or any other Intellectual Property Rights of the Operator and / or the Brand Owner.

The provisions of this Clause 2.1 shall survive termination of this Agreement and / or the License Agreement.

2.2. Location of the Hotel (Site)

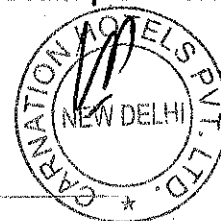
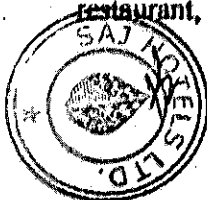
The Hotel shall be located at Survey No. 18/2A, situated in Village-Metgutad, Taluka-Mahabaleshwar, District- Satara. The Site is more fully described in above Recital C..

ARTICLE III

DESCRIPTION OF HOTEL, ADHERENCE TO BRAND STANDARDS AND FIRE AND LIFE SAFETY STANDARDS

3.1. Hotel Description

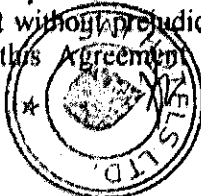
- A. The Hotel shall comprise the following main elements and facilities, all developed and completed consistent with the Brand Standards and approved designs, plans and specifications:
 - 1. approximately 78 Guest rooms, each with attached bathrooms;
 - 2. restaurant, banquet, meeting/conference room and other public rooms;



3. recreation facilities viz. swimming pool, spa and other areas;
4. storage and service areas;
5. public areas;
6. other facilities and appurtenances as the Operator considers necessary or desirable for the operation of the Hotel in accordance with the Brand Standards applicable to the Hotel and other hotels in India of similar class and standing, together with all FF&E requisite for the use of the building for hotel purposes (including without limiting) heating, lighting, sanitary, air-conditioning, refrigeration, kitchen, elevators and all other equipment including specialized hotel equipment (such as equipment required for the operation of kitchens, laundries, the front desk, dry cleaning facilities, bars & cocktail);
7. all FF&E required for the operation of the Hotel; and
8. inventory of Operating Supplies as may be necessary for the efficient operation of the Hotel.

3.2. Life and Safety Standards

- A. The Owner shall adopt all such standards of life and safety (including environmental safety) for the Hotel that are in accordance with the Brand Standards and applicable relevant laws including but not limited to the National Building Code of India (Fire & Life Safety). During the Term, Owner shall provide such funds as are necessary for Capital Expenditure and Operating Expenses necessary for the compliance with the aforesaid standards of life and safety for the Hotel and such changes that may be required or effected in such standards and requirements from time to time.
- B. During the Term of this Agreement, the Operator may, from time to time, review the overall safety standards of the Hotel and prescribe such modifications or alterations as may, in the opinion of the Operator, be necessary in the design, architecture, processes or other aspects in the infrastructure relating to the Hotel in order to conform to and maintain appropriate safety standards. The Operator shall procure the implementation of such changes in consultation with Owner within a reasonable period of time to be agreed upon by the Parties, bearing in mind, the extent of danger to life and the environment, the costs involved, market conditions, user traffic etc. For the purposes of this Agreement, any repairs, changes, or other expenses which are for routine repair and maintenance and not capital in nature shall be treated as an Operating Expense and any expense which is capital in nature shall be funded by the Owner.
- C. The Owner acknowledges that maintenance of life and safety standards are material prerequisites for availing of the Operator's services. Owner acknowledges and agrees that without prejudice to the other rights available to the Operator whether by means of this Agreement or any provision of Law, the Operator shall have a right to



terminate this Agreement on the Owner's failure to rectify any non-compliance with the life and safety standards within the time jointly determined by both Parties, and further, in the event of such non-compliance, Operator shall not have any obligations or responsibility or liability in respect of such non-compliance. Operator's right to terminate this Agreement for this purpose shall be as per Article XV of this Agreement.

- D. The Owner assumes full responsibility in respect of all safety aspects of the Hotel and its operations. The Owner shall be obliged to apply, obtain, renew and submit all requisite safety approvals, NOCs, permissions etc. from the respective authorities in respect of the Hotel building and lifts, escalators, electricity infrastructure, fire-fighting equipments, swimming pool etc. installed therein, to the Operator. However, such submissions of the aforesaid safety approvals, NOCs, permissions etc. under this clause, shall not absolve the Owner of its responsibilities nor imputes the Operator with any liability in this respect. Non-submission of safety certificates by the Owner to the Operator would be a default on part of the Owner and the Operator would be entitled to take necessary action under the Agreement for non-compliance. Non-insistence for providing of safety certificates by the Operator would not tantamount to a waiver of Owner's obligations in this regard, nor imputes the Operator with any liability.
- E. The Operator while providing technical review services, may make its observations to the Owner on design and other aspects of the Hotel, but not the structural aspects of the Hotel. The Technical Review Services shall be limited to that of a hospitality operation in accordance with the Brand Standards only and shall not absolve the Owner of its responsibilities to have the technical / structural / safety aspects of the Hotel planned, reviewed, inspected and implemented in detail by a qualified Chartered Engineer / Structural Architect and procure and maintain a 'safe for usage' certification including certificates from any statutory authorities as may be prudent and applicable.
- F. The above responsibilities and obligations are not exhaustive and have been grouped together and listed above only for the sake of convenience. Other responsibilities and obligations elsewhere stated in this Agreement will have equal effect and be binding on the Owner.

ARTICLE IV

APPOINTMENT, TAKEOVER & TERM

4.1. Appointment as Operator:

The Owner hereby appoints and engages the Operator to supervise, market and operate the Hotel in accordance with the provisions of this Agreement and Operator accepts such appointment subject to Owner also entering into a license agreement for use of the Brand in relation to the Hotel in accordance with the terms of such license agreement.



Subject to the terms and conditions –contained in this Agreement, the Owner hereby agrees to engage Operator to render services pertaining to Technical Review Services, operational, sales & marketing services for the operations of the Hotel, and Operator agrees to render such services as may be required, subject to the Owner carrying out his part of obligations under the Agreement.

4.2 Pre-opening Plan & Takeover Date

Owner acknowledges and agrees that pre-opening activities including technical review are significant and necessary for the Hotel. Accordingly, the Owner shall make available necessary funds for pre-opening expenses as specified by Operator.

The Owner assures to achieve the Takeover Date within March 2026 (*timelines to be mentioned*) months from the date of signing of this Agreement. Takeover Date shall be reviewed for appropriateness based on the progress to completion of the project and readiness of the Hotel for commencement of pre-opening Services., Owner is committed to achieve aforesaid date.

Owner shall have the Hotel operationally ready, including all Operating Supplies and Equipment and sufficient Working Capital, as per the Brand Standards of the Operator and to the full satisfaction of the Operator by the target Opening Date and shall also have in place the requisite statutory registrations, licenses, permissions / approvals, no-objections, undertakings, etc. as per the prevailing applicable laws within the period specified above.

Owner shall at its own cost apply for and obtain all necessary permissions, sanctions, licenses, permits etc. from the appropriate authorities, Government, municipal or otherwise as the case may be in connection with the operations of the Hotel and the Operator shall at no time and in no way be responsible for any consequences arising out of delay or failure on the Owner's part to obtain, maintain and comply with such permissions, sanctions, licenses, permits etc., provided however that Operator shall co-operate with Owner in respect of any matters which require Operator's assistance, if any, towards obtaining such approvals.

After Takeover Date, Operator shall review and conduct a preopening audit of the Hotel including but not limited to the Hotel building Occupation and Completion Certificate and all licenses, approvals relating to Hotel operations and audit of all operating equipments and facilities including but not limited to functionality of the FLS Systems. Subject to satisfactory outcome of the Pre-opening Audit conducted by Operator it-self or through its nominated agency, Operator will decide the Hotel Opening Date. The target Opening Date for the Hotel is April 2026.

In case the Owner is not able to have the Hotel operationally ready as per the Brand Standards of the Operator and to the full satisfaction of the Operator and / or is not able to have in place any of the requisite statutory registrations, licenses, permissions / approvals, no-objections, undertakings, etc. mandatory to have in place, for the purposes of launch of the Hotel, within the aforementioned period, the Owner shall request for and seek an approval for extension of further time, from the Operator in writing. The Operator, if satisfied with the genuineness of the reasons for the delay,



may grant the Owner, an extension of time by such period or periods as is reasonably required for the completion of the Hotel provided however that such extensions shall not be to a date beyond twelve (12) months from the target Opening Date aforesaid.

4.3 Operating Term & Renewal thereof

- A. The Operating Term shall be for a term of Fifteen (15) years from the Opening Date, ("Term") unless this Agreement is terminated earlier, as provided for hereinafter in this Agreement;
- B. The Parties hereof may mutually decide to renew this Agreement for further period and terms and conditions as may be mutually agreed between the parties. The Parties hereof shall be deemed to have exercised the option to renew the Agreement for further period of 15 years ("Renewal Term") unless either party delivers a written notice to the contrary at least one hundred and twenty days (120 days) prior to the expiry of Term. It is further agreed that on renewal of this Agreement, Owner shall be obliged to simultaneously renew other agreements pertaining to Hotel operations including the License Agreement and Services Agreements.
- C. It is clearly understood by the Parties herein that the present Agreement is co-terminus with the License Agreement and Service Agreement i.e. this Agreement shall automatically and immediately stand terminated in the event of cancellation, termination or rescind of the Service Agreement (with Mind Leaders (India) Pvt. Ltd. or any other agency nominated by the Operator) and/or License Agreement, between the Owner, Operator and Brand Owner. For avoidance of doubt, the Parties herein agree that this Agreement shall be valid only so long as the License Agreement and the Service Agreement are in effect and the Operator has the right to manage the Hotel under the Brand.

ARTICLE V

SERVICES

5.1 SERVICES AT PROJECT STAGE:

"Technical Review Service" shall mean services relating to Operator's review, recommendations, and suggestions, of planning documents, drawings etc. pertaining to conceptual design, architectural guidelines, schematic layouts, interior design and providing recommendation for specifications of furniture and fabrics, fire-fighting, lighting, kitchen and laundry equipment, operating equipment, specifications on uniforms, graphic design for art work, menus, signages and logos, inputs on security, communication and technology and generally to advice Owner on development matters such that the Hotel is developed and completed in accordance with Brand Standards. It is clarified that all above documents, drawings, plans etc. is in the scope of Owner's responsibility, however, the Owner is required to furnish all such documents, drawings, plans etc. prepared by Owner's appointed Architect, Interior Desinor, Project



Management Consultant, Mechanical Engineering & Procurement and BOH consultant etc. (hereinafter collectively referred to as the "Owner's Consultants") to the Operator for its review, recommendations and suggestions thereon basis upon Brand Standards/specification of the Operator.

The Owner agrees and undertakes to pay Fee for the Technical Review Services of Rs. 40,00,000 /- (Rupees Forty Lakhs Only) plus applicable taxes, to the Operator in the following manner-

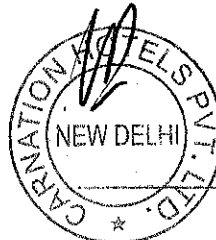
- i. Rs. 10,00,000 (Rupees Ten Lakhs only) plus applicable taxes shall be payable simultaneously with the execution of this Agreement and LOI;
- ii. Rs. 20,00,000 (Rupees Twenty Lakhs only) plus applicable taxes shall be payable within four (04) months from signing of this Agreement; and
- iii. Rs. 10,00,000 (Rupees Ten Lakhs only) shall be payable one month before the Hotel Opening Date.

All travel and incidental expenses of the Operator, its technical team(s), vendor(s), etc., shall be billed separately at actuals to the Owner.

5.2 SERVICES AT PRE-OPENING STAGE:

Pre-Opening Activities & Expenses

- A. Prior to the Opening Date of the Hotel, the Operator shall supervise and direct all pre-opening activities including recruitment and training of employees of the Hotel in accordance with the provisions of this Agreement, arranging for all necessary advertising and promotions, procurement of all Operating Supplies, arranging for opening ceremonies etc. The cost of such services, including the salaries, perquisites, relocation and accommodation expenses of Hotel employees during the pre-opening period, traveling expenses, of the personnel of the Operator deputed for the opening of the Hotel, fees and charges, if any, of other individuals and agents employed by the Operator to perform any such advisory and supervisory services, the cost of electricity, water and other utilities and the cost of advertising, promotions, opening ceremonies and other pre-opening related activities shall form a part of the pre-opening expenses in accordance with the pre-opening budget. All pre-opening expenses as per pre-opening budget shall be borne by the Owner
- B. The Operator agrees that it will take necessary action for proper staffing for the Hotel necessary for starting Hotel operations on the Takeover Date. The Operator will depute key personnel from time to time in the fields of engineering, operations, HR etc. The Owner will reimburse the Operator all payroll costs of these personnel including provident fund, gratuity, bonuses, living away from home allowance, suitable boarding and lodging, travel expenses, transportation and all other benefits accorded to these employees when at work with the Operator in accordance with the pre-opening budget.
- C. The Operator will coordinate and provide its recommended vendors for carrying out pre-opening collateral designing, pre-opening photography, videography, drone shoot etc. of the Hotel. All costs relating to pre-opening collateral designing, pre-opening photography, videography, drone shoot etc. including cost of travel, boarding &



lodging expenses of the service providers shall be treated as pre-opening expenses to be borne by the Owner before opening of the hotel.

- D. The Operator will facilitate pre-opening training of the Hotel staff as per Brand Standards and its SOPs through its recommended service provider agency. Training expenses prior to the Takeover Date of the Hotel shall be treated as pre-opening expenses pursuant to this Clause 5.2. The Pre-Opening Training Fee of **Rs. 3,00,000/-** (Rupees Three Lakhs Only) shall be paid by the Owner directly to 'Mind Leaders Learning India Pvt. Ltd.' or such other agency as may be nominated by the Operator, prior to conducting the Pre-Opening Training.
- E. All fees and cost of lawyers, accountants and charges for consultants, contractors and agents involved in pre-opening services and activities shall be deemed to be part of pre-opening expenses to be borne by the Owner.
- F. As per the Indian GAAP, all pre-opening expenses shall be capitalized as development cost of the Hotel/deferred revenue expenditure, as the case may be in the Hotel's books of account.

5.3 SERVICES AT POST-OPENING STAGE:

Marketing and Operation of the Hotel

The Owner hereby authorises, agrees and confirms that the Operator shall be the exclusive operator of the Hotel and Operator shall accordingly, subject to the provisions of this Agreement and Owner compliance with its obligations under this Agreement, supervise and direct the operation of the Hotel.

5.3.1 Operations & Marketing

- A. The Operator shall operate, supervise and direct the operation of the Hotel on behalf of the Owner as a reasonable and prudent Operator of hotels in India, in a manner that seeks to optimize the long-term efficiency and earnings of the Hotel, in compliance with Brand Standards, Laws and the annual Operating Plan.
- B. Owner recognizes and acknowledges that the efficiencies of Operator's services and Operator's obligations under this Agreement will depend upon the Owner carrying out its part of the obligations and any failure on Owner's part to carry out its part of obligations, would absolve Operator of any failure or deficiency on the part of Operator in rendering services under the Agreement.

5.3.2 Operator's Power: Operation of the Hotel

- A. Without prejudice to the general powers of operations & marketing conferred upon the Operator by Clause 5.3.1 of this Clause and so as not in any way, to limit or restrict those powers subject to the provisions of this Agreement, it is hereby expressly declared that the Operator shall have the following powers:



1. the selection, recruitment, training and assignment of duties of all personnel;
2. fixation of emoluments of all staff including fringe benefits and welfare schemes; which will be presented as a composite in the annual operation plan (AOP);
3. formulation and administration of personnel policies including transfer or termination of employment. The Parties herein expressly agree that the Operator shall have disciplinary powers on all personnel in order to maintain the operational standards at the Hotel;
4. institution and supervision of operating policies, principles, systems and procedures for all departments including purchasing as specified in more detail herein, accounting, credit management, sales promotion, public relations, front office, housekeeping, security, kitchens, restaurants, hotel engineering and maintenance, personnel, etc.;
5. institution of reporting and control systems and procedures for all departments;
6. establishment of all prices, price schedules, rates and rate schedules and collection of all revenues generated from the operation of the Hotel;
7. advising and defining process and procedures relating to administration and operation of all bank accounts of the Hotel specified in more detail herein in this Agreement;
8. advising and assisting the Owner on case-to-case basis, regarding entering into agreements, for hotel operational requirements with any Government Authority or any other third party and obtaining from any such Government or authority the necessary rights, approvals, registrations, no-objection certificates, concessions, licenses, leases and privileges in respect of the Hotel;
9. supervision and control of the outsourced activities in the Hotel;
10. negotiation and execution of requisite contracts with the vendors on behalf of the Owner for utility services, telephone, vermin extermination (pest control), security, garbage disposal and other services necessary or desirable for the operation of the Hotel;
11. to prepare the Annual Operation Plan;
12. advising on implementation of suitable control systems for books of accounts, to be kept in accordance with the Indian GAAP, requirements of the Law and the provisions of this Agreement; including control system regarding granting and limiting of credit to patrons/guests of the Hotel;
13. the negotiating and executing of contracts (revenue and cost) necessary or desirable in connection with the operation of the Hotel. the purchasing of such inventories, provisions, software, hardware, supplies and equipment as the



Operator may deem reasonably necessary in order to maintain and operate the Hotel properly;

14. carrying out of such repairs and maintenance to the Hotel as the Operator may deem reasonably necessary. All costs associated with such repair and maintenance shall be borne by the Owner and the same will be part of the Operating Expenses of the Hotel.
15. the planning, preparation of and contracting for advertising and promotional programs;
16. advising and assisting (if required) the Owner in matters of public relations related to the Hotel;
17. taking action at Law or in the name and at the costs of the Owner which the Operator shall deem under such circumstances as necessary and proper in connection with:-
 - i. the operation of the Hotel and instituting, conducting, defending, compromising, referring to arbitration and abandoning any legal or other proceedings, claims and disputes in which the Operator is a party.
 - ii. the Operator shall from time to time intimate and consult with the Owner for any proceedings or claims made in respect of the Hotel as a party including such proceedings and claims for which the Owner is liable to indemnify the Operator hereunder. Thereafter, the Owner may, at its sole discretion, control the defense or other actions to be taken and proceedings in respect thereof and the Operator shall co-operate with the Owner to the fullest extent.
 - iii. The Operator shall take Owner's permission before initiating or defending all major legal proceedings arising during the operation of the Hotel during the subsistence of this Agreement, however, all decisions related to routine operations of the Hotel shall be taken by the Operator at its own subject to intimation of all legal notices received by the Hotel/ the Operator, immediately to the Owner by the Operator, along with a copy of the notice for their information;
 - iv. providing for the appointment of any attorney or attorneys or other person or persons for and on behalf of the Owner, at the cost of the Owner, with the Owner's approval, as the Operator deems necessary for the efficient management of the business and affairs of the Hotel.

Subject to the abovesaid, the Operator may supervise, direct and control in the name and on behalf of Owner at the cost of the Owner, the defense, conduct and settlement (including the appointment of outside lawyers and advisors) of all legal actions and proceedings initiated or proceeded against the Hotel in case Hotel has become a party in any such proceedings.



18. receiving and giving effectual receipts and discharge for monies, funds, goods or properties lent to or payable or belonging to the Hotel, including the Gross Revenue which shall be paid into the Operating Accounts;
 19. the power to delegate authorities vested in the Operator to persons required to carry out specific works, requiring such a power, from time to time, restricted to the operations of the Hotel and the ultimate responsibility of such works lies with the Operator;
 20. executing, becoming parties to, and where necessary to cause to be registered all agreements, contracts, deeds, assurances, receipts and any other documents for all hotel operation contracts;
 21. generally, to perform all acts reasonably necessary in connection with the operation of the Hotel.
- B. The Owner shall, if and when required by the Operator, execute a power of attorney/board resolution and sign and deliver any other authorization (as applicable) in favor of the Operator in accordance with this Clause. Owner hereby authorizes and declares that the Operator shall have all the right, power and authority to carry on all correspondence, execute all agreements, documents and writings on behalf and cost of the Owner as are necessary limited to the scope of this Agreement and Owner hereby ratifies all such actions and deeds that Operator may decide to take without any further recourse to the Owner.
- During the Financial year, the Owner and Operator may have meetings as and when necessary, on the request of either party, to discuss the Hotel operations. The purpose of the meeting shall be to discuss the performance of the Hotel and other related issues including variations from the Annual Operation Plan for the preceding months and future plans for the Hotel. In such meetings, Hotel General Manager/Hotel Manager shall represent the Operator and may involve concerned Area Director of the Operator, if required.
- C. The Parties acknowledge and agree that the Operator shall not be responsible in any manner for any of the costs and expenses expressly excluded from Operating Expenses as defined in the term "Operating Expenses" in Clause 1.1 of this Agreement.

5.4 Staffing of the Hotel:

- A. At the cost of the Owner, the Operator shall select, recruit, train and supervise the personnel required for the operation of the Hotel for its functioning as an efficient operating unit in accordance with the Brand Standards. Operator shall fix the emoluments and benefits for the employees as it considers appropriate in a manner consistent with the policy of Operator and its Affiliates, and the AOP. Operator shall arrange to set up such benefit schemes as are agreed to be implemented for the Hotel and to operate and manage these schemes. Operator shall arrange for such training programs within and outside of the Hotel, including hotel schools, if any, and other training methods as it shall deem advisable.



- B. All costs and liabilities in connection with the operation of the Hotel, arising from employee dues and benefits, claims of employees, and amounts payable to or in respect of contract workers shall be part of Operating Expense.
- C. The terms of employment of all employees shall be as per prevailing industry norms and Operator's General Service Rules & Regulations ('GSRR') and policies, as amended from time to time. The Operator shall adhere to applicable Laws including without limitation, employment and labor laws while operating the. The Operator shall consult with the Owner before entering into any collective bargaining agreement with the Hotel employees, the Owner shall also have the right to participate in such meetings.
- D. It has been agreed that all Human Resource (HR) policies of Brand Owner/Operator's employees relevant to their stay in Lemon Tree hotels shall be extended to this Hotel also.

5.5 Training

- A. The Owner acknowledges that training of Hotel staff is necessary in order to ensure smooth operation of the Hotel in accordance with Brand Standards.
- B. The Hotel and its employees shall adopt and participate in the training programs planned by the Operator from time to time during the Term For this purpose, the Operator shall provide the training either through itself or through an agency nominated by the Operator from time to time. As at date, Operator has nominated 'Mind Leaders (India) Private Limited' for the purpose of providing such training.
- C. Training Expenses of all personnel, including for training programs conducted by the nominated company such as Mind Leaders India Private Limited shall form a part of the Operating Expenses in accordance with the Annual Operation Plan.
- D. Training expenses incurred by the Operator/its nominated company shall be payable directly to the 'Mind Leaders India Private Limited' or such other nominated agency as may be nominated and intimated by the Operator, within thirty (30) days of the presentation of the invoice to the Hotel. Training expenses shall include the expenses of training, travelling expenses, allowances, accommodation, meals, transportation, medical expenses, any other benefits and salaries of dedicated trainers exclusively allotted/deputed for the Hotel. The Owner shall enter into separate agreement w.r.t to training with Mind Leaders India Private Limited or such other agency as may be nominated by the Operator.
- E. Training expenses prior to the Takeover Date of the Hotel shall be treated as pre-opening expenses pursuant to Clause 5.2 above.

5.6 Reservations and Communication Services

- A. The Operator shall include the Hotel within-



i). Brand Owner's Central Reservation systems and communications network and provide to the Hotel the following services through such systems:

1. acceptance of reservations for the Hotel through the Brand Owner's Central Reservation Call Center ('CRC') operated by the Brand Owner or its nominated service provider(s), for customers who contact the CRC, either directly or through any other reservation office/ system to which the Operator is linked;
2. acceptance of reservations through the reservation systems of other entities within the travel industry, including without limitation, general sales agencies, with whom the Operator may have arrangements from time to time whereby the reservation systems of such entities are available to the hotels managed by the Operator;
3. use by the Hotel, of the Operator's communications network, which shall include, without limitation, any form of communication network linking various offices, agents or processing centers of the Operator; and
4. such other reservation and communication system as may be available from time to time to the hotels managed by the Operator.

B. For the purpose of linking the Hotel to the Brand Owner's reservation and communication networks, the Operator may install or cause to be installed such communication equipment, software etc. at the Hotel as may be necessary and adopted for the majority of hotels operated / managed by the Brand Owner/Operator. The Operator may either itself provide such equipment, software etc. or enter into necessary license, lease or supply contracts to procure such equipment, software, etc. at the cost of the Owner. Owner agrees and undertakes to pay the applicable cost of such equipment, software etc. and periodic maintenance thereof as may be charged by the Operator or its nominated vendor, as the case may be. The Owner hereby expressly authorizes the Operator to execute such contracts as may be necessary for providing such linkages and acknowledges that such equipment, software etc. shall not form part of the Owner's property and the Owner shall not claim any interest therein, provided if such expenditure constitutes a Capital Expenditure or lease rentals, in respect of such equipment, the same shall be payable by the Owner and not as an Operating Expense. However, costs related to maintaining such equipment, software etc. shall constitute an Operating Expense.

C. Reservations and Communication Services Fees:

The Owner agrees and undertakes to pay the Reservations and Communication Services Fees based upon 'per materialized reservation' at the rate as may be decided from time to time by the Brand Owner and to be paid directly to the Brand Owner or its nominated service provider(s), as the case may be. The Brand Owner and its nominated service provider shall be entitled to revise such Reservations and Communication Services Fee from time to time for its entire network of hotels operated as per Brand Standards. –

5.7 Marketing and Sales Services



A. Corporate Marketing and Sales Services

1. The Operator/Brand Owner has set up a robust infrastructure and network of its own to provide marketing and sales services to its network hotels operated/to be operated under the Brand Standards. Under such marketing and sales services, the Operator shall provide to the Hotel the following marketing and sales services as set out in the Operation Plan ('Corporate Marketing and Sales Services'):
 - i. inclusion of the Hotel in local, regional and global promotional programs, from the standpoint of marketing strategy, of both short-term and long-term nature. Such programs may be directed at the business, leisure, tourism, conference markets, and the participation of the Hotel shall be, to the extent deemed by the Operator, in the interests of marketing the Hotel;
 - ii. representation and promotion of the Hotel through the Operator's local, regional and national sales offices.
2. The Owner agrees and undertakes to appoint and depute such personnel at the Hotel, at its own cost, as may be recommended by the Operator to coordinate with the Corporate Marketing & Sales network, regional and national sales offices. Such personnel shall function in coordination with Corporate Marketing & Sales network of the Brand Owner and shall contribute towards sales of the entire network hotels of the Operator.
3. The Operator will integrate the Hotel into the Corporate Marketing and Sales Services, of the Brand Owner (Lemon Tree Hotels Limited). For providing Corporate Marketing and Sales Services facilities as mentioned in this Clause 5.7, an amount equivalent to 2% (Two percent) of Gross Revenue shall be charged and accounted as follows: (a) marketing fee of 1.50% (One Point Five Percent) of Gross Revenue and (b) a Brand Royalty Fee of 0.50% (Zero point Five Percent) of Gross Revenue for permitting the Branding of the Hotel as referred in Clause 2.1 of this Agreement. This fee shall be paid by the Owner directly to Brand Owner as per License Agreement.

B. Brand Website

- i. The Operator shall enable the Hotel to be linked with the website of the Brand Owner as referred in Clause 13.2 hereof, to facilitate and promote electronic trade for the Hotel through website and to ensure pan India visibility of the Hotel.
- ii. The fee towards Brand website linkage and maintenance thereof, shall be charged by the Brand Owner @ 12% (Twelve Percent) on the Net Room Revenue per materialized reservations made from the Lemon Tree Hotels website (Brand Website) (**"Reservation Fee"**).

C. Third-Party Marketing & Sales Services:



- i. To widening the sales and marketing network and boost to revenue for Hotel, the Brand Owner has set-up of network of third-party professional and reputable service providers of national/international standing engaged in the field of marketing and sales of hotels.
- ii. The Hotel Owner agrees and undertakes that it shall pay the applicable charges towards subscription, commission etc. chargeable by such third-party professionals, service providers with whom the Operator may have entered into contractual arrangements for availing such services. It is clarified that such third-party professionals, services providers as may be recommended by the Operator shall, for all intent and purpose be essential for the purpose of operating the Hotel as per Brand Standard.
- iii. The Owner agrees and undertakes to pay applicable charges along with applicable taxes ("**Third-Party Marketing & Sales Services Charges**") as per Sub-clause C (ii) of Clause 5.7 above, on or before the due date as mentioned in the respective invoice, directly to such third-party based upon subscription basis or per materialized reservation, as the case may be. The Operator and/or its prescribed professionals, service providers shall be entitled to revise such charges from time to time for its entire network hotels operated as per Brand Standards. The Hotel Owner acknowledges that delay/non-payment of such Third-Party Marketing & Sales Services Charges shall lead to suspension of the Hotel from such Third-Party Marketing & Sales Services provider's platform and Operator and/or the Brand Owner shall not be responsible for such loss of revenue to the Hotel.
- iv. The Owner agrees and undertakes that any marketing services including but not limited to the graphic and creative designs artworks for promotion of the Hotel or for any other purpose shall be availed from the vendor/service provider as may be nominated/identified by the Operator and Owner shall pay the applicable charges – specific to the Hotel.
- v. To ensure better control, the Owner agrees that corporate travel/booking agent reservation amounts including OTA amount shall be routed through Operator's bank account. Operator shall, after deducting the management fees/other dues from the amount collected from travel/booking agents/ from any other sources, transfer the balance amount to the Operating Account. Such reconciliation shall be done twice a month.

5.8 Loyalty Program & Fee

- A. The Brand Owner operates a Loyalty Program integrated with all its owned/operated hotels under Lemon Tree Hotel brands. Hotel shall participate in the Loyalty Program on the same terms & conditions as other managed hotels / resorts and undertakes to pay the applicable Loyalty Program fee. As at Execution Date, the Loyalty Program fee is @ 4.5% (Four Point Five Percent) of Net Room Revenue ("Loyalty Program Fee") earned from the Loyalty Program Members. The Loyalty Program fee may be revised at the discretion of the Operator provided however that all such changes shall apply to all hotels under Lemon Tree Hotel brands.



- B. In terms of the Loyalty Program, Loyalty Program Member(s) are entitled to book free of cost rooms at the Hotel on any day other than the Blackout Dates and subject to such rules as may be stipulated from time to time. Brand Owner / Loyalty Program shall provide redemption compensation to the Hotel for such free of cost stay by Loyalty Program Member(s), in the manner set out by the by Operator from time to time as per Loyalty Program. Hotel shall provide Room(s) and any other benefits in the Hotel, as and when so desired to be availed by a Loyalty Program Member(s) on any day other than the Blackout Dates, against the redemption to be provided by Brand Owner. During the Blackout Dates, the Hotel may choose not to accept redemption of Loyalty Program points by Members.
- C. The said payment as specified under this Clause shall be paid by the (Hotel) Owner to the Brand Owner on or before the fifteenth (15th) day of each subsequent month in arrears based on the Net Room Revenue earned from the Loyalty Program Members for the immediately preceding month. By 1st June of each subsequent Financial Year, the Operator shall deliver to the (Hotel) Owner a reconciliation statement showing the calculation and payment, as specified under this Clause for such Financial Year, and appropriate adjustments for any overpayment or underpayment of the said payment as specified under this Clause actually paid. The Party owing money shall pay such amount to the other Party within thirty (30) Business Days after delivery of such reconciliation statement to the (Hotel) Owner.

It is made clear that a Loyalty Program Member, may make bookings/reservations through OTA, global distribution system or other booking agency(ies) for which Hotel shall pay, in addition to the Loyalty Fee, the applicable charges for such bookings.

Any taxes, surcharges or any government levy of any type including but not limited to Good & Service Tax, applicable currently or in future on the above fees will be payable by the (Hotel) Owner. The law of the land is to be followed in all cases. Income Taxes on Brand Owner's income is the responsibility of the Brand Owner.

- 5.9 Any non-payment of fees as referred under this Article shall be construed as material breach of the terms of this Agreement. In case of such a breach and non-rectification thereof within stipulated timelines, the Operator shall be entitled to terminate the Agreement and further entitled to compensation as enumerated under Article XV ('Termination') of the Agreement.

5.10 Additional Services

Upon a written request from the Owner for any additional services during the Operating Term, the Operator may make available to the Owner such additional services, including without limitation, sales and marketing, training and review, insurance, internal and quality assurance auditing, telecommunications, accounting, financial planning, architectural and design, legal and such other services, either through the personnel of the Operator, or professional third parties, with whom the Operator may contract for the provision of the requested services. The costs for providing such additional services are to be mutually agreed between the Owner and



the Operator and shall be modified from time-to-time and shall be charged as an Operating Expense of the Hotel.

- 5.11 It is further clarified that the efficiencies of Operator's services and Operator's obligations under this Agreement will depend upon the Owner's carrying out its part of the obligations and any failure on Owner's part to carry out its part of obligations, would absolve Operator of any failure or deficiency on the part of Operator in rendering services under the Agreement.

ARTICLE VI

OWNER'S OBLIGATIONS

6.1. Duties of the Owner

The Owner covenants and agrees that:

- A. The Owner shall, throughout the Operating Term, maintain full ownership of the Site, Hotel, buildings, FF&E, free from and clear of any liens, encumbrances, covenants, charges, burdens and claims except for charges in connection with borrowings or credit facilities from banks, other financial institutions or other parties exclusively for construction, development or operations of the Hotel.
- B. Notwithstanding anything to the contrary contained in this Agreement, the Owner shall not, without the prior consent of the Operator, execute any contract or other instrument that is likely to have material and negative effect of diminishing, reducing or curtailing any of the rights accruing to the Operator by reason of the provisions of this Agreement or which materially and negatively affect the operations of the Hotel.
- C. Operator shall remain in operational control of the Hotel together with all FF&E, free from obstruction, interference, eviction or disturbance by the Owner or claiming through the Owner, throughout the Operating Term, subject to the terms and conditions of this Agreement.
- D. The Owner shall save and keep the Operator harmless and protected from any disturbance, obstruction or eviction or any acts of omission or commission, which in any manner would interfere with the exclusive possession and/or control and/or operation of the Hotel limited only for the purpose of controlling operations of the Hotel by the Operator. It is clarified that the Owner will continue to maintain full ownership of the Site, Hotel buildings and FF&E.
- E. The Owner shall pay and discharge all rental / lease payments, property taxes, municipal taxes, concessions, charges, and cesses payable by the Owner in respect of the Site and Hotel at Owner's cost and shall provide evidence thereof to Operator promptly upon request by Operator.
- F. The Owner shall throughout the Operating Term, co-operate with the Operator in such a manner and to such an extent as is reasonably necessary to enable the Operator to carry out the operations of the Hotel, and to exercise its rights and to perform its obligations, under this Agreement.



- G. The Owner understands and acknowledges that it is essence of contract under this Agreement that the operation of the Hotel is conducted by the Operator in accordance with Brand Standards, which may be revised and updated from time to time in the sole discretion of the Brand Owner by adopting, incorporating, including but not limited to, new technologies, digital solutions, SOPs, practices relating to employees and sales and reservation arrangement(s) with any other reputable international / national hotel chain or any other international bodies etc. for its network hotels operating under the respective brand(s). The Owner agrees and undertakes to adhere, implement and abide by, at its cost, such mandatory new Brand Standards, employees' practices (HR practices), technologies, digital solutions, quality standards/upgrades as may from time to time be revised, updated and intimated to the Owner. Fees and other charges pursuant to such modification, revisions in Brand Standards etc. pursuant to the aforementioned arrangement(s) shall be borne by the Owner and shall form part of the Operating Expenses of the Hotel, except that the modifications/changes are of capital nature.
- H. Owner shall at its own cost apply for and obtain / renew all necessary permissions, sanctions, licenses, permits etc. from the Government, municipal, local and other appropriate authorities, in connection with the development, construction, implementation and opening of the Hotel (including each of its elements and facilities) and thereafter for the operations, maintenance and upkeep of the Hotel and any further changes and developments relating to the Hotel. Operator at no time and in no way shall be responsible for any consequences arising out of delay or failure on the Owner's part to obtain, maintain, renewal and comply with such permissions, sanctions, licenses, permits etc. Operator shall only provide such reasonable assistance as required by Owner for obtaining any licenses and permits that are required to be obtained in the name of Operator or Hotel General Manager, and shall also provide routine administrative support in respect of licenses, approvals and permits that are due for renewal. The Owner further agrees and undertakes to sign, execute and deliver necessary documentations for purpose of renewal and maintaining various licenses, permissions, NOCs etc. as may be required by the concerned government authorities.
- I. The Owner shall throughout the Operating Term provide sufficient Working Capital to enable Operator to carry out the Hotel operations. The general minimum Working Capital shall be two (2) months budgeted expenses of the Hotel at any given point of time. However, Operator shall be entitled to seek additional Working Capital as may reasonably be required for on-going Hotel operations and shall provide reasonable explanation for the requested additional Working Capital. Such additional working capital funds shall be made available by the Owner for the Hotel as advised by the Operator, keeping in view the cost of operations necessary to maintain Brand Standards.
- J. Owner shall make timely and regular payments, before the due dates, of interest and principal amounts and any other charges in respect of any loans taken by Owner to finance the construction of the Hotel, or refinance the aforesaid loan. The Owner hereby agrees if operating control of the Operator qua Hotel is disturbed, hindered or restricted in any manner whatsoever, due to default in debt-service by Owner, the



Operator shall have right to terminate this Agreement forthwith and to recover Pre-mature Termination Fee.

- K. The Hotel shall conform to the Brand Owner's Safety Standards and relevant statutory/regulatory norms pertaining to Hotel building safety, abiding with norms for installation and operation of lifts, escalators, swimming pool, electricity infrastructure, fitness center, etc. and adhere to the conditions relating to the approved fire safety norms etc. of the Hotel prior to the Takeover Date of the Hotel. Owner undertakes to cooperate and abide by the advisories and recommendations as may from time to time be given by the Operator to maintain aforesaid Safety Standards during the Term of this Agreement.
- L. Hotel shall source all Operating Supplies and amenities including guest supplies through the Operator approved suppliers only as these suppliers have been identified to satisfy uniform quality and standards of all Brand hotels. The Owner has also implemented at the Hotel property management systems ('PMS') and software approved and recommended by the Operator in order that consistent guest / customer data exchange can be implemented in line with protocols established by Operator for all Brand hotels and to enable that Operator is able to meet its obligations under this Agreement. Further, the selection of all Furniture, Equipment and Equipment to be ordered, installed in or supplied to the Hotel, as may be required from time to time, shall be as determined by Operator in consultation with Owner. The Owner acknowledges and recognizes that certain proprietary / centrally arranged / negotiated supplies may be procured from, or by, Operator affiliates and nominated suppliers. he
- M. The Owner shall on request by the Operator do, execute and perform all such deeds, acts, matters and things as the Operator may require in order to obtain any approval (s) from the relevant authorities.
- N. The Owner shall indemnify the Operator from and against any and all actions, proceedings, claims, demands, liabilities or losses brought by third parties against the Operator as a result of or in respect of any act or omission on the part of the Owner except for any action, proceeding, claim, demand, liability or loss brought by a third party which is a result of the Operator's gross negligence or willful default.
- O. In order to strengthen compliance management system, the Operator /Brand Owner has implemented a Compliance Management Software and engagement with M/s Legasis Services Pvt. Ltd. ('Legasis') to manage compliances for all its network hotels. Owner agrees and consents to implementation of the Legasis software for the compliance management at the Hotel with a one-time implementation cost of **Rs. 55,000/-** (Rupees Fifty Five Lakhs Only) and annual management cost of **Rs. 10,000/-** (Rupees Ten Thousand Only) as may be revised from time to time for all Brand hotels.
- P. Operator shall for and on behalf of the Hotel and at Hotel cost, conduct special audits/internal audits by the Internal Auditors/Operator's officials, at the cost of the Owner, at least once in every six (6) months in a Financial Year (i.e. at least twice in a F.Y.) at its sole discretion, to monitor compliance at the Hotel. Hotel shall made timely payment of the agreed fee to the audit professional or agency. Further, the Owner and Hotel shall comply with the recommendations of the Internal



Auditor/Operator, in respect of the audits, within the prescribed timelines, including any corrective action to be initiated by Operator. Any failure/refusal on part of the Owner / Hotel to conduct such internal / special audits shall be a material breach by Owner and may lead to termination of the Hotel Operating Agreement forthwith at the sole discretion of the Operator and consequences of termination including payment of Pre-Mature Payment Fee by the Owner to the Operator as prescribed in Article XIV (Assignment and Sale of the Hotel) of this Agreement.

- Q. The above responsibilities and obligations of the Owner are not exhaustive and have been grouped together and listed above only for the sake of convenience. Other responsibilities and obligations elsewhere stated in this Agreement will have equal effect and be binding on the Owner.

ARTICLE VII

COMPENSATION AND MANNER OF PAYMENT

7.1. Fees

For providing Hotel operation services by the Operator in accordance with terms and conditions of this Agreement, during the Term, the Owner shall pay to the Operator, the Base Fee and the Incentive Fee in the manner set forth herein:

- A. **Base Fee:** The Base Fee shall be calculated as follows:

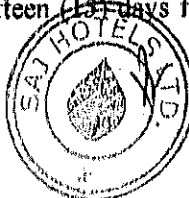
2.25% (Two Point Two Five Percent) of Gross Revenue of the Hotel on English calendar monthly basis.

- B. **Incentive Fee:** The Incentive Fee shall be calculated as follows:

Sl. No.	GOP Slabs	Incentive fee payable on GOP
1.	upto & including 30%%	Nil %
2.	Greater than 30% & upto 35%	2%
3.	Greater than 35% & upto 40%	4%
4.	Greater than 40% & upto 45%	5.5%
5.	Greater than 45% & upto 50%	7%
6.	above 50%	8.5%

The Incentive Fee shall be determined for each financial year and shall not be adjusted for the results of any preceding or subsequent financial year.

The Owner shall pay on or before expiry of fifteen (15) days from the date of receipt of invoice from the Operator, the Base Fee monthly in arrears based on the Gross Revenue of the Hotel for the immediately preceding month. Owner shall pay on or before expiry of fifteen (15) days from the date of receipt of



invoice from the Operator, the Incentive Fee monthly in arrears based on the Gross Operating Profit for the immediately preceding month.

By 1st May of each subsequent Financial Year, the Operator shall deliver to the Owner a reconciliation statement showing actual fee payable based on the final audited Gross Revenue, Gross Operating Profit and total Fee (Base fee and Incentive fee) paid during such Financial Year, and appropriate adjustments for any overpayment or underpayment of the Fee actually paid shall be done accordingly. The Party owing money shall pay such amount to the other Party within thirty (30) Business Days after delivery of such reconciliation statement to the Owner. For any delay of payment, due and payable under this Agreement shall attract interest at 18% per annum for the period of delay i.e. the period from due date of payment till actual date of payment, such interest to be levied at the discretion of Operator.

- C. All payments to the Operator shall be subject to deduction of tax at source. Any taxes, surcharges or any government levy of any type including but not limited to Goods & Service Tax, applicable currently or in future on the above fees will be payable by the Owner.

7.2. Reimbursable Expenses

A. Reimbursements of Expenses:

The Operator shall be entitled to receive from the Owner, within fifteen (15) days from the end of each calendar month in which the charges are invoiced, reimbursement of costs or providing or causing to be provided any services including but not limited to the additional services pursuant to Clause 5.10 of this Agreement. Without prejudice to the generality of the foregoing, the Owner expressly covenants and agrees to reimburse the following expenses to the Operator:

1. All traveling, telephone, telegraph, subsistence, telex, postal, and other expenses incurred by the Operator while engaged in the operation of the Hotel
2. Any travel cost or related out-of-pocket expenses of the Operator's personnel, other than the ones on the direct payroll of the hotel, incurred specifically in relation to the Hotel.
3. The fees and reimbursable expenses payable to the consultants or specialized personnel employed or retained by the Operator as per the Operation Plan for the operations of the Hotel.

7.3 Manner of Payment

The Parties herein agree that during the Operating Term of this Agreement, the payments shall be paid out in the following manner:

- A. Within fifteen (15) days from the end of each calendar month of operation of each Financial Year during the Operating Term, the Gross Revenue and the Gross



Operating Profit of the Hotel shall be determined by the Operator, the fees and other charges / payments due to the Operator pursuant to Clause 7.1 and 7.2 shall be computed and invoice shall be raised by the Operator. The Owner undertakes to pay such invoice(s), raised by the Operator, within 7 (seven) days from the date of receipt of such invoice(s). Any delay in making payment shall attract penal interest as per Clause-7.1 (B) hereof.

- B. Operator shall, within about 30 days from the end of each Financial Year determine the Gross Revenue and the Gross Operating Profit from the Hotel for the previous financial year and accordingly determine the Base Fee, Incentive Fee, Sales & Marketing Fee and other charges computed with reference to Gross Revenue, for the said financial year. These amounts shall be compared with the aggregate of the amounts billed on a monthly basis to Owner. Any shortfall of billing shall be recovered through a supplementary bill raised for each item and such amount shall be paid by Owner / Hotel to Operator within 15 days of receipt of invoice. Any excess of billing shall be reflected by a credit note issued by Operator in favour of Owner / Hotel and such excess amount adjusted against the next instalment of fees and charges payable to Operator or otherwise received from Operator within 15 days of issue of credit note, as agreed between Parties.
- C. Within thirty (30) Business Days from the termination of this Agreement, including by way of early termination for any reason, the Owner shall render accounts to the Operator. Basis upon such accounts, Operator shall compute the Fees and charges due and raise an invoice for such amounts, these invoices shall be paid by the Owner within 5 Business Days of being received from the Operator.

ARTICLE VIII

GENERAL COVENANTS OF THE OPERATOR

8.1 Books and Records

During the Operating Term, the Operator shall advise and supervise the Hotel staff deployed in finance team of the Hotel for maintaining full and adequate books of account pertaining to the Hotel and other records in accordance with the Indian GAAP in the accounting software as suggested by the Operator which will reflecting the results of operation of the Hotel on an accrual basis. All books of accounts and all other records shall be kept in the Hotel and shall always be deemed in the custody and control of the Owner. However, said books of account shall at all times be available to the Operator.

8.2 Reports

The Operator shall deliver to the Owner:

- A. Not later than 15 days from the end each calendar month, a profit and loss statement, showing the results of the operation of the Hotel for the calendar month, compared with the budget, and the actual and budgeted year to date amounts for revenue and



expenses. The Profit and Loss statement shall be in the standard format adopted by Operator for its Brand Hotel and such statements shall be prepared from the books of account of the Hotel to be provided by the Owner to the Operator;

- B. The Owner shall ensure that within twenty (20) Business Days after the expiration or earlier termination of this Agreement or within such extended days as may be mutually agreed in writing between the Parties, all books and records relating to the operation of the Hotel are completed and all details/documents etc. as may be required by the Operator pertaining to the period before expiry or termination of the Agreement shall be delivered to the Operator.

8.3 Annual Operation Plan or Operating Plan

- A. First Annual Operating Plan of the Hotel shall be prepared for the Financial Year subsequent to the Financial Year in which six months of operations under the Brand is completed.
- B. At least before 1st March, prior to the commencement of each Financial Year, the Operator shall prepare a draft Annual Operation Plan for the forthcoming Financial Year and provide this to Owner for Owner review and comment. The Operation Plan shall comprise of: -
1. projected estimate of Gross Revenue;
 2. budget for Operating Expenses, including for routine repairs and maintenance necessitated due to normal wear and tear;
 3. estimated projection of cash flow and monthly Working Capital needs
 4. budget of FF&E expenditure, which will include the expenditure for replacement and renewal of furniture, fittings, fixtures and equipment other than routine repairs and maintenance necessitated due to normal wear and tear;
 5. Capital Expenditure Budget separate to the FFE budget;
 6. annual marketing plan for the Hotel;
 7. Competitive market data based on available reports.
- C. Within 15 days of submission of the draft Annual Operation Plan, Owner shall provide any comments on the draft plan, sufficiently detailing the reasons underlying the comments. Owner shall meet with the General Manager of the Hotel, or a regional management person from Operator as may be necessary, to discuss Owner comments and suitably incorporate these into the Annual Operation Plan to the extent acceptable to Operator.
- D. In the event that the Owner and Operator are not in agreement over the Annual Operation Plan on any matter, then senior representatives of Operator shall promptly meet with the Owner to discuss and resolve the differences, with the intent that the Annual Operation Plan is agreed and finalized before commencement of the Financial



Year. In the event both the Parties are unable to reach an agreement they shall refer the disputed item / items to an Expert for resolution. The Expert's decision shall be binding to the Parties hereof. The cost of the Expert shall be an Operating Expense of the Hotel. Pending Expert's decision on the matter, the operations of the Hotel shall be carried out based on the aggregate of (a) the agreed plan for the items in respect of which there is no pending dispute; and (b) in respect of the disputed item, the amount that was incurred for the preceding financial year increased by 7% to reflect inflation adjustment.

8.4 Service and Quality Standards

- A. The Owner acknowledges that Hotel shall be in compliance with all Brand Standards including policies, guidelines and requirements of the Operator and covenants to be bound by and to comply with such Brand Standards, as updated and amended from time to time by the Brand Owner provided that the Brand Standards are applied to substantially all hotels operated by the Operator under the Brand. The Operator reserves the right to make amendments and additions to the Brand Standards in order to maintain and regulate the quality of services provided at the Brand hotels, provided that such changes apply to substantially all Brand hotels of the Operator. Any Capital Expenditure required to be incurred for the Hotel in order to comply with the Brand Standards shall be the responsibility of the Owner and the Owner agrees that any action of any nature required of the Owner shall be undertaken promptly within the deadlines prescribed by the Operator in this behalf.
- B. The Owner acknowledges that Brand Standards is the intellectual property of the Brand Owner, with solely Brand Owner having all right, title and interest in it to the exclusion of any other person or entity. Accordingly, the Owner covenants and undertakes that notwithstanding anything contained in this Agreement, the Owner shall keep the Brand Standards confidential and protected, to disclose the Brand Standards strictly on a need-to-know basis, and to not disclose or permit access to the Brand Standards to any person or entity not under its control. Further, the Brand Standards shall remain the exclusive property of the Brand Owner and on the expiry or earlier termination of this Agreement, the Brand Standards and all copies thereof shall be promptly returned to the Operator/Brand Owner, notwithstanding the pendency of any claims or rights hereunder.
- C. The Operator the Operator may highlight the critical points raised by internal auditor pertaining to the Brand Standards and compliances along with steps required to be taken on the part of the Owner in this regard. The Owner agrees and undertakes to take all requisite steps, at its cost and endeavours to ensure strict compliance of Brand Standards, in time bound manner as stipulated in the aforementioned report(s).
- D. Prior to Branding of the Hotel, the Operator shall require the Owner to take such steps as it may consider necessary, in order to bring the Hotel in full compliance with the Brand Standards. The Operator shall have right to inspect the Hotel and related infrastructure before Takeover Date, at the cost of the Owner and subject to outcome of the inspection to the satisfaction of the Operator, Takeover Date shall be decided accordingly and intimated to the Owner in writing.



- E. The Operator may require the Owner to take such steps as it may consider necessary from time to time in order to bring the Hotel in compliance with the changes, revisions in the Brand Standards, if any, provided such revisions has been planned for significantly all hotels operated by the operator under the Brand. To the best extent possible, the expenses shall be identified in the Annual Operation Plan; however, Parties acknowledge and agree that changes may be required during the year for other items and particularly for items impacting fire and life safety or for purpose of regulatory compliances.

8.5 Operator Obligations

- A. In the performance of its duties and functions hereunder, the Operator shall at all times use reasonable efforts, act with diligence and exercise prudence to promote the long-term profitability and interests of the Hotel.
- B. During the Operating Term, the Operator shall remind and assist the Owner for timely renewal and maintenance of all statutory requirements for the smooth functioning of the Hotel. It is a clear understanding that during the Operating Terms the Owner shall at its own cost apply for and obtain all necessary permissions, sanctions, licenses, permits etc. from the appropriate authorities, Government, municipal or otherwise as the case may be in connection with the operations of the Hotel and the Operator at no time and in no way, will be responsible for any consequences arising out of delay or failure on the Owner's part to apply, obtain, maintain, renewal and comply with such permissions, sanctions, licenses, permits pertaining to the Hotel. It is further clarified that prior to the Takeover Date of the Hotel, the Owner shall be responsible, with the Operator's assistance, for the timely compliance of all the statutory requirements for the smooth functioning of the Hotel's operation.

8.6 Additional Facilities

The Owner shall not add more rooms to or make any other alterations, additions/changes, in the Hotel or buildings on the Site without the prior written approval of the Operator. However, if the Owner undertakes other business viz. airlines catering, outdoor catering etc. from the Hotel/Site, all such additions or ventures specified above shall be operated by the Operator as part of this Agreement on the terms and conditions as may be mutually agreed and executed in the form of an addendum to this Agreement, unless Operator opts not to operate aforesaid additions or ventures including additional rooms. The costs for providing such additional services are to be mutually agreed between the Owner and the Operator and shall be modified from time-to-time as per mutual discussion and agreement.

8.7 Powers to Sub-Contract & Assignment

The Operator shall have the right to assign this Agreement to any other Affiliate Company which the Operator thinks fit provided the ultimate responsibility of such works lies with the Operator. All services to be rendered by Operator under this Agreement shall be assignable by Operator to any of its holding companies, subsidiary, nominee and/or associated companies.

8.8 Third Party Managed / Licensed Areas in the Hotel



- A. The Parties acknowledge that certain areas of the Hotel premises, such as the retail, restaurant and bar (related services), ("**Third-Party Operated Areas**") may be managed / operated / licensed by third parties (the "**Third-Party Operators**") under operating or similar agreement.
- B. The operations of any Third Party operated Area by a Third-Party Operator and a selection of Third-Party Operator for such Third Party Operated Area, shall be decided by the Operator. All Third-Party Operators shall operate the Third-Party Operated Areas in accordance with the Brand Standards and all other terms of this Agreement. All revenues from Third-Party Operated Areas shall be included in the Gross Revenue of the Hotel.
- C. In respect of Travel desk related services, notwithstanding anything to the contrary contained herein, the net income generated from the Travel desk related services, shall be included in the Hotel's Gross Revenue for calculation of the Base Fee, Incentive Fee and the Sales and Marketing Fee.

ARTICLE IX

REPAIRS AND MAINTENANCE

9.1 Repairs and Maintenance – Routine

The Operator shall advise the Owner to effect and/or procure for all necessary routine repairs and maintenance in and to the Hotel as may be required, from time to time, in order to maintain the Hotel in good repair and condition. The Owner shall incur aforesaid expenditure from time to time, as in the Operator's opinion and sole discretion, are necessary for repairs and maintenance of the Hotel in order to maintain the same as per Brand Standards in accordance with the Annual Operation Plan or otherwise approved by the Owner.

9.2 Structural repairs and changes, alterations and changes required by Law

- A. In the event that at any time during the Operating Term of this Agreement, structural repairs or structural changes to the Hotel are required by reason of any Laws, ordinances, rules or regulations now or hereafter in force, or by an order of any Governmental Authority, such repairs or changes shall be made and paid for by the Owner. The time schedule as may be prescribed in the respective Law, Governmental directives for such repairs or changes shall be adhered to mutually by the Operator and the Owner at the same time ensuring minimum hindrance to the operation of the Hotel with due regard to the provisions of local Laws.
- B. The Operator may direct the Owner to effect any alterations, additions and improvements, structural repairs or changes, not provided for in the preceding paragraphs of this Clause, if in the opinion of the Operator, such changes are necessary in order to meet and comply with the life, health, safety and environmental standards as may be applicable under the relevant law or to comply with the Brand Standards prescribed by the Operator.

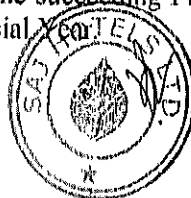


Provided, however, that no structural alterations, additions or improvements involving a fundamental change in the character of the building shall be advised by the Operator to the Owner nor shall the Owner be under obligation to change fundamental strengthening structure of the Hotel.

- C. If the Owner fails and/or neglects to implement the requisite alterations, structural changes, repairs etc. as required under this Clause 9.2, the Operator shall be entitled to carry out such alterations. The costs for providing such alterations and structural changes shall be borne by the Owner.

9.3 Reserves for Replacement and Renewal of FF&E

- A. The Owner shall maintain the Hotel in good repair and condition and in conformity with applicable Laws and regulations and in accordance with the Brand Standards.
- B. The Owner shall maintain funds in 'FF&E Reserve Account' to be created and maintained by the Owner in accordance with Clause 10.1 and this Clause 9.3 of this Agreement, wherein the Owner shall credit each Financial Year, an amount equivalent to 1% (One Percent) of Gross Revenue for the 1st year, 2% (Two Percent) of Gross Revenue for 2nd Year, and 3% (Three Percent) of Gross Revenue for 3rd year onwards (Three Percent) for the remaining term of the Agreement.
- C. The funds accumulated in FF&E Reserve Account shall be used by the Owner only for the purpose of replacement and renewal of FF&E of the Hotel in accordance with the approved Annual Operation Plan to the extent it relates to the use of FF&E Reserve. Any sale proceeds of the FF&E of the Hotel during the year shall be deposited to the FF&E Reserve Account.
- D. The Owner shall keep proper records and accounts of the sums spent from the FF&E Reserve Account and will furnish yearly statements of account to the Operator.
- E. The Owner shall be able to utilize the surplus funds available in the FF&E Reserve with the prior approval of the Operator provided that the amounts so withdrawn are replenished within fifteen (15) days of request from the Operator to do so. Notwithstanding the above, the Operator shall have the right to adjust such funds from the Owner's monthly sweep out of the amount collected and routed through the Operator's account from Third Party Travel Agents/ other OTAs, if the Owner does not replenish such funds within the stipulated timeframe.
- F. It is expressly understood and agreed by the Parties hereto that the amount transferred to the FF&E Reserve Account shall not form a part of Operating Expenses and will be not be deducted in arriving at Gross Operating Profit. The outstanding balances in the FF&E Reserve Account and all assets acquired out of the funds standing to the credit of the FF&E Reserve Account shall become the property of the Owner.
- G. The balance remaining to the credit of the FF&E Reserve Account at the end of each Financial Year shall be carried forward to the succeeding Financial Year in addition to the amount to be deposited for that Financial Year.



11. If, in the reasonable opinion of the Operator, additions are required to the initial inventory of the FF&E for the efficient operation of the Hotel, the expenditure therefore shall be considered as Capital Expenditure and accordingly paid from Owner's own funds and not from the FF&E Reserve.

9.4 Capital Expenditure, Capital Expenditure Budget and Capital Assets

A. Capital Expenditure

1. Capital Expenditure shall mean and include the cost of all additions, alterations, modifications, replacements, improvements or changes to the uilding, plant and machinery and FF&E (save and except Repairs and Maintenance as provided for in this Clause 9.1 hereof and all additions, replacements etc effected using FF&E reserve) as deemed necessary or desirable or useful for the operation of the Hotel.
2. All Capital Expenditure shall be made by the Owner at the Owner's cost and expense based on the approved Capital Expenditure Budget.

B. Capital Expenditure Budget

1. Together with the Annual Operating Plan, the Operator shall submit to Owner, for Owner's approval, a Capital Expenditure Budget showing the requirement of Capital Expenditure for such Financial Year. The draft Capital Expenditure Budget shall be reviewed, discussed and approved by Parties in like manner as the operations related budget, including the resolution of any disputes/ disagreements between Owner and Operator. The approved Capital Expenditure Budget shall be implemented by Owner and Operator in the manner, and with the respective responsibilities, agreed between Parties. Owner shall provide timely funds for the execution of the Capital Expenditure Budget, such funds to be made available at least thirty (30) Business Days before stipulated expenditure according to the Capital Expenditure Budget.

C. Capital Assets

All proceeds from the sale of Capital Assets shall be credited against the Capital Expenditure of that Financial Year and shall not form a part of Gross Revenue.

ARTICLE X

ACCOUNTING MATTERS

10.1. Bank Accounts:

The Owner shall during the subsistence of this Agreement maintain following three (3) current accounts in respect of the Hotel-

- i). "Hotel Income Account"



ii). "Hotel Expense Account"

iii). "FF&E Reserve Account"

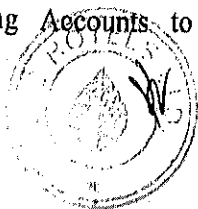
with any Bank located in such area as the Parties to the Agreement may mutually decide. The Bank Account shall be opened in the name of the Hotel by the Owner with written notice & information to the Operator.

All receipts of moneys arising out of Hotel operations and other activities of the Hotel shall be deposited in "Hotel Income Account". All the expenses incurred by the Hotel shall be paid out of and from "Hotel Expense Account". 'FF&E Reserve Account' shall be maintained by the Owner to create a fund to be used only for the purpose of replacement and renewal of FF&E of the Hotel as stipulated under Clause 9.3 hereof. All these three bank accounts will be operated by the Owner in supervision with the Operator and shall jointly be referred as the Hotel 'Operating Accounts'.

The Hotel Expense Account shall be used to meet all expenses as mentioned above and shall be operated jointly by Hotel General Manager and head-Finance & Accounts deputed at the Hotel, under general administrative control and supervision of the Operator. The Owner shall ensure that aforementioned two officials are given signing authority for the aforesaid Hotel Expense Account. Fees payable to the Operator under the provisions of this Agreement are to be treated as an expense and will be paid from the Hotel Expense Account.

10.2 Working Capital:

- A. The Owner acknowledges and covenants that the Owner shall initially and throughout the term of this Agreement provide and arrange for Working Capital and cash flows sufficient to ensure the uninterrupted efficient operations and effective continuance of operations of the Hotel as required and communicated by the Operator and otherwise stated in this Agreement.
- B. The Bank Account shall be opened in the name of the Hotel as may be designated by the Owner (with notice to the Operator). The Operator shall have no liability or responsibility for any loss resulting from the insolvency, malfeasance or nonfeasance of the bank or banks in which the said accounts are maintained or funds are deposited unless such loss is a result of the Operator's gross negligence or willful misconduct.
- C. The Owner shall ensure that by 5th of every month, all requisite data, information, as may be required by the Operator to prepare P&L statement of the Hotel, is provided, transferred to the Operator. Subject to receipt of required information, data from the Hotel, the Operator by the fifteenth (15th) of every month will give to the Owner, P&L statement of the Hotel for the previous month, detailing the income and expense of that month. The Operating Expenses as reflected in above monthly P&L statement plus the statutory dues for that month and the Operator's and Brand Owner's fee for that month shall be added to arrive at the monthly total fund requirement for the Hotel.
- D. The Owner shall ensure that at all times adequate funds are available in the said Hotel Operating Accounts to meet all the expenses relating to the operation and



maintenance of the Hotel as per the Operation Plan and other approved expenses. The Owner covenants and agrees that it will arrange to meet any shortfall of funds required for the operation of the Hotel or as otherwise stipulated elsewhere in this Agreement.

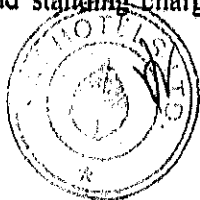
- E. The Parties hereto acknowledge that the funds in the Operating Accounts shall belong to the Owner, but the Owner's right to receive such funds during the Operating Term is governed exclusively by the terms of this Agreement. The Owner shall bear all losses occasioned by the failure or insolvency of the bank in which the Operating Accounts are maintained unless such losses are a result of the Operator's gross negligence or willful misconduct.

ARTICLE XI

INSURANCE

11.1. Types of Insurance

- A. Fire, Earthquake, Strike and Riot Insurance: The Owner covenants and agrees that, at all times during the Operating Term of this Agreement, it shall procure and maintain adequate insurance of the full insurable value thereof with responsible and reputed insurance companies against all risk, including, loss or damage to the Hotel and its contents from fire, earthquake, explosions, strike, riot, war, civil commotion, terrorist acts, flood, cyclone and such other risks and casualties as shall be customarily insured against with respect to hotels of similar character with the consent of the Operator. The Owner shall also procure and maintain such other and further insurance upon the Hotel, which may be required by the terms of any mortgage, which is in effect upon the Hotel, or any other instruments to which the Owner is a Party. The premium on such insurance shall be an Owner's expense. The Owner shall apply the proceeds of the aforesaid insurance policies for the purposes of repairing, rebuilding and replacement of assets of the Hotel such that the Hotel shall be substantially the same as prior to such damage or destruction as mentioned under Clause 15.4.
- B. Liability Insurance: The Owner will also procure and maintain through the Operator's umbrella insurance policy or through its own individual policy adequate Public Liability Insurance, Elevator Liability Insurance, Workmen's Compensation, Employer's Liability, Fidelity Insurance (to cover the signatories of the Operating Accounts), insurance against theft or damage to guests or property or similar insurance in such amounts as may be required under all applicable Laws or which the Operator shall deem advisable for fully protecting both Parties hereto against all claims, liabilities and losses whatever asserted, determined or incurred arising from or out of the operation of the Hotel. The premium on such insurance shall form a part of Operating Expenses.
- C. Consequential Loss of Profit Insurance: The Owner shall, in consultation with the Operator, maintain through the Operator's umbrella insurance policy or through its own individual policy a consequential Loss of Profit insurance policy insuring the profits and standing charges of the Owner in respect of the Hotel operations for a



period of indemnity for not less than twelve (12) months. The premium on such insurance shall form a part of Operating Expenses.

- D. Other Insurance: The Owner shall procure and maintain other insurances against such other operating risks as the Operator shall reasonably deem necessary or desirable. The premium on such insurances shall form a part of the Operating Expenses.

The Owner shall place the above insurances with insurers of good standing selected with the advice of a licensed insurance broker or participate in the Operator's umbrella insurance policy at its own election.

11.2. Inspection of Policies

- A. The Owner agrees to produce, at the request of the Operator, for the inspection of the Operator from time to time and particularly, at the commencement of the Operating Term of this Agreement, the original insurance policies or certificates covering all insurances under this Clause, and not less than thirty (30) Business Days before the expiry of the then existing policies, such policies, renewals of policies or certificates specified under this Clause.
- B. Compliance with Regulations: The Operator shall, as required by the Owner, and to the best of its knowledge and information, comply with all rules, orders, regulations and requirements imposed by, or in connection with, or affecting policies of fire, public liability and any other form or type of insurance upon the Hotel or in connection with the occupancy or operation of the Hotel by the Operator, concessionaires or licensees in the Hotel or any other person.
- C. Neither of the Parties shall do or cause to be done any acts of omission or commission which are likely to adversely affect the said policies or any rights there under.
- D. Proceeds of insurance policies provided for in Clause 11.1 (C) shall be treated as part of the Gross Operating Profit of the Hotel.
- E. All policies of insurance shall name as 'insured', the respective interests of the Owner and the Operator. The Owner shall ensure that all policies of insurance stipulate that the insurance companies will have no right of subrogation against the Owner and/or any of their employees' representatives or agents.
- F. The Owner assumes all risks and responsibilities of taking out insurance and / or in connection with the adequacy of any insurance and relieves Operator of and all obligations in this regard and waives all claims against Operator or Operator's agents or Operator's representatives or Operator's employees for any liability, cost or expense arising out of any uninsured claim in part or in full of any nature whatsoever.
- G. In the event of any liability in connection with the operation of the Hotel arising from any claims not covered by insurance the amount thereof shall be to the account of the Owner and Owner shall be solely liable and responsible for the same.



11. Neither of the parties shall do or cause to be done any act of omission or commission which will adversely or prejudicially affect the said policies of insurance in any manner.

ARTICLE XII

INDEMNIFICATION

12.1 The Parties hereby acknowledge and agree that:

- A. Notwithstanding anything to the contrary contained herein, the Operator shall not be liable under any circumstances, whether in contract or in tort, for any loss or damage including, without limitation, claims on the grounds of loss of profits, loss of reputation, loss of alternative business opportunities or loss due to third party claims suffered by the Owner and/or its clients.
- B. Notwithstanding anything contrary stated herein, the Owner shall solely be liable for all liabilities, costs, claims, damages etc. that may arise at any time in relation to the ownership, operations, and management of the Hotel, and any work done or carried out at or for the Hotel including development, repairs, renovations, replacement, Capital Expenditure and the like nature of expenditure whether incurred upto the Takeover Date or thereafter during the Operating term of the Agreement.
- C. The provisions of this Clause shall apply to any claims brought by a third party to which the indemnities given by the Parties in the Clause above apply:
1. the party who receives the benefit of an indemnity to which this Clause applies (the "**Indemnified Party**") shall notify the other party (the "**Indemnifying Party**") as soon as the Indemnified Party becomes aware of the Claim;
 2. the Indemnified Party shall not make any admissions which may be prejudicial to the defense or settlement of the Claim;
 3. within ten (10) Business Days after receipt of the notice referred to in this Clause, the Indemnifying Party may notify, in writing, the Indemnified Party of its decision to, at its own expense, conduct any defense and investigation, litigation, all negotiation and settlement relating to the claim provided that where there is an impact on the Indemnified Party, the Indemnifying Party shall consult on a reasonable basis with the Indemnified Party in relation to such claim. The Indemnified Party shall, at the reasonable request of the Indemnifying Party and at the Indemnifying Party's expense, provide the Indemnifying Party with reasonable assistance for the purpose of investigating and responding to any claim;



4. the Indemnifying Party shall, at the reasonable request of the Indemnified Party, provide the Indemnified Party with reasonable assistance for the purpose of evaluating and responding to the claim; and
5. if the Indemnifying Party does not assume full control over the defense and investigation, litigation, negotiation and settlement of a claim, the Indemnified Party shall have the right to defend and investigate, litigate, negotiate and settle the claim in such manner as it may deem appropriate, at the cost and expense of the Indemnifying Party.

12.2 Owner's Indemnification:

The Owner hereby covenants and agrees to indemnify the Operator and its shareholders, directors, officers, employees agents and representatives against any claim, loss, damage, decree, penalty including costs and expenses incidental thereto (a) from any third party, due to any action or omission on the part of the Owner or its officers, employees, agents or representatives pursuant to this Agreement and (b) from any third party for any loss of profits, loss of reputation, loss of alternative business opportunities and the like that may be claimed and incurred, suffered by the Operator.

The Owner hereby covenants, undertakes and agrees to indemnify and keep indemnified and otherwise save harmless, the Operator, its agents, employees and representatives from and against all losses, damages, claims and demands which the Operator, its directors, employees, representatives and agents may suffer or incur, as well as, all actions, suits and proceedings which they may face and all costs, charges and expenses relating thereto, arising out of:

any breach, violation or non-compliance on the part of the Owner or its directors or employees or agents, of any statutory provisions including any rules, regulations, bye-laws and lawful directions of public authorities;

any execution, attachment or like proceedings being initiated against the Owner which directly affects or concerns the Hotel or the Hotel Brand or Goodwill of the Operator or any rights or obligations of the Operator under this Agreement;

failure or negligence on the part of the Owner to comply with the statutory or government rules or regulations despite the advice of the Operator;

failure or neglect on the part of the Owner to fulfill or perform any of its covenants/ obligations or breach of representation and warranties under this Agreement;

any action or inaction on the part of the Owner or its Directors or employees or agents;

any actions, proceedings, claims, demands, liabilities or losses brought by third parties against the Operator as a result of or in respect of the activities or business of the Owner; and

breach of any obligations, representations and/or warranties given by the Owner to the Operator under this Agreement.



The Owner hereby acknowledge that the foregoing shall not be construed to limit the Operator's right to pursue its contractual damage remedies against the Owner in connection with any event of default under this Agreement by the Owner.

12.3 Operator's indemnification to Owner: Operator shall indemnify Owner against any claim arising from the gross negligence and willful default of the Operator.

ARTICLE XIII

TRADE NAME

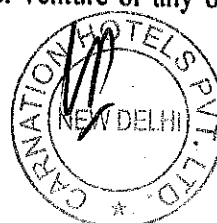
13.1. Intellectual Property Rights

- A. During the Operating Term, the Hotel shall be known and designated as "**Lemon Tree Resort**" or by such other name, as from time to time may be mutually agreed in writing by the Hotel Owner, the Operator and the Brand Owner.

In terms of the Licence Agreement, Owner shall have a limited non-exclusive right to use the Brand in relation to the Hotel during the Term of that Agreement and the right to use the Brand for the Hotel shall only be exercised and controlled by Operator in accordance with this HOA.

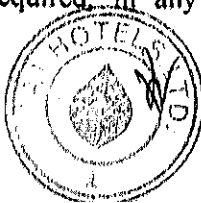
In this regard, the Owner agrees and undertakes that immediately from the time of receipt or issuance of notice of termination of this Agreement and / or the License Agreement, the Owner can use the licensed brand name only till expiry of the termination notice period provided that the Hotel is under Operator's control, however,

1. the Owner shall not have any right or interest in any of the Intellectual Property Rights of the Operator and / or the Brand Owner, including but not limited to the brands 'Aurika' / 'Lemon Tree Premier' / 'Lemon Tree' / 'Lemon Tree Hotels' / 'Red Fox Hotels' / 'Keys Prima' / 'Keys Select' / 'Keys Lite' and related mark(s) under any circumstances whatsoever;
2. That the Hotel Owner shall not ever challenge or attempt to register or record the said Brand/Trade Name / Trademarks of the Operator and / or the Brand Owner as such or in any modified form or manner or use or attempt to register or record any such Brand/Trade Name / Trademarks of the Operator and / or the Brand Owner which is either in whole or in part of the same or similar nature either phonetically and /or visually, or which could be in any way considered as an attempt to pass-off as the Brand of Brand Owner or hold-out that Owner has any right or interest in the Brand or Brand Owner, in any state, region or country;
3. That the Hotel Owner shall neither use the brand name nor have any right or interest or ever claim any right or interest in any of the Intellectual Property Rights of the Operator and / or the Brand Owner including but not limited to the brand name / trade mark - '**Lemon Tree** or **Lemon Tree Hotels**' with regard to this present venture, any other hotel venture or any other business



venture of whatsoever nature, either during the term of this Agreement or after expiration or termination of this Agreement and / or the License Agreement thereof.

- B. In the event of any breach and expiration of applicable cure period of the covenants contained in Article XIII by the Hotel Owner, the Operator and / or the Brand Owner shall be entitled to damages or relief by injunction or to any other right or remedy at law or equity, without prejudice to its rights under this Agreement and this provision shall be deemed to survive the expiration or sooner termination of this Agreement. Owner acknowledges that Brand Owner / Operator may seek relief by way of injunction even during the pendency of the permitted cure period under this Agreement.
- C. The Hotel Owner shall notify the Operator/Brand Owner promptly in writing of any adoption, use or registration of any trademark, trade name, service mark, corporate name or other designation, which would appear to infringe or impair the Operator and / or the Brand Owner's Intellectual Property Rights. Further, the (Hotel) Owner shall extend all necessary co-operation in any investigation or legal proceeding or action that the Brand Owner and / or the Operator may deem desirable to protect its Intellectual Property Rights.
- D. Upon expiration or earlier termination of this Agreement: -
- The Hotel Owner shall forthwith, from the date of expiry of Term of this Agreement or from the date of termination of this Agreement, for whatsoever reason, discontinue the use of:
1. Intellectual Property Rights, use of which, the Operator and / or the Brand Owner may have permitted for the purposes of running & operation of the Hotel under this Agreement.
 2. All material bearing any of the Intellectual Property Rights of the Brand Owner &/or Operator including any of the promotional material, advertising, sales literature etc. shall not be used by the Owner after expiration or earlier termination of this Agreement and subject to satisfaction of the Operator, the aforesaid material shall be removed from the Hotel premises. The Brand Owner/Operator shall have right to inspect the Hotel and seize any such material as stated above, if found used, stored in the Hotel premises.
 3. It is clarified that all data relating to guest history and guest folio data in respect of the Hotel are the property of the Operator and shall remain with the Operator. However, Operator shall be obliged to provide Owner with all data that is statutorily required to be held by the Hotel or Hotel Owner and such data shall be transferred to Hotel / Owner reasonably in the form it is held by Operator and further, Owner shall thereafter be responsible for compliance with all laws and regulations concerning data privacy and data security arising from such data.
- E. Owner acknowledges the rights of Operator in and to the Proprietary Rights and agrees that (i) Owner has not acquired, and that Owner will not represent in any manner that Owner has acquired, in any manner any ownership rights in the

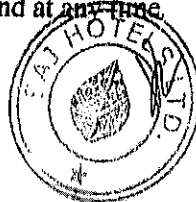


Intellectual Proprietary Rights of Operator; (ii) Operator may use and grant to others the right to use any Intellectual Proprietary Right, except as expressly provided otherwise in this Agreement; (iii) the requirements and limitations with respect to Owner's use of the Intellectual Proprietary Rights under this Agreement apply to all forms and formats, including print, video, electronic and other media (including Identifiers), and all other identifications and elements used in commerce; (iv) upon the expiration or termination of this Agreement for any reason, no right or interest of any type or nature whatsoever or monetary amount shall be attributable to any goodwill associated with Owner's use of any Proprietary Rights (including the licensed marks). In furtherance of the foregoing, Owner agrees not to use the licensed marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject to Operator liability.

- F. Owner covenants and agrees that Owner shall not, directly or indirectly, infringe the Intellectual Proprietary Rights, or contest or aid others in contesting the validity or ownership and right to use the Intellectual Proprietary Rights, or take any other action in derogation of the Intellectual Proprietary Rights. Owner shall promptly advise Operator in writing of any potentially infringing or unauthorized uses of the licensed marks by third parties of which Owner has knowledge. Owner shall assist Operator in taking action as Operator may request to stop such activities, but shall take no action nor incur any expenses on Operator's behalf without Operator's prior written approval. Owner agrees and undertakes to execute and deliver to the Operator, any and all documents and take or not take such other actions as may, in the opinion of Operator's legal counsel, be reasonably necessary to carry out any such protection, defense or registration.

13.2. Brand Website

- A. Brand Owner is the Owner of the website called "www.lemontreehotels.com" to promote electronic trade and be the sole official website for the Hotel and other hotels managed by the Operator.
- B. The Hotel (Owner) undertakes and agrees:
1. not to integrate into any other website any formatted information of the Hotel.
 2. not to create, or cause to be created on its behalf, or own website for the Hotel without prior written approval of the Brand Owner/Operator.
 3. not to register a domain name using or incorporating the name, brand or trade mark of the Brand Owner/Operator, or any name, brand or trade mark similar to or resembling in any manner whatsoever and to extent whatsoever, the name, brand or trade mark of Brand Owner
 4. not to register a domain name for the Hotel without the prior written approval of the Brand Owner/Operator, such approval to be in the Brand Owner/Operator's absolute discretion. If approval is granted, Owner shall fulfill all conditions specified by Brand Owner / Operator including the requirement that the Owner must sign all documents required to transfer such domain name to the Brand Owner/Operator or its nominee on demand at any time.



5. Use of the Operator website shall incur expenses for the Hotel which expenses shall form part of the Operating Expense.

The provisions of this Clause shall survive termination of this Agreement and / or the License Agreement.

ARTICLE XIV

ASSIGNMENT AND SALE OF THE HOTEL

14.1. Sale of the Hotel

- 14.1.1 If the Owner fails to maintain full ownership of the Hotel during the project stage as well as anytime during the Operating Term of this Agreement as required by Article VI of this Agreement, and decides at any time to sell the Hotel or the Owner/ promoters wish to sell their entire shareholding or substantial portion thereof such as that they cease to be the Owner, in such event this Agreement may be terminated by the Operator by giving three (3) months written notice on the payment by the Owner of the Pre-Mature Termination Fee in accordance with Clause 15.5.4 hereof, subject to Clause 14.1.2 hereunder.

Notwithstanding the above, in the event the Owner sells the Hotel, it is agreed that the first right to purchase the same (but not the obligation) shall always be that of the Operator. No such sale of the Hotel shall be made without giving the Operator a first right to purchase upon mutually acceptable terms and conditions to both parties.

- 14.1.2 In case the terms are not mutually acceptable and the Hotel is sold to a third party during the project stage or during any time of Operating Term and the new owner wishes to continue the operations and marketing of the Hotel with the Operator under this Agreement or on same terms and conditions as that of this Agreement, a fresh agreement with the same terms & conditions as that of this Agreement will be drawn and same shall be continue to be in effect without the payment of any compensation or any Pre-Mature Termination Fee.

However, if the new owner is perceived as a competitor or non-reputable person (as defined below) by the Operator and does not wish to continue with the new owner, in that case the Owner under this Agreement shall pay the Pre-Mature Termination Fee in accordance with Clause 14.1.1 hereof notwithstanding the Clause 14.1.2 above.

- A. In the event of a sale of Hotel to a third party, the new/prospective owner shall not be a 'competitor' or a 'non-reputable person'. For the purposes of the Agreement:
1. the term "competitor" shall mean any entity or person whose primary business is the operation and marketing of hotel, apartment hotel or serviced residences but



excludes any entity / person who merely owns or invests in hotel properties (e.g., Blackstone).

2. the term "non-reputable person" shall include such persons who or whose Affiliates have been charge-sheeted for any criminal offence punishable with imprisonment or for any offences involving moral turpitude or found guilty of material violations of any securities laws, money laundering laws, exchange control laws, tax laws or other such laws in any jurisdiction.

14.2. Assignment

- A. It is agreed that the Operator shall have all right to assign its rights and obligations under this Agreement to its nominee and/or its Affiliate company as it may deem fit and proper in the course of business provided the ultimate responsibility of such works lies with as the Operator under the Agreement.
- B. It is agreed that during the term of this Agreement, the Owner shall not assign its rights and obligations under this Agreement without prior written permission by the Operator provided such assignment is in favor of Affiliate of the Owner. No assignment to third party outside its Affiliate will be permissible.

ARTICLE XV

TERMINATION

The Agreement may be terminated as follows:

15.1 Termination by either Party

15.1.1 In addition to rights and remedies under this Agreement and at law and in equity, each party shall have right to terminate this Agreement, by issuing a thirty (30) Business Days written notice of termination to the other party on occurrence of any of the following events:

- (i) upon initiation of insolvency, bankruptcy or similar debtor relief laws proceedings against the other party or any time thereafter;
- (ii) other party files a voluntary petition for relief under applicable bankruptcy, insolvency, or similar debtor relief laws;
- (iii) the appointment (or on filing of petition or application for appointment) of a receiver, manager, custodian, trustee, conservator, or liquidator by competent authority, court of law/tribunal, to oversee any or all of the assets, conduct of its business or undertaking of that other Party;
- (iv) that other Party enters any form of external administration,
- (v) that other Party makes a general assignment for the benefit of its creditors;
- (vi) any proceeding of reorganization, arrangement, readjustment of debt, or the like however described, except with the consent of the other Party.
- (vii) anything analogous to any of the above events occurs to or in respect of that other Party, under the law of any jurisdiction;



In case the event(s) of termination under this Clause, is/are not rectified, removed by the other party within the notice period of thirty (30) Business Days or such extended period as the party giving notice may allow in writing, then immediately on expiry of Notice Period of 30 Business Days, this Agreement shall stand terminated without prejudice to any rights of action or remedies of terminating Party in respect of the breach, non-performance or non-observance of a covenant or Term of this Agreement. In case termination is attributable on the part of the Owner, the Operator shall have a right to recover an amount of compensation equivalent to the "Pre-Mature Termination Fee" stipulated under Clause 15.5.4 hereof plus applicable taxes.

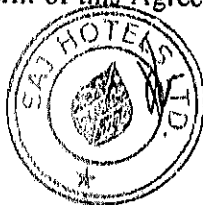
15.2 The Parties may, terminate this Agreement forthwith, if any or more of the following events of default occur:

15.2.1 **Event of Default attributable on the part of Owner:**

In the event, the Owner, at any time during the Term of this Agreement fails or neglects to perform or observe any or more of the material obligations under this Agreement including (but not restricted to) the items stated herein-

- i. to comply with its obligations with respect to special/internal and/or any other audit related compliances;
- ii. to comply with Training obligation under this Agreement and/or under the related Service Agreement with vendor nominated by the Operator;
- iii. to comply with payment obligations under this Agreement and
- iv. initiating any commercial activity in and/or pertaining to the Hotel not contemplated under this Agreement and is detrimental to the Brand Standards and/or the interest of the Operator.
- v. non-compliance and/or breach of the Brand Standards, including set up and use of stipulated software systems; or
- vi. non-compliance of and/or breach of Owner's obligation to maintain 'Life and Safety Standards' with respect to the Hotel, as may be prescribed under the law and Brand Standards.
- vii. Failure by Owner to provide sufficient Working Capital or funds for Capital Expenditure in accordance with the approved Annual Operating Plan.
- viii. Failure of Owner to obtain or maintain any licenses or permits which are, in the opinion of Operator, material to the efficient, safe or successful operation of the Hotel
- ix. if any material representation or warranty given by Owner is incorrect or untrue, to the derogation of the Hotel and / or its reasonable operations.

In case the event(s), default(s) attributable on the part of Owner under this Clause 15.2, is/are not rectified, removed by the other party within the notice period of thirty (30) Business Days or such extended period as the party giving notice may allow in writing, then immediately on expiry of Notice Period of 30 Business Days, this Agreement shall stand terminated without prejudice to any rights of action or remedies of terminating Party in respect of the breach, non-performance or non-observance of a covenant or Term of this Agreement and the Operator shall have a



right to claim and recover an amount of compensation equivalent to the "Pre-Mature Termination Fee" stipulated under Clause 15.5.4 hereof plus applicable taxes.

15.2.2 Event of Default attributable on the part of Operator:

In case of non-compliance of applicable laws, rules and regulations, required to be complied with by the Operator for providing services under this Agreement;

(each of the above being referred to as a "default")

then, provided the default continues for a period of thirty (30) Business Days (or such longer period as the proviso below allows) after service of a notice by the other Party ("non-defaulting Party") calling upon the Defaulting Party to remedy the default, the non-defaulting Party may terminate this Agreement without prejudice to any rights of action or remedies of either Party in respect of the such breach, non-performance or non-observance of a covenant or Term of this Agreement.

Provided however that if the default is able to be cured but not within such thirty (30) Business Day period, the period will be extended to such longer period as is reasonable (but not exceeding sixty (60) Business Days) to enable the default to be cured provided that the Defaulting Party shall have commenced curing such default within such thirty (30) Business Day period and continues to proceed with curing such default diligently.

It is however clarified that the right of Owner to terminate this Agreement consequent to Operator's failure to provide services under the Agreement or cure any default is only limited to the termination of the Agreement and nothing else. The Owner would not be entitled to claim any damages from Operator for its inability to provide services under the Agreement.

15.3 Termination by Mutual Consent

The Parties may terminate this Agreement, upon such terms and conditions as may be mutually agreed between the Parties hereof, upon issuance of six (6) months written notice and which shall be effective on expiry of six (6) months or such other period as may be mutually agreed between the Parties, from the date of execution of termination agreement in this regard.

15.4 Specific Instances of Termination

This Agreement may be terminated on happening of any of the following event-

15.4.1 Destruction or Suspension of Operation of Hotel

In case the Hotel is damaged or destroyed, by fire or for any reason, to the extent which materially interferes with the operation of the Hotel for hotel purposes and the Owner shall be responsible to repair, rebuild or replace the same and complete such repairing, rebuilding or replacement within a reasonable period of time mutually agreed by both parties so that after such repairing, rebuilding or



replacement, the Hotel shall be substantially the same as prior to such damage or destruction.

Notwithstanding anything contained herein, the Operator shall have an option to keep this Agreement suspended during the period of repairs, rebuilding or replacement of the Hotel until it is put in operation and the period so taken up in repairs, rebuilding or replacement shall be deducted for the purpose of computation of the Operating Term of this Agreement, as specified in Clause 4.3 hereof which will be extended by the period equal to the period of such suspension.

However, if the Owner fails to repair, rebuild or replace the same and complete such repairing, rebuilding or replacement within a reasonable period of time mutually agreed by both parties so that after such repairing, rebuilding or replacement, the Hotel shall be substantially the same as prior to such damage or destruction, the Operator shall have the right, without limiting any other rights which it may have herein, to terminate this Agreement by thirty (30) Business Days written notice to the Owner.

Notwithstanding the above, in the event the cost of repairing, excluding the amount recoverable from insurance if such damage is greater than 50% (Fifty Percent) of the fair market value of the Hotel (excluding the value of land), the Owner shall not be liable to repair such damage and shall have the right to terminate this Agreement without any payment to the Operator. The Operator shall however be entitled to its equitable share of the Business Interruption Insurance that will be for a period of up to two (2) years.

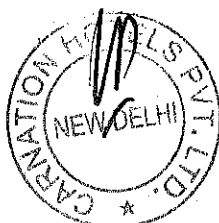
15.4.2 Substantial Interference with Hotel Operations, Acquisition, etc.

In the event that acts of war, civil disturbance, terrorist activities, acts of Government or any other cause beyond the control of the Operator, has a substantial adverse effect due to which normal operation of the Hotel as contemplated under this Agreement cannot be carried on or the Hotel or an 'essential portion' of the Hotel is taken by way of acquisition, requisition or dispossession by State authorities, the Operator shall have the right to terminate this Agreement without prejudice to its other rights contained herein by giving thirty (30) Business Days written notice to the Owner.

For the purposes of this Clause, an 'essential portion' of the Hotel shall be deemed to have been taken when the remaining portions of the Hotel cannot, in the Operator's opinion, be efficiently operated for hotel purposes during the Term for which such essential portion has been taken.

15.4.3 Performance Test

Performance Test date lines: The performance test will apply only from the commencement of the 4th full financial year of Hotel operations i.e. post the stabilization period (i.e. Three complete financial years from commencement of complete operations of the Hotel).



Failure of the Performance test: Performance Test shall be considered to be failed if for two (2) consecutive full financial years the Hotel does not achieve 80% of the budgeted Gross Operating Profit under the mutually agreed Annual Operating Plan as well as in case RevPAR of the Hotel for each of those two financial years is less than 80% RevPAR of Hotel's Competitive Set hotels (collectively, a "Performance Test"), based on data sourced from Co-star or other reliable agency.

In the event the Operator fails the Performance Test, the Owner shall have the right to terminate this Agreement without paying any premature compensation fee to the Operator.

For the purposes hereof, the 'Competitive Set' shall mean the competitive set for the Hotel as determined by the Hotel's then current STR Report, prepared by Smith Travel Research, or if such report is no longer being prepared, a similar third-party report to be mutually agreed to by Owner and Operator (the "STR Report"). Competitive Set for the Hotel has to be of same segment as that of the Hotel and shall be part of AOP.

Notwithstanding the foregoing, if Owner notifies Operator that Owner elects to terminate this Agreement for a Performance Test failure, Operator shall have a one-time right and not the obligation, in its sole discretion, to cure the Performance Test failure by making a payment to Owner equal to the differential amount ("Cure Payment") to achieve/qualify the Performance Test. Upon the occurrence of a second Performance Test failure, Owner shall have the right to terminate this Agreement without the payment of a termination fee upon thirty (30) Business days prior written notice to Operator so long as (a) Owner has paid Operator all amounts due and owing under this Agreement and (b) Owner fully and unconditionally indemnifies, holds harmless and defends Operator from any and all claims, damages, costs, expenses (including reasonable attorney's fees) arising under or relating to the to this Agreement.

Below mentioned illustration for Performance Test failure and its Cure Payment by Operator to achieve the Performance Test shall be the guiding principle for the purpose of this Agreement-

Illustration:

Budgeted GOP = X

Performance Test = 80% of Budgeted GOP

Actual GOP = Y

If the Actual GOP (Y) < 80% of Budgeted GOP (80% of X)

Cure Payment shall be:

Differential (D) = 80% of Budgeted GOP (80% of X) of one of the financial year considered for Performance Test - Actual GOP (Y).

15.5 Consequence upon termination

- 15.5.1 Upon termination of this Agreement for any reason, including on expiry of Term, Operator and Owner agree to sign any documents reasonably necessary to effect such termination or change in management for the Hotel. Operator and Owner also agree to



carry out the various tasks stated in this clause 15.5 in a reasonable and co-operative manner.

A. De-identification of Hotel; Removal of signages, IP, products

Owner shall immediately from the Termination Date remove the Operator name and all its signages and displays that represent the Brand of the Operator and/or of the Brand Owner from the Hotel.

Effective from the Termination Date, Owner shall not, directly or indirectly, at any time or in any manner (i) use any licensed mark or other Proprietary Rights, or any colorable imitation or other indicia of the Brand, (ii) indicate in any marketing, advertising or other media, including the internet, that Owner is a former licensee of the Brand, or (iii) represent that the Hotel is or was operated as a Brand hotel or otherwise associated with the Operators system and the Owner shall not be allowed to use any name identical or similar (visually and/or phonetically similar) to that of the Operator or any such representations.

Hotel shall immediately notify the telephone company and all telephone directory publishers of the termination or expiration of Owner's right to use any telephone number and any regular, classified or other telephone directory listings associated with any licensed mark and to authorize transfer of the number to Operator or at Operator's direction.

Owner shall immediately, remove from the Hotel, and discontinue using for any purpose, all Operating Supplies and other materials in each case that display any of the licensed marks or any distinctive features, images, or designs associated with the Brand, and make such alterations as may be necessary to distinguish the Hotel so clearly from its former appearance as a Brand hotel and from other Brand hotels as to prevent any possibility of confusion to the public, including such actions as required in any de-identification checklist provided to Owner. Operator may, at its discretion, grant time not exceeding 30 days for use of any of the aforesaid Operating Supplies (but not letterheads and envelopes or guest stationary) provided however that during such period the Hotel remains an independent hotel.

Operator may, at its discretion, choose to purchase from Owner at their depreciated book value any and all of the Operating Supplies, and other items that bear any of the licensed marks, provided however that Operator's decision to not purchase any such items shall not give Owner the right to use such items.

Owner shall cease to use the Brand Manuals and all other Operator's Confidential Information, delete all such information from all electronic media and computer systems in Owner's possession or control and return to Operators all hard copies of Brand Manuals and other items constituting Operator's Confidential Information, including all copies thereof, in Owner's possession or control. Owner shall retain no copy or record of any of the foregoing items, provided that Owner may retain on a confidential basis, Owner's copy of this Agreement, any correspondence between the Parties, and any other document which Owner



reasonably needs for compliance with any applicable law or reasonably determines necessary, in connection with any dispute relating to such termination.

B. Handover of data

Operator shall handover such data of the Hotel that is required by Law to be maintained by the Hotel / Owner including books of account and other records. For clarity, guest data shall only be handed over to Owner that is strictly required by law and without any obligation to handover guest data collected by Operator in terms of guest preferences and the like which shall continue to be held by Operator and used for its purposes in future. Operator shall also hand over data in relation to future reservations and bookings at the Hotel.

With the exception of employment records to the extent Operator has a legal obligation or duty of confidentiality with respect to such records, Operator shall provide or make available to Owner all books and records, if any is controlled by it or is in its custody, with respect to the Hotel upon termination of this Agreement. All data handed over shall be received and held by Owner in compliance with applicable laws of data privacy and data security and considered as Confidential Information.

C. Discontinuance / return of proprietary software

Effective from the Termination Date. Hotel shall immediately cease to use the technology systems (including the reservations/intranet systems) and all other system programs and services of Operator or any of its affiliates and comply fully with Owner's post-termination obligations in any license agreements for the proprietary software and the third-party software

All software used at the Hotel which is owned or licensed by Operator or any Operator Affiliate shall remain the exclusive property of Operator. Operator shall have the right to remove such software without compensation to Owner. Similarly, Operator shall be entitled to remove all hardware, software and data that contains any proprietary software and / or systems of Operator and Operator Affiliates including access to loyalty programs.

D. Payment of Fees and Closure of Accounts

On or before the Termination Date, Owner shall pay all sums due to Operator and its Affiliates on any account. To the extent that the Fees and other sums payable to Operator have not been ascertained on the Termination Date, the Operator shall prepare an account of the Hotel for the period between the end of the preceding financial year to the Termination Date and based thereon determine the balance amounts payable to Operator. Such account shall be rendered by Operator not later than 60 days from Termination Date and shall be audited by Auditor within 30 days thereafter. The balance fees and other amounts shall be paid to Operator or refunded by Operator, as the case may be, within 7 business days of submission of accounts by Operator to Owner failing which the defaulting party is liable to pay interest on delayed payment at the rate of 24% per annum from the date of default. Any further adjustments arising from the audited accounts shall be promptly effected between the Parties.



For this purpose, Operator shall have access to all books of accounts and records of the Hotel. Once the records are handed over to Owner, Operator shall be entitled to access the books of account and records with prior notice of 7 days to take information and extracts for Operator's compliance with its own obligations for tax, reporting or otherwise under Law or for any matter relating to the Hotel during the time it was operated by Operator. Such access shall be done in a manner which minimises any disturbance to the hotel's operations.

E. Reservations for rooms and events

Owner shall honor the terms and conditions of all individual reservations booked or group agreements executed before the expiration or termination of this Agreement which the guest does not elect to terminate, provided that Operator may notify such guests that the Hotel will no longer be a Brand hotel or a part of the System. Such intimation shall provide a time period of 30 days for guests to communicate any request for cancellation of events booked at the Hotel when it was a Brand hotel. In case of such cancellation, any deposits / advances received shall be promptly refunded to the guest.

F. Other matters

Owner acknowledges and agrees that Operator shall on the Termination Date remove the Hotel from its website and discontinue use of the url that carries the Operators Brand.

Owner shall continue to be liable and responsible to pay all amounts due in relation to the Hotel operations upto the Termination Date and shall pay these amounts on a timely basis, even if invoiced to Owner after such expiration or termination.

Owner shall provide to Operator evidence satisfactory to Operators of Owner's compliance with its obligations under this Clause.

Notwithstanding anything contained in this Agreement elsewhere and without prejudice to Operator's other rights and remedies, the Owner shall keep Operator duly indemnified of all claims and costs by reason of any injury caused to the guest or by reason of any guest complaint or otherwise on account of use of any material by the Owner, post termination under this clause. Owner shall also keep Operator duly indemnified of all claims and costs by reason of non-payment of any dues of the Hotel (including employee dues, statutory dues and any amounts due to guests).

15.5.2 The termination of this Agreement, pursuant to the provisions of this **ARTICLE XV** shall not affect the rights of the parties under this Agreement, up to the date of termination.

15.5.3 This Clause-15.5 shall survive the expiration or termination of this Agreement.



15.5.4 Pre-Mature Termination Fee & Payment thereof-

Pre-Mature Termination Fee payable by Owner to the Operator under various provisions of this agreement shall be determined as under-

- A. If termination of Agreement happens during the project stage (i.e. the stage before Takeover Date): Pre-mature termination fee shall be Rs. 70,00,000/- (Rupees Seventy Lakhs only).
- B. If termination of Agreement happens during the Term of this Agreement: Pre-Mature Termination Fee shall be calculated by multiplying the monthly average of total fee (i.e. sum of base fee, sales and marketing fee and incentive fee) earned in the immediately preceding past three (3) full financial years with the actual number of remaining months of the Term of this Agreement.

The Pre-Mature Termination Fee determined as above shall be subject to applicable taxes including but not limited to the applicable GST. Owner shall be entitled to apply income tax withholding on the Pre-Mature Termination Fee paid / payable to Operator. The Pre-Mature Termination Fee shall be paid before the Termination Date unless Operator has, at its sole discretion, agreed a different schedule for the payment thereof.

Damages - If Owner fails to strictly comply with this Clause 15.5, then Owner shall pay to Operators as additional liquidated damages and not as a penalty, an amount equal to 10% of Owner's average published room rate per night multiplied by the number of Guest Rooms at the Hotel for each day. It being agreed and understood by Parties that ordinary damages would not be adequate compensation for Operator in such circumstances.

ARTICLE XVI

MISCELLANEOUS

16.1 Force Majeure

This Agreement shall not in any way be affected nor shall any party hereto be held liable for any failure or delay in the performance of any undertaking, term or condition herein, if such failure or delay is due to any cause or causes beyond its control, including but not limited to fire, flood, damage by the elements, perils of the sea or air, accidents, pandemics, epidemics, lockdowns declared by competent authority, acts of god, strike, lockout or other labour disorder (not limited to the subject property), act/acts of foreign or domestic de-jure or de-facto government whether by law, order, legislation, decree, rule, regulation or otherwise, revolution, civil disturbances, breach of peace, declared or undeclared war, act of interference or action by civil or military authorities or due to any other cause beyond the parties control or unreasonable decline in the number of tourist arrivals.



16.2 Waiver and Modification

- A. No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any of right or remedy, nor shall it prevent or restrict the future exercise of that or any of right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- B. The failure of either Party to insist upon a strict performance of any of the terms and conditions of this Agreement or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy but the same shall continue and remain in full force and effect.
- C. No waiver by either Party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such Party.

16.3 Quarterly Certification:

The Owner further agrees that in order to ensure aforesaid compliance of the Owner's obligation in terms of this Agreement, the Owner agrees and undertakes to provide a declaration on a quarterly basis, as per Annexure-A (enclosed herewith) to the Operator within 15 days of closure of every quarter. Notwithstanding anything contained in any other provisions of this Agreement, the parties further agree that in case of non-compliance to any of the obligations of the Owner as mentioned in this clause or in case of any inconsistency, inaccuracy or if any of the provisions of this declaration are found untrue, the same shall, be considered as a breach of the Hotel Operating Agreement, pursuant to which Operator shall be entitled to all the remedies as applicable under the relevant contract and/or in law and/or in equity. Without prejudice to the foregoing, Operator shall also have the right to suspend the Hotel Operating Agreement, till such time, the default/breach gets rectified by the Owner. If the breach / non-compliances is not rectified within the stipulated time period as provided by Operator, the Operator reserves its right at its sole discretion to terminate the Hotel Operating Agreement with immediate effect.

16.4 Co-Operation

In the event Owner fails to pay the property taxes and other taxes and assessments thereon as required by Clause 6.1 (E), the Operator may but shall not be obligated to make such payments and the Owner agrees to pay to the Operator on demand all sums so paid by the Operator and necessary incidental costs and expenses together with interest thereon at the prevailing market rate [State Bank of India ('SBI') Base rate +2% (Two Percent)]. In such event the Operator shall be permitted to recoup such funds from the funds payable to the Owner each month up to the total funds available, if any, from operations after paying all Operating Expenses and fees to the Operator.



16.5 Legal Relationship

Operator shall act solely as the agent of Owner in the performance of its duties as Operator of Hotel. Nothing contained herein shall be construed as creating a partnership or a joint venture or any other relationship and render either Party liable except as expressly provided herein.

16.6 Severability and Partial Invalidity

If any provision of this Agreement or any one or more of the phrases, sentences, clauses or paragraphs contained herein is determined to be invalid, illegal, void or voidable by any order, decree or judgment of any court, keeping the remaining agreement valid and binding, this Agreement shall be construed as if such phrases, sentences, clauses or paragraphs had not been inserted in this Agreement. Further, the Owner hereby agree and acknowledge its concurrence that Operator may initiate and cause this Agreement to be amended to overcome any partial invalidity.

16.7 Further Instruments

All above appropriate supplemental agreements or other instruments necessary or desirable to make this Agreement and each provision hereof fully and legally effective and binding, or to carry out the intent and purpose thereof but not inconsistent with any of the provisions hereof shall be executed by the Owner and delivered, and all other acts necessary or appropriate for such purposes shall be duly or effectively executed, done or taken by the Owner.

16.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior understandings and writings. This Agreement may only be changed/amended/supplemented in writing signed by the Parties hereto.

Further, in case of any conflict with respect to the provisions stated in this Agreement and the provisions stated in the License Agreement, the provisions of this Agreement shall prevail.

16.9 Consent

Whenever in this Agreement, the consent or approval of the Owner or Operator is required, unless stated to the contrary; such consent or approval shall not be unreasonably withheld. Such consent shall be in writing only and shall be duly executed by an authorized officer or agent of the Party granting such consent or approval.

16.10 Successors and Assigns

The terms, provisions, covenants, undertakings, agreements, obligations and conditions of this Agreement shall be binding upon and shall inure to the benefit of



the successors in interest and the assigns of the Parties hereto with the same effect as if mentioned in each instance where the Party hereto is named or referred to, except that no assignment, transfer, pledge, mortgage, lease or sub-lease by or through the Operator or by or through the Owner shall take place except in accordance with this Agreement.

16.11 Governing Law, Dispute Resolution and Jurisdiction

- A. In the event any dispute arises between the Parties out of or in connection with this Agreement, including the validity thereof, the Parties hereto shall endeavour to settle such dispute amicably in the first instance. The attempt to bring about an amicable settlement shall be treated as having failed as soon as one of the Parties hereto, if after reasonable attempts, which shall continue for not less than thirty (30) Business Days, gives a notice to this effect, to the other Party in writing.

Any dispute with respect to (i) the proper inclusion or exclusion of items in Gross Revenue, Operating Expenses or Gross Operating Profit, (ii) the proper computation of any amounts payable to the Operator (iii) the approval of the Operation Plan and the pre-opening budget, or (iv) any other matter as to which this Agreement expressly provides for dispute resolution by an Expert, shall be exclusively resolved by Expert resolution, except that either Party may pursue arbitration rather than Expert resolution if a dispute (other than under (iii) above) involves more than Rs. 50,00,000/- (Rupees Fifty Lacs Only).

- B. If the dispute is not resolved through such discussions within thirty (30) Business Days, then such dispute shall be referred, at the request in writing of any Party to binding arbitration by a panel of three (3) arbitrators ("Arbitration Panel"), with each of the Parties to the Dispute appointing one (1) arbitrator each (for avoidance of doubt, it is hereby clarified that for the purposes of this Clause, Parties to the dispute shall mean the Owner on one hand and the Operator on the other and the two (2) arbitrators thus appointed shall appoint the third (3rd) arbitrator (who shall be the presiding arbitrator), by no later than ten (10) Business Days from the date on which the aforesaid written request was received by a Party to the dispute. For avoidance of doubt, in case either Party fails to appoint their respective arbitrator within the period of ten (10) days from the expiry of the thirtieth (30th) day as aforementioned, the arbitrator appointed by the other Party shall be deemed to be the Sole Arbitrator and be authorised to adjudicate upon the said Dispute. The seat of the arbitration shall be at New Delhi and the arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1996. The award rendered shall be in writing and shall set out the reasons for the arbitral tribunal's decision. The award shall allocate or apportion the costs of the arbitration as the Arbitral Panel deems fair. The Parties agree that no Party shall have any right to commence or maintain any suit or legal proceedings (other than for interim or conservatory measures) until the dispute has been determined in accordance with the arbitration procedure provided herein and then only for enforcement of the award rendered in the arbitration. Judgment upon the arbitration award may be rendered in any court of competent jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The decision of the arbitrator shall be final and binding on the parties. Owner shall be liable to pay Operator's Service fees as payable under the Agreement during the pendency of the dispute resolution



proceedings.

- C. This Agreement shall be governed by and interpreted in accordance with Indian law and the Courts of Delhi shall have exclusive jurisdiction..

16.12 Stamp Duty and Registration

Owner, would take the appropriate steps to register the Hotel Operating Agreement with the relevant government departments in India, if required at particular location for which the associated cost to be borne by the Owner.

16.13 Confidentiality

- A. Each of the Parties agrees and undertakes to each other that it shall, during the Term of this Agreement and after its termination, keep confidential the terms and conditions of this Agreement and any confidential information including but not limited to the Operator's Confidential Information which any such persons may acquire in relation to the transactions contemplated by this Agreement or in relation to the employees, clients, business or affairs of any other Party and shall also cause their respective Affiliates, directors, representatives, employees and agents, as the case may be, to keep the aforesaid Operator's Confidential Information and any other confidential information which any such persons may acquire in relation to the transactions contemplated by this Agreement or in relation to the employees, clients, business or affairs of any other Party and shall not use or disclose such information except with the consent of the other Party. The restrictions in this Clause shall not apply to any information:
1. which is at the date of this Agreement publicly available other than through breach of this Agreement by any Party;
 2. which was known to the Party, as evidenced by its written records, prior to it receiving such confidential information;
 3. which subsequently comes lawfully into the possession of the disclosing Party by a third party which did not require any obligation of confidentiality; or
 4. which is required to be disclosed in accordance with the requirements of law, any Governmental Authority, any stock exchange regulation or any binding judgment, order or requirement of any court or other competent regulatory authority.

For the purpose of this Clause "confidential information" means all the information of a confidential nature disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by a Party to the other Party whether before or after the date of this Agreement.

Further, neither Party shall without consulting the other Party:

1. issue any press release or make any public announcement or otherwise publicize the consummation of this Agreement; or
2. make a public disclosure of any kind regarding the subject matter hereof, without the express prior written consent of the other Party.



However, neither of the Parties may withhold consent to disclose information contained in this Agreement to the extent such information is required to be provided:

1. to a potential purchaser of the Hotel or the Owner or the Operator; or
2. to a potential lender to the Owner or the Operator; or
3. to other parties for the purpose of an IPO and / or sale of / by the Operator or the Owner respectively as the case may be to the extent such disclosure is required under any law,

in which case the disclosing Party (if practicable under the circumstances) shall provide the other Party with a reasonable opportunity to review and comment before any such disclosure.

The Owner shall not represent to any third party in connection with any proposed financial arrangements or loan, or any public offering or securities that the Operator is in any way responsible for the Owner's obligations under the said financing arrangement or loan, or shall be participating in any such private or public offering of securities. The Owner shall not make use of the name of Operator in connection with any proposed financing arrangement, loan or public or private offering, other than to state that the Hotel will be managed by the Operator under and subject to the terms of the Agreement.

16.14 Notices

- A. Any notice pursuant to this Agreement shall be in writing signed by (or by some person duly authorised by) the person giving it and may be served by sending it by facsimile, prepaid recorded delivery or registered post addressed as follows (or to such other address as shall have been duly notified in accordance with this Clause):

If to the Owner:

Address: Mahabaleshar Panchgani Road, Mahabaleshwar, Satara, Maharashtra-412806

Attention: Mr. Karan Kartik Timbadia

Email: karna@sajresort.in

If to the Operator:

Carnation Hotels Private Limited
Asset Area 6, Hospitality District, Aerocity,
New Delhi- 110037

Attention: Mr. Vilas Pawar

Email: ceo_franchise@lemontreehotels.com



B. All notices given in accordance with para-A above shall be deemed to have been served as follows:

1. if delivered by hand, at the time of delivery;
2. If sent by commercial courier / registered post acknowledgement due, at the expiration of seven (7) / five (5) Business Days after the envelope containing the same was delivered into the custody of the postal authorities; and
3. Any notice sent by facsimile or e-mail shall not be valid communication or service of notice for purpose of this Agreement.

16.15 Representations, Warranties and Covenants of the Parties

Each of the Parties represents and warrants that:

- A. it is validly incorporated and is in good standing under the Laws of India;
- B. such Party has full power, capacity and authority to execute, deliver and perform this Agreement and has taken all necessary action (corporate, statutory, contractual or otherwise) to authorize the execution, delivery and performance of this Agreement;
- C. this Agreement has been duly executed and delivered by such Party and constitutes a legal valid and binding obligation of such Party, enforceable against such Party in accordance with its terms;
- D. the execution, delivery and performance by such Party of this Agreement and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
 1. any Law to which it is subject; or
 2. any order, judgment or decree applicable to it; or
 3. any term, condition, covenant, undertaking, agreement or other instrument to which it is a Party or by which it is bound.
- E. there are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, existing, or pending or, to the best knowledge of such Party, threatened or anticipated against such Party which may prejudicially affect the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder; and



- F. that it will comply with all applicable Laws in connection with the performance of its obligations under this Agreement, and will not do or permit anything to be done which might cause or otherwise result in a breach of this Agreement or cause any detriment to the transactions herein envisaged.

16.16 Additional Representation and Warranties of the Owner: The Owner hereby further represents and warrants that to the best of their knowledge as on the Takeover Date:

- A. All licenses, permits, consents, approvals etc. required in relation to the Hotel are valid, binding and in full force and the terms thereof were complied with by the Owner and there has occurred no grounds for rescission, avoidance or repudiation of any of such licenses, permits, consents, approvals etc. and no notice of cancellation or repudiation has received in respect thereof;
- B. The income tax and other statutory dues have been paid regularly and there is no outstanding liabilities whatsoever under any of the statutory laws as applicable to Hotel;
- C. Since the date of the acquisition, the business and affairs of Hotel have been conducted only in the ordinary and regular course;
- D. The buildings and structures constructed by the Owner as part of the Hotel or otherwise on the Site have been legally constructed with all approved plans and permissions in place;
- E. The Owner, to the best of their knowledge and in good faith, warrant that there are no proceedings and / or litigations and / or disputes and / or claims pending by and against Hotel as on the date of this Agreement and Hotel has not received any notices, intimation etc. in respect of any violation of applicable law, rules and/or regulations which might affect the business, operations, running and marketing of the Hotel.

16.17 Counterparts

This Agreement may be entered into in two or more counterparts each of which, when executed and delivered, shall be an original, but all the counterparts shall together constitute one and the same instrument.

16.18 Survival

Termination of this Agreement shall not terminate or otherwise affect any rights or obligations of a Party that either expressly or by their nature survives termination.

16.19 Remedies not Exclusive

Except as otherwise expressly stated in this Agreement, the rights and remedies provided in this Agreement are cumulative and do not exclude any other rights or remedies under this Agreement or applicable law.



16.20 Exclusivity

It is agreed between the Parties herein, that no hotel under the brand 'Lemon Tree Resort' will be operated by the Operator within Mahabaleshwar. For clarity, this restriction shall not apply to any other brand owned by Lemon Tree Hotels Limited.

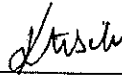
(Signature Page Follows)



IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATE HEREINABOVE FIRST MENTIONED.

SIGNED AND DELIVERED BY SAJ HOTELS LIMITED, AS OWNER

Signature: _____



By:

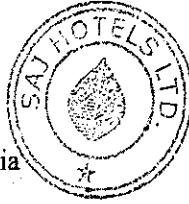
Mr. Karna Kartik Tambadia

Title:

Managing Director

Date:

16th October 2025



Signature Witness: _____

Name:

Address:

Aadhaar Number:

Contact No.:

SIGNED AND DELIVERED BY CARNATION HOTELS PRIVATE LIMITED, AS OPERATOR

Signature: _____



By:

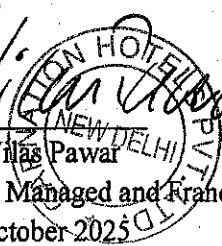
Mr. Vilas Pawar

Title:

CEO - Managed and Franchise Business

Date:

16th October 2025



Signature Witness: _____

Name:

Address:

Aadhaar Number:

Contact No.:



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

₹100

e-Stamp

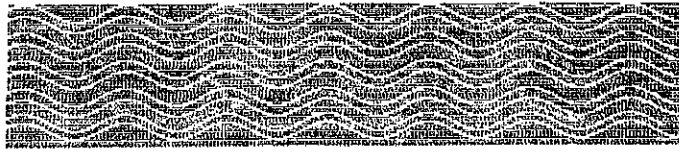
Certificate No.
Certificate Issued Date
Account Reference
Unique Doc. Reference
Purchased by
Description of Document
Property Description
Consideration Price (Rs.)
First Party
Second Party
Stamp Duty Paid By
Stamp Duty Amount(Rs.)

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LEMON TREE HOTELS LTD
Articles of General Agreement
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LEMON TREE HOTELS LTD
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(One Hundred only)

सत्यमेव जयते

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₹100



Please write and type below this line. IN-DL63374425621650X

This Stamp paper forms an integral part of the License Agreement executed between Lemon Tree Hotels Limited, Carnation Hotels Pvt. Ltd. and Saj Hotels Limited on 16th October, 2025.

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shoolestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



LICENSE AGREEMENT

This License Agreement ("Agreement") made at New Delhi on this 16th day of October, 2025 (Execution Date);

BY AND AMONG:

LEMON TREE HOTELS LIMITED, a company registered under the provision of the Indian Companies Act, 1956, having its registered office at Asset No. 6, Aerocity Hospitality District, New Delhi – 110037 represented through, Mr. Vilas Pawar, Authorized Signatory, authorized by way of board resolution dated 07th February, 2024 (hereinafter referred to as '**LICENSOR**', which expression shall, unless the context admits otherwise, includes its representatives, successors and assigns) Party of the FIRST PART;

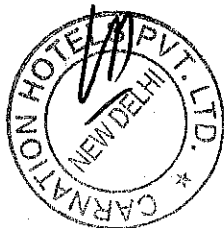
AND

CARNATION HOTELS PRIVATE LIMITED, a wholly owned subsidiary of Lemon Tree Hotels Limited, having its registered office Asset No. 6, Aerocity Hospitality District, New Delhi – 110037, represented through its authorized signatory, Mr. Vilas Pawar, authorized by way of board resolution dated 07th February, 2024, (hereinafter referred to as '**OPERATOR**', which expression shall, unless the context admits otherwise, includes its representatives, successors, agents and assigns) Party of the SECOND PART;

AND

SAJ HOTELS LIMITED (CIN:L55101PN1981PLC023814), a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Mahabaleshar Panchgani Road, Mahabaleshwar, Satara, Maharashtra-412806, represented through its Authorized Signatory, Mr. Karna Kartik Timbadia, duly authorized vide Board Resolution dated 12th August 2025 (hereinafter referred to as "**LICENSEE**"/ "**OWNER**", which expression shall, unless the context admits otherwise, includes its representatives, successors, agents and assigns) Party of the THIRD PART.

The terms Licensor, Operator and Licensee/Owner are hereinafter collectively referred to as "Parties" and individually as "Party".



RECITALS

WHEREAS:

1. The Licensor is one of the largest hotel chains in India and has been engaged in its well established and renowned business of setting up and running a successful chain of largest and finest moderately priced, full-service hotels in India, under its Mark(s).
2. The Licensee/Owner is aware and acknowledge that the Licensor and its affiliates have developed a Brand Standards for hotel operating system (as hereinafter defined) for operating full-service hotel establishments that provide lodging and food and beverage of a distinctive character and quality under its Marks (*as hereinafter defined*).

The Owner is the absolute owner and in possession of all that piece and parcel of land measuring 1.99 Hectares i.e., 214192.41 Sq. ft. (approx.) falling in Survery No. 18/2A, situated in Village-Metgutad, District-Satara, Taluka-Mahabaleshwar (hereinafter referred to as "Site"), who was recorded owner in possession of the said Site by a registered Sale Deed bearing document No. 41 dated 4th August 1981 registered before the Sub Registrar office, Satara, Maharashtra, together with the building constructed thereon.

3. Party of the Third Part/Owner desires to develop a upper midscale hotel on the Site and is desirous of engaging the Licensor to avail its expertise, advisory, project development consultancy in setting up of hotel on the Site and operate the hotel as a '**LEMON TREE PREMIER**' hotel, and subject to execution of this Agreement, the Licensor is agreeable to do the same in accordance with the Brand Standards of Licensor and the provisions of this Hotel Operating Agreement to be executed on the even date as that of this Agreement. The hotel is intended to have approx.-78 (subject to approval of plans/drawings by the competent authority) Room/Key and other facilities viz. restaurant, banquet hall, meeting/conference room, swimming pool, spa, gym etc. ("Hotel").
4. The Owner shall be solely responsible for financing the construction, completion, fit-out, equipping and renovation of the Hotel (as applicable) and for meeting all financial obligations thereof and for providing the necessary working capital and funds required for the operation and management of the Hotel, in accordance with the terms and conditions of this Agreement;
5. The Party of the Second Part has acceded to the request of the Licensee/Owner to manage and run Third Party's Hotel. Accordingly, the Party of the Second Part herein has simultaneously entered into an independent Hotel Operation Agreement dated 16th October 2025 ("**HOA**") with the Licensee/Owner setting out the terms and conditions and consideration for managing the property of the Licensee/Owner.



3



6. AND WHEREAS based upon representations of the Owner and believing the same to be correct and true, the Operator is agreeing to render such services to the Owner on mutually negotiated and agreed terms and conditions as herein enshrined.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES THAT:

1.1. Definitions:

"Brand Standards" shall mean all expertise, standards, standard operating procedures, specifications, parameters, policies and programs specifically devised, evolved and developed by the Brand Owner as per its vast experience acquired over a period of time pertaining to product and services in effect from time to time by the Brand Owner for all Lemon Tree Hotels on pan India basis as appropriate and fit for the purpose of a hotel operations under the Brand as may be amended by the Brand Owner from time to time in its sole discretion and which are applicable to the operation of substantially all of the hotels managed / operated by the Operator / Brand Owner under the Brand.

"License Year" means:

- (i) **If the Opening Date occurs on the first day of a month:** the period beginning on the Opening Date and ending on the day immediately preceding the first (1st) anniversary of the Opening Date, and each subsequent one (1) year period; or
(ii) **If the Opening Date does not occur on the first day of a month:** the period beginning on the Opening Date and ending on the first (1st) anniversary of the last day of the month in which the Opening Date occurs, and each subsequent one (1) year period.

"Mark(s)" means the trademarks, service marks, logos, slogans and commercial symbols, as these may be amended from time to time, that Licensor owns and have all the right, title and interests to use, grant license, assign etc. and deal any other manner as licensor may deem fit in connection with hotel(s), including but not limited to the brand names/marks **"Aurika /Lemon Tree Resort/Lemon Tree Premier/Lemon Tree Hotels/ Red Fox Hotels / Keys Prima / Keys Select / Keys Lite"/ "Keys Select"** and in respect of restaurant under the brand name **"Citrus Café"** and **Keys Café** and **'Slounge'** in respect of bar services in a hotel, (whether any such Mark(s) is registered or not), and such other trademarks, service marks, logos, slogans and commercial symbols as Licensor may authorize for use from time to time to identify Hotel and the services and products offered, sold or used in the Hotel.

"Opening Date" means the date on which Hotel commences its business operations under the Mark 'Lemon Tree Resort'.

"Termination Date" shall mean the date of expiry of the Term under this Agreement by efflux of time or earlier date of termination.



"Pre-Mature Termination Fee" is the fee payable by Licensee to Licensor in case of Pre-Mature Termination of this Agreement and has the meaning as set forth in Clause 7.4.

1.2. Interpretation:-

In this Agreement:

- A. Headings to the Clauses and Sections of this Agreement are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement.
- B. Words in the singular also mean and include the plural and vice-versa and words in one gender also mean and include the other gender.
- C. The appendices, schedules, annexures, if any, hereto shall form part of this Agreement and are expressly incorporated herein.
- D. The Licensee/Owner shall on request by the Licensor/Operator do, execute and perform all such deeds, acts, matters and things as the Licensor/Operator may require in order to maintain strict compliance of its Brand Standards as may from time to time prescribed by the Licensors.
- E. Any term referred herein but not defined in this Agreement shall draw its meaning by reference from the HOA.
- F. This Agreement is being executed between the Parties, has been drafted and signed only after due negotiations of the terms and conditions agreed between the Parties hereof. In the event of any ambiguity, doctrine of contra-proferentem shall not apply against the Party drafting this Agreement as the Owner had/has every liberty and opportunity to get the same reviewed/ vetted through its professional advisors, consultants and to discuss, negotiate the same prior to finalizing and executing.

2. GRANT OF LICENSE

- (i) The Licensor hereby grants to the Licensee, and the Licensee hereby accepts, a non-exclusive license to use its registered Mark(s) **"Lemon Tree Resort"** and **"Citrus Cafe"** in respect of the Hotel and for restaurant services, respectively in relation to the Hotel, effective and commencing on the Opening Date and ending on the earliest to occur of the Term's expiration or a Termination in accordance with the terms of this Agreement. For the purpose of this Agreement, trademarks **"Lemon Tree Resort"** and **"Citrus Cafe"** authorized herein for license use are hereinafter referred to as the **"Licensed Marks"**.
- (ii) The Hotel of the Licensee/Owner shall be fully and exclusively operated by the Party of the Second Part/Operator as per HOA.
- (iii) The Licensee /Owner shall not affiliate or identify the Hotel with another franchise system, reservation system, brand, cooperative or registered mark during the Term of this Agreement.



- (iv) The Licensee /Owner agree and acknowledge that it shall have no right whatsoever to transfer / assign / franchise/sub-license the license or any rights granted to it pursuant to this Agreement, to any third party during the Term of this Agreement or any time thereafter.
- (v) The Licensor undertakes and covenants to the Licensee/Owner that it shall have use Brand for the duration of the Agreement and that the Party of the Second Part will have the right to manage the Hotel under the Brand for the duration of the Agreement.
- (vi) That the Licensee/Owner undertakes and covenants that it shall neither use the brand name of the Licensor viz., "Aurika/ Lemon Tree Premier / Lemon Tree Hotels / Keys Prima / Red Fox Hotels / Keys Select / Keys Lite / Keys Cafe nor have any right on or claim any kind of right on or use by any means the brand name / trade name of the Licensor apart from the rights specified in this present License Agreement and / or the HOA.
- (vii) The Licensee/Owner acknowledges that all rights, titles, proprietary and interest in and goodwill attached to the said Trademarks are and shall remain vested in the Licensor, the Registered Proprietor, and the Licensee/Owner shall not, on its own or in assistance of or assist any other person take any action that may invalidate, prejudice or impair any rights of the Licensor in and to the said Trademarks. In connection with its permitted use of the Mark- "**Lemon Tree Resort**", the Licensee/Owner shall not in any manner represent that it has any ownership interest in the trademarks, and the Licensee/Owner specifically acknowledges that its permitted use of the Mark "**Lemon Tree Resort**" shall not create any right, title or interest in favour of the Licensee.
- (viii) The Licensee/Owner further agrees that the Licensee/Owner shall not have any right or interest in any of the Intellectual Property Rights of the First Part under any circumstances unless otherwise specified in the present Agreement. The Licensee/Owner shall not challenge or attempt to register or record the said Trademarks of the First Part as such or in any modified form or manner or use or attempt to register or record any such Trademarks of the First Part which is either in whole or in part of the same or similar thereto, in any state, region or country, either during the term of this Agreement or after expiration or termination thereof.
- (ix) That the Licensee/Owner undertakes and covenants that immediately from the date of receipt of notice of termination of this Agreement and / or the HOA, it shall desist from using the Mark "**Lemon Tree Resort**" whether in absolute form or in any modified manner whatsoever with regard to the Hotel venture under the HOA, any other hotel venture or any other business venture of whatsoever nature, in any state, region, country, etc.



- (N) The Licensee/Owner shall not assign, transfer or sub-license the license hereby granted or any rights granted herein in any manner. In case of any sale of the property by the Licensee/Owner to any new owner and such new owner wishes to continue with the management of the Party of the Second Part, in that case the Licensor shall enter into similar kind of agreement with the new owner on mutually acceptable terms and conditions.
- (xi) The Licensee/Owner shall have no right to represent to any one that it is the proprietor/owner of the said Trademarks and the extent to and manner of use of the said trade marks by the Licensee/Owner shall be decided solely by the Licensor.
- (xii) Any delay or omission or failure by the Licensee/Owner in enforcing any of the terms and conditions of this Agreement shall not affect or restrict the rights of the Licensor and any waiver by it of any breach of any provisions of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of any provision.
- (xiii) **Goodwill:** The Licensee will use reasonable efforts to protect, maintain and promote the Licensed Marks and their distinguishing characteristics. Licensee will not permit or allow its officers, directors, principals, employees, representatives, or guests of the Hotel to engage in conduct which is unlawful or damaging to the goodwill or public image of the Licensor, its Brand Standards and its Mark(s). Licensee shall follow Brand Standards coupled with the Mark(s) granted herein i.e. " **Lemon Tree Resort** " for identification of the Hotel.

3. TERM & RENEWAL

- 3.1 The Term of this Agreement begins on the Opening Date and expires at the end of the Fifteen (15th) License Year ("Term") unless terminated earlier in accordance with the terms of this Agreement/HOA, unless it is extended for a further agreed period by mutual agreement in writing of the Parties hereto. Some of Licensee's/Owner's duties and obligations as set out in this Agreement/HOA will survive termination or expiration of this Agreement.

3.2 **NEITHER PARTY HAS AUTOMATIC RENEWAL RIGHTS OR OPTIONS.**

However, if Licensee/Owner want the Licensor to offer renewal rights, then the Licensee, if you desire to renew this Agreement, shall apply for a renewal license at least six (4) months, prior to the expiration of the Term, and subject to such Legal requirements, you must meet Licensor's then current requirements for applicants seeking a license, which may include you: (i) executing Licensor's then-current form of license and other agreements, which license and other agreements may contain materially different terms and provisions (such as operating standards and fees) from those contained in this Agreement; (ii) executing a general release, in form and substance satisfactory to the Licensor; (iii) paying an application or renewal fee.



4. OBLIGATIONS REGARDING HOTEL OPERATIONS

The Licensee/Owner agrees and undertakes to get the Hotel operated in accordance with the following services-

4.1 Reservations and Communication Services

A. The Licensor shall include the Hotel within-

1. Licensor's Central Reservation systems and communications network and provide to the Hotel the following services through such systems:

- a. acceptance of reservations for the Hotel through the Licensor's Central Reservation Call Center ('CRC') operated by the Licensor or through its nominated/engaged service provider(s) for customers who contact the CRC, either directly or through any other reservation office/ system to which the Operator is linked;
- b. acceptance of reservations through the reservation systems of other entities within the travel industry, including without limitation, general sales agencies, with whom the Licensor may have arrangements from time to time whereby the reservation systems of such entities are available to the hotels managed by the Operator;
- c. use by the Hotel, of the Licensor's communications network, which shall include, without limitation, any form of communication network linking various offices, agents or processing centers of the Licensor; and
- d. such other reservation and communication system as may be available from time to time to the hotels managed under the Licensor brand(s)/Trademarks.

B. For the purpose of linking the Hotel to the Licensor's reservation and communication networks, the Licensor may install or cause to be installed such communication equipment, software etc. at the Hotel as may be necessarily provided such communication equipment, software installed or is in the process of being installed in all hotels operated / managed by the Licensor/Operator. The Licensor may either itself provide such equipment, software etc. or enter into necessary license, lease or supply contracts to procure such equipment, software, etc. at the cost of the Owner -The Hotel Owner agrees and undertakes to pay the applicable cost of such equipment, software etc. and periodic maintenance thereof as may be charged by the Operator or its nominated vendor, as the case may be. The Licensee/Owner hereby expressly authorizes the Operator to execute such contracts as may be necessary for providing such linkages and acknowledges that such equipment, software etc. shall not form part of the Owner's property and the Owner shall not claim any interest therein, provided if such expenditure constitutes a Capital Expenditure or lease rentals, in respect of such equipment, the same shall be payable by the Owner. Further, cost related to maintaining such equipment, software etc. shall constitute an Operating Expense.



C. Reservations and Communication Services Fees:

The Owner agrees and undertakes to pay the Reservations and Communication Services Fees based upon per materialized reservation at the rate as may be decided from time to time by the Brand Owner and to be paid directly to the Brand Owner or its nominated service provider(s), as the case may be. The Brand Owner and its nominated service provider shall be entitled to revise such Reservations and Communication Services Fee from time to time for its entire network hotels operated as per Brand Standards.

4.2 Marketing and Sales Services

A. Corporate Marketing and Sales Services

- i. The Licensor has set up a robust infrastructure and network of its own to provide marketing and sales services to its network hotels operated/to be operated under the Brand Standards. Under such marketing and sales services, the Operator shall provide to the Hotel the following marketing and sales services as set out in the Operation Plan ('Corporate Marketing and Sales Services'):
 - a). inclusion of the Hotel in local, regional and global promotional programs, from the standpoint of marketing strategy, of both short-term and long-term nature. Such programs may be directed at the business, leisure, tourism, conference markets, and the participation of the Hotel shall be, to the extent deemed by the Operator, in the interests of marketing the Hotel;
 - b). representation and promotion of the Hotel through the Operator's local, regional and national sales offices;
- ii. The Hotel Owner agrees and undertakes to appoint, depute such personnel at its own cost, at the Hotel, as may be recommended by the Operator to coordinate with the Corporate Marketing & Sales network, regional and national sales offices. Such personnel shall function in coordination with Corporate Marketing & Sales network of the Licensor and shall contribute towards sales of the entire network hotels of the Operator.
- iii. The Licensor will integrate the Hotel into the Corporate Marketing and Sales Services, of the Licensor.

B. Brand Website

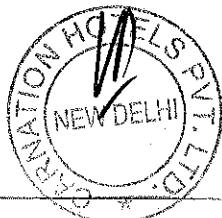
- i. The Licensor shall enable the Hotel to be linked with its website to facilitate and promotion electronic trade for the Hotel through website and to ensure pan India visibility of the Hotel.



- ii. The fee towards Brand website linkage and maintenance thereof, shall be charged by the Brand Owner @ 12% (twelve Percent) on the Net Room Revenue per materialized reservations made from the Lemon Tree Hotels website (Brand Website) ("Reservation Fee").

C. Third-Party Marketing & Sales Services:

- i. To widening the sales and marketing network and boost to revenue for Hotel, the Brand Owner has set-up of network of third party professional and reputable service providers of national/international standing engaged in the field of marketing and sales of hotels.
- ii. The Hotel Owner agrees and undertakes that it shall pay the applicable charges towards subscription, commission etc. chargeable by such third-party professionals, service providers with whom the Operator may have entered into contractual arrangements for availing such services. It is clarified that such third-party professionals, services providers as may be recommended by the Operator shall, for all intent and purpose be essential for the purpose of operating the Hotel as per Brand Standard.
- iii. The Owner agrees and undertakes to pay applicable charges along with applicable taxes ("Third-Party Marketing & Sales Services Charges") as per Sub-Clause C (ii) of Clause 4.2 above, on or before the due date as mentioned in the respective invoice, directly to such third-party based upon subscription basis or per materialized reservation, as the case may be. The Operator and/or its prescribed professionals, service providers shall be entitled to revise such charges from time to time for its entire network hotels operated as per Brand Standards. The Hotel Owner acknowledges that delay/non-payment of such Third-Party Marketing & Sales Services Charges shall lead to suspension of the Hotel from such Third-Party Marketing & Sales Services provider's platform and Operator and/or the Brand Owner shall not be responsible for such loss of revenue to the Hotel.
- iv. The Owner agrees and undertakes that any marketing services including but not limited to the graphic and creative designs artworks for promotion of the Hotel or for any other purpose shall be availed from the vendor/service provider as may be nominated/identified by the Operator and Owner shall pay the applicable charges – specific to the Hotel.
- v. To ensure better control, the Owner agrees that corporate travel/booking agent reservation amounts including OTA amount shall be routed through Operator's bank account. Operator shall, after deducting the management fees/other dues from the amount collected from travel/booking agents/ from any other sources, transfer the balance amount to the Operating Account. Such reconciliation shall be done twice a month.

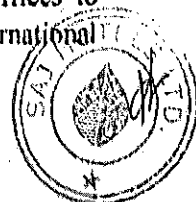


4.3 Loyalty Program & Fee

- A. The Brand Owner shall provide the (Hotel) Owner with additional sales and marketing facilities through Loyalty Program, ~~reservation systems~~, integrated with all its owned/operated hotels under Lemon Tree Hotel brands. Hotel Owner hereby agrees to participate in such programs on the same terms & conditions as other managed hotels / resorts and undertakes to pay the applicable Loyalty Program fee @ 4.5% (four point five percent) of Net Room Revenue ("Loyalty Program Fee") earned from the Loyalty Program Members.
- B. The said payment as specified under Clause 4.3A above shall be paid by the (Hotel) Owner to the Brand Owner on or before the fifteenth (15th) day of each month in arrears based on the Gross Revenue of the Hotel for the immediately preceding month. By 1st May of each subsequent Financial Year, the Operator shall deliver to the (Hotel) Owner a reconciliation statement showing the calculation and payment, as specified under this Clause for such Financial Year, and appropriate adjustments for any overpayment or underpayment of the said payment as specified under this Clause actually paid. The Party owing money shall pay such amount to the other Party within thirty (30) Business Days after delivery of such reconciliation statement to the (Hotel) Owner.
- C. In addition, the (Hotel) Owner shall pay the reservation fee directly to the global distribution system/booking agency as the case may be in accordance with the approved Annual Operation Plan. Any sales and marketing activity undertaken exclusively for the Hotel shall be paid by the (Hotel) Owner.

4.4 Additional Services

- A. Upon a written request from the Licensee/Owner for any additional services during the Term, the Licensor may make available to the Licensee/Owner such additional services, including without limitation, sales and marketing, training and review, insurance, internal and quality assurance auditing, telecommunications, accounting, financial planning, architectural and design, legal and such other services, either through the personnel of the Licensor, or professional third parties, with whom the Licensor may contract for the provision of the requested services. The costs for providing such additional services are to be mutually agreed between the Licensee/Owner and the Licensor and shall be modified from time-to-time and shall be charged as an Operating Expense of the Hotel.
- B. If, in addition, the Licensee/Owner and Operator deems it necessary or desirable, the Parties hereto agree that the Licensor may use its offices to arrange a sales and reservation agreement with any other reputable international



/ national hotel chain or any other international bodies. Fees and other charges pursuant to such agreement shall be charged to Operating Expenses of the Hotel subject to the Licensee's approval in case such charges are not separately identified and included in Annual Operation Plan.

- C. It is hereby clarified that the efficiencies of Licensor's services/ and obligations under this Agreement will depend upon the Licensee's carrying out its part of the obligations and any failure on Licensee's part to carry out its part of obligations, would absolve Licensor of any failure or deficiency on the part of Licensee in rendering its services under the Agreement.
- D. The said Fee shall be made to the Licensor by the Licensee/Owner within twenty (20) days from the end of each month of each Financial Year. The Licensor will raise invoice for the said Fee upon receipt of Gross Revenue of the Hotel report from the party of Second Part.
- E. It is agreed between the Parties that the adjustments, if any required to be made to Fee will be done and finalised within the last quarter of the same financial year. All payments of the Fee by the Licensee/Owner in the manner specified above shall be made by way of cheque or direct transfer into the account of the Licensor.

5. LICENSE FEE, PAYMENTS & TAXES

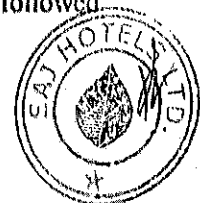
LICENSE FEE: The License Fee shall be calculated as follows:

- A. 2.0% (Two Percent) of Gross Revenue of the Hotel on monthly basis. The aforementioned License Fee shall be inclusive of (a) Corporate Marketing and Sales Services Fee of 1.50% (One Point Five Zero Percent) of Gross Revenue an (b) Brand Royalty Fee of 0.50% (Point Five Zero Percent) of Gross Revenue for permitting the branding of the Hotel.
Bad Debt shall be adjusted from Gross Revenue for the computation of the License Fee.

The Licensee/Owner shall pay on or before expiry of fifteen (15) days from the date of receipt of invoice from the Licensor, the License Fee monthly in arrears based on the Gross Revenue of the Hotel for the immediately preceding month.

By 1st May of each subsequent Financial Year, the Licensor/Operator shall deliver to the Licensee/Owner a reconciliation statement showing actual fee (License Fee) payable based on the final Gross Revenue paid during such Financial Year, and appropriate adjustments for any overpayment or underpayment of the License Fee actually paid shall be done accordingly. The Party owing money shall pay such amount to the other Party within thirty (30) Business Days after delivery of such reconciliation statement to the Licensee/Owner.

- B. Any taxes, surcharges or any government levy of any type including but not limited to Goods & Service Tax (but subject to TDS), applicable currently or in future on the above fee will be payable by the Licensee/Owner. The law of the land is to be followed.



in all cases. Income Taxes on the Licensor's income are the responsibility of the Licensor.

- C. For any delay of payment of fee(s), dues, taxes, payable under this Agreement shall attract an interest of 18% per annum for the period of delay i.e. the period from due date of payment till actual date of payment.

6. ESSENCE OF CONTRACT

The Owner acknowledges that it is essence of contract under this Agreement that the operation of the Hotel is conducted by the Operator in accordance with Brand Standards, which may be revised, updated from time to time in the sole discretion of the Licensor by adopting, incorporating new technologies, SOPs, practices relating to employees etc. The Licensee/Owner hereby agrees and undertakes to adhere, implement and abide by at its cost such mandatory new Brand Standards, employees' practices (HR practices), technologies, quality standards/upgrades as may from time to time revised, update and intimated to the Owner.

7. TERMINATION & CONSEQUENCES

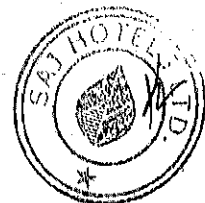
7.1 Termination

The Agreement may be terminated as follows:

A. Termination by either Party

In addition to rights and remedies under this Agreement and at law and in equity, each party shall have right to terminate this Agreement, by issuing a thirty (30) Business Days written notice of termination to the other party on occurrence of any of the following events:

- (i) upon initiation of insolvency, bankruptcy or similar debtor relief laws proceedings against the other party or any time thereafter;
- (ii) other party files a voluntary petition for relief under applicable bankruptcy, insolvency, or similar debtor relief laws;
- (iii) the appointment (or on filing of petition or application for appointment) of a receiver, manager, custodian, trustee, conservator, or liquidator by competent authority, court of law/tribunal, to oversee any or all of the assets, conduct of its business or undertaking of that other Party;
- (iv) that other Party enters any form of external administration,
- (v) that other Party makes a general assignment for the benefit of its creditors;
- (vi) any proceeding of reorganization, arrangement, readjustment of debt, or the like however described, except with the consent of the other Party.
- (vii) anything analogous to any of the above events occurs to or in respect of that other Party under the law of any jurisdiction;



In case the event(s) of termination under this Clause, is/are not rectified, removed by the other party within the notice period of thirty (30) Business Days, then immediately on expiry of Notice Period of 30 Business Days, this Agreement will come to an end as terminated without prejudice to any rights of action or remedies of terminating Party in respect of the breach, non-performance or non-observance of a covenant or Term of this Agreement. In case termination is attributable on the part of the Licensee/Owner, the Licensor shall have a right to recover an amount of compensation equivalent to the "Pre-Mature Termination Fee" stipulated under Clause-7.4 hereof plus applicable taxes.

B. Event of Default attributable on the part of Licensee:

In the event, the Licensee, at any time during the Term of this Agreement fails or neglects to perform or observe any or more of the following material obligations under this Agreement, the Licensor may, terminate this Agreement forthwith, if any or more of the following events of default occur:

- i. to comply with its obligations with respect to special/internal and/or any other audit related compliances;
- ii. to comply with Training obligation under this Agreement and/or under the related Service Agreement with vendor nominated by the Licensor;
- iii. to comply with payment obligations under this Agreement and
- iv. initiating any commercial activity in and/or pertaining to the Hotel not contemplated under this Agreement and is detrimental to the Brand Standards and/or the interest of the Licensor.
- v. non-compliance and/or breach of the Brand Standards; or
- vi. non-compliance of and/or breach of Licensee's obligation to maintain 'Life and Safety Standards' with respect to the Hotel, as may be prescribed under the law and Brand Standards.

It is made clear that the aforementioned list of material breaches is not exhaustive but is indicative only.

Material Breach referred under this clause shall include, but not limited to, non-maintenance and up-gradation of the Hotel as per the Brand Standards, non-maintenance and up-gradation of software as per Brand Standards, non-payment of any fee prescribed under this Agreement, non-availability of any required licence or non-compliance of applicable law.

If the Licensee does not cure the breach as stated above or fails to observe or perform any of the terms and conditions herein contained or is in breach of its representations and warranties the Operator, in addition to its right to terminate the Agreement, shall have a right to recover an amount of compensation equivalent to the "Pre-Mature Termination Fee" stipulated under Clause -7.4 hereof plus applicable taxes thereon.

C. Termination by Efflux of Term: It is clearly understood by the Parties herein that the present Agreement shall automatically stand terminated in the event of cancellation or termination of the HOA between the Party of the Second Part/Operator and the Licensee/Owner.



D. Termination by Mutual Consent

The Parties may, after completion of one full License Year, terminate this Agreement, upon such terms and conditions as may be mutually agreed between the Parties hereof, upon issuance of six (6) months written notice and which shall be effective on expiry of six (6) months or such other period as may be mutually agreed between the Parties, from the date of execution of termination agreement in this regard.

E. Destruction or Suspension of Operation of Hotel

In case the Hotel is damaged or destroyed, by fire or for any reason, to the extent which materially interferes with the operation of the Hotel for hotel purposes and if the Licensee/Owner fails to repair, rebuild or replace the same and complete such repairing, rebuilding or replacement within a reasonable period of time mutually agreed by both parties so that after such repairing, rebuilding or replacement, the Hotel shall be substantially the same as prior to such damage or destruction, the Licensor shall have the right, without limiting any other rights which it may have herein, to terminate this Agreement by thirty (30) Business Days written notice to the Licensee. Notwithstanding the above, in the event the cost of repairing such damage is greater than 50% (Fifty Percent) of the fair market value of the Hotel (excluding the value of land), the Licensee shall not be liable to repair such damage and shall have the right to terminate this Agreement without any payment to the Licensor. The Licensor shall however be entitled to its equitable share of the Business Interruption Insurance that will be for a period of up to two (2) years.

Notwithstanding anything contained herein, the Licensor shall have an option to keep this Agreement suspended during the period of repairs, rebuilding or replacement of the Hotel until it is put in operation and the period so taken up in repairs, rebuilding or replacement shall be deducted for the purpose of computation of the Term of this Agreement, as specified in Clause – 3.1 hereof which will be extended by the period equal to the period of such suspension.

F. Substantial Interference with Hotel Operations, Acquisition, etc.

In the event that acts of war, civil disturbance, terrorist activities, acts of Government or any other cause beyond the control of the Licensor, has a substantial adverse effect upon the operation of the Hotel as contemplated under this Agreement or the Hotel or an 'essential portion' of the Hotel is taken by way of acquisition, requisition or dispossession by State authorities, the Licensor shall have the right to terminate this Agreement without prejudice to its other rights contained herein by giving thirty (30) Business Days written notice to the Licensee.

For the purposes of this Clause F, an 'essential portion' of the Hotel shall be deemed to have been taken when the remaining portions of the Hotel cannot, in the Licensor's opinion, be efficiently operated for hotel purposes during the Term for which such essential portion has been taken.



G. Termination by Owner, without any cause attributable to the Operator-

The Licensee may terminate this Agreement by giving six (6) months advance written notice to the Licensor subject to payment of "Pre-mature Termination Fee" (Clause-7.4) to the Operator, as compensation of such pre-mature termination.

7.2 CONSEQUENCE UPON TERMINATION

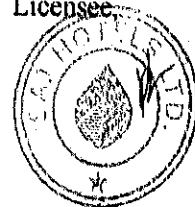
- 7.2.1 Upon termination of this Agreement for any reason, Licensor and Licensee agree to sign any documents reasonably necessary to effect such termination or change in management for the Hotel.
- 7.2.2 Licensor and Licensee agree that upon termination, there may be certain adjustments to the final accounting for which information may not be available at the time of the final accounting and the parties agree to readjust such amounts and make the required adjustments when such information becomes available;
- 7.2.3 The termination of this Agreement, pursuant to the provisions of this Clause 7 shall not affect the rights of the parties under this Agreement, up to the date of termination.
- 7.2.4 Upon the termination of this Agreement, all accounts and dues between the Parties, including the amount mentioned as above shall be paid on vacation of the Hotel premises by the Operator failing which the Licensee is liable to pay interest on delayed payment at the rate of 24% per annum from the date of default.
- 7.2.5 Upon termination, the Licensor shall remove its name and all its signages and displays that represent the Brand of the Licensor and/or of the Brand Owner from the Hotel and the Licensee shall not be allowed to use any name identical or similar (visually and/or phonetically similar) to that of the Licensor.
- 7.2.6 All software used at the Hotel which is owned or licensed by Licensor or any Operator Affiliate shall remain the exclusive property of Licensor/Operator, as the case may be. Licensor shall have the right to remove such software without compensation to Licensee.

7.3 Payment of Accounts

Upon termination of this Agreement for any cause whatsoever, all accounts due and owing between the parties hereto shall become due and payable simultaneously with the expiry of thirtieth (30th) Business Days from the date of termination. The Licensor shall cause the accounts to be audited, and basis upon which the Licensee shall pay all amounts due and payable to the Licensor. In the event of any deficiency / surplus, the Licensee/Licensor shall forthwith pay an amount corresponding to the deficiency/ surplus to the Licensor / Licensee.

7.4 Payment of Pre-Mature Termination Fee-

In case of termination of this Agreement under Clause 7 or under any other sub-clause of clause-7 where termination of this Agreement is attributable to the Licensee.



irrespective of the fact that as to whether Licensee issued Notice of Termination or the Licensor issued Notice of Termination, as a consequence of such attributed circumstance/situation rendered by the Licensee, the Licensee shall be liable to pay Pre-Mature Termination Fee to the Licensor as under-

- A. If termination of Agreement happens during the Term of this Agreement:**
Pre-Mature Termination Fee shall be calculated by multiplying the monthly average of total License Fee earned in the immediately preceding past three (3) full financial years or such period if actual License Year is less than three years with the actual number of remaining months of the Term of this Agreement.

7.5 Licensee's Post-Termination Obligations.

Upon the expiration or termination of this Agreement, and without limitation on any of Licensee's other rights and remedies under this Agreement and at law and in equity, the terms of this Clause 7.5 shall apply.

- (i) **Debts** - Licensee shall pay all amounts within thirty (30) days of expiration or termination owing to Licensor arising or accruing prior to the expiration or termination of this Agreement, even if invoiced to Licensee after such expiration or termination.
- (ii) **Complete de-identification of Hotel and cessation of use of licensed marks.** Upon the expiration of the notice period of thirty (30) days of the termination of this Agreement, the Licensee at its expense shall:
 - (a) Immediately cease to use the technology systems (including the reservations/intranet systems) and all other system programs and services;
 - (b) Immediately not, directly or indirectly, at any time or in any manner (i) use any licensed mark or other Proprietary Rights, or any colorable imitation or other indicia of the Brand, (ii) indicate in any marketing, advertising or other media, including the internet, that Licensee is a owner/ former owner of the Mark(s), or (iii) represent that the Hotel is or was operated as a Brand hotel or otherwise associated with the Licensor's Brand Standards;
 - (c) immediately notify the telephone company and all telephone directory publishers of the termination or expiration of Licensee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any licensed Mark(s) and to authorize transfer of the number to Licensor or at Licensor's direction;
 - (d) Immediately, remove from the Hotel, and discontinue using for any purpose, all Operating Supplies and other materials in each case that display any of the licensed marks or any distinctive features, images, or designs associated with the Brand, and make such alterations as may be necessary to distinguish the Hotel so clearly from its former appearance as a Brand hotel and from other Brand hotels as to prevent any possibility of confusion to the public, including such actions as required in any de-identification checklist provided to Licensee;
 - (e) immediately, cease use of all proprietary software licensed to Licensee by Licensor or any of its affiliates and comply fully with Licensee's post-



termination obligations in any license agreements for the proprietary software and the third-party software; and

- (f) provide to Licensor, within 30 days after the effective date of expiration or termination, evidence satisfactory to Licensor of Licensee's compliance with its obligations under this Clause 7.5.
 - (g) shall immediately affix adhesive stickers on all print material bearing the Marks(s) of the Licensor before the same are presented to the guest containing the following words, "*The Hotel is not a part of Lemon Tree chain of hotels any more*". All such change is to be done on website and digital links at every place wherever it is visible & applicable.
 - (h) notwithstanding anything contained in this Agreement elsewhere and without prejudice to rights and remedies, the Licensee shall keep Licensor duly indemnified of all claims and costs by reason of any injury caused to the guest or by reason of any guest complaint or otherwise on account of use of any material by the Licensee, post termination under this clause.
- (iii) **Licensor's Repurchase Option** - Licensee shall give to Licensor and its Affiliates a reasonable opportunity to purchase from Licensee at their depreciated book value any and all of the Operating Supplies, and other items that bear any of the licensed marks, provided that Licensor's failure to purchase any such items shall not give Licensee the right to use such items.
- (iv) **Return Proprietary Materials** - Licensee shall cease to use the Brand Manuals and all other Licensor's Confidential Information, delete all such information from all electronic media and computer systems in Licensee's possession or control and return to Licensor all hard copies of Brand Manuals and other items constituting Licensor's Confidential Information, including all copies thereof, in Licensee's possession or control. Licensee shall retain no copy or record of any of the foregoing items, provided that Licensee may retain on a confidential basis, Licensee's copy of this Agreement, any correspondence between the Parties, and any other document which Licensee reasonably needs for compliance with any applicable law or reasonably determines necessary, in connection with any dispute relating to such termination.
- (v) **Survival** - This Clause-7.5 shall survive the expiration or termination of this Agreement.

8. MISCELLANEOUS:

- 8.1 **Dispute Resolution:** Any dispute, difference or question which may arise at any time hereafter between the Parties herein touching the true construction of this Agreement or the rights and liabilities of the Parties hereto shall be referred, at the request in writing of any Party to binding arbitration by a panel of three (3) arbitrators ("Arbitration Panel"), with each of the Parties to the Dispute appointing one (1) arbitrator each (for avoidance of doubt, it is hereby clarified that for the purposes of this Clause 8.1, Parties to the dispute shall mean the Licensor on one hand and the Licensee/Owner on the other and the two (2) arbitrators (this



appointed shall appoint the third (3rd) arbitrator (who shall be the presiding arbitrator), by no later than ten (10) Business Days from the date on which the aforesaid written request was received by a Party to the dispute. For avoidance of doubt, in case either Party fails to appoint their respective arbitrator within the period of ten (10) days from the expiry of the thirtieth (30th) day as aforementioned, the arbitrator appointed by the other Party shall be deemed to be the Sole Arbitrator and be authorized to adjudicate upon the said Dispute. The seat of the arbitration shall be at New Delhi and the arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1996. The award rendered shall be in writing and shall set out the reasons for the arbitral tribunal's decision. The award shall allocate or apportion the costs of the arbitration as the Arbitral Panel deems fair. The Parties agree that no Party shall have any right to commence or maintain any suit or legal proceedings (other than for interim or conservatory measures) until the dispute has been determined in accordance with the arbitration procedure provided herein and then only for enforcement of the award rendered in the arbitration. Judgment upon the arbitration award may be rendered in any court of competent jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. Licensee/Owner shall be liable to pay Licensor Sales and Marketing fees as payable under the Agreement during the pendency of the dispute resolution proceedings.

8.2 **Entire Agreement:** This agreement together with other writings signed by the parties expressly stated to be supplementary hereto and together with any instruments to be executed and delivered pursuant to this agreement constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only in writing signed by the parties hereto.

8.3 **Counterparts:** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

8.4 **Survival:** Termination shall not terminate or otherwise affect any rights or obligations of a Party that either expressly or by their nature survives termination.

8.5 **Amendments:** This agreement may be modified, amended, altered or supplemented accept by an agreement in writing, executed, by the parties hereto.

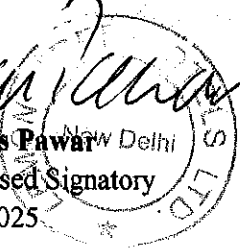
8.6 This Agreement shall be deemed to have been made in India and the construction, validity and performance of this agreement shall be governed in all respects by the laws of India and courts at Delhi shall have exclusive jurisdiction to adjudicate upon any reference by the Parties hereto.



IN WITNESS WHEREOF the Parties hereto have signed this Agreement on the date and year first written above.

SIGNED AND DELIVERED BY LEMON TREE HOTELS LIMITED, AS
LICENSOR:


By: Mr. Vilas Pawar
Title: Authorised Signatory
Date: 16.10.2025

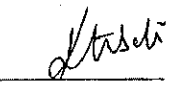


SIGNED AND DELIVERED BY CARNATION HOTELS PRIVATE LIMITED, AS
PARTY OF THE SECOND PART:


By: Mr. Vilas Pawar
Title: CEO – Managed and Franchise Business
Date: 16.10.2025



SIGNED AND DELIVERED BY SIGNED AND DELIVERED BY
LICENSEE/OWNER


By: Mr. Karna Kartik Timbadia
Title: Managing Director
Date: 16.10.2025



WITNESS No. 1: _____

Name:

R/o:

Aadhaar Number:

Contact Number:

WITNESS No. 2: _____

Name:

R/o:

Aadhaar Number:

Contact Number: