

DRAFT LICENSURE AGREEMENT

This Agreement of License is executed on this the ___ day of _____ 2010 at Bengaluru

BETWEEN

Karnataka State Tourism Development Corporation Ltd., a Government of Karnataka Undertaking, having its registered office at No. __ Khanija Bhavan, Race Course Road, Bengaluru, (herein after referred to as the Licensor/KSTDC)

AND

(hereinafter referred to as the Licensee)

WHEREAS, the Licensor is the owner of the property, Hotel Valley View, situated near Raja Seat, Madikeri, Kodagu District, Karnataka

WHEREAS, Hotel Valley View consists of boarding, lodging and other tourist facilities. It has, apart from other things, two restaurants, sit out, pantry, toilets used for restaurant customers, kitchen, dish wash area and store room along with fittings, fixtures and furniture, which KSTDC intends to license the use of the same. The said areas together with fittings, fixtures and furniture are listed out in the schedule hereunder and are hereinafter referred to as schedule property.

WHEREAS, KSTDC after competitive bidding, has accepted the offer of the Licensee. Licensee is hereby granted permission to use the schedule property as herein mentioned in this License Agreement.

NOW THIS AGREEMENT WITNESSES AS FOLLOWS:

1. The Licensor hereby permits the use of schedule property by the Licensee during the period of this agreement.
2. As a consideration for permission granted by the Licensor, the Licensee agrees to pay to the Licensee
 - (a) a refundable interest free security deposit of Rs. _____ (equivalent to 12 months license fee).
 - (b) A quarterly License fee of Rs. _____, which is liable to be increased once in every year at the rate of 5% upon the license fee paid for the immediate preceding year.
 - (c) 15% of the turn over amount for the amount over and above Rs.75 Lakhs.
3. The term of this agreement shall be for a period of three years commencing from the date of execution of this agreement, which is extendable by mutual consent for another three years.
4. This is only a license and not a lease. The Licensee cannot assign this to third parties nor is it inheritable. The Licensee is only permitted to carry on certain activities as stated in this agreement and no interest in the schedule property is transferred to the Licensee.
5. Obligations of the Licensee:
 - (a) To pay to KSTDC aforesaid quarterly license fee as stated in para 2 (b) supra in advance on or before 5th day of the every quarter of the year. On any default, the Licensee shall be liable to pay interest at the rate of 18% on the amount and period of default.
 - (b) Shall pay the electricity charges as per the usage. Shall also pay for the generator facilities as determined by the Licensor in case the licensee requires the use of the same. The

licensee shall also pay 25% of the cost of the operation of the generator belonging to KSTDC.

- (c) Shall pay all the taxes and other statutory dues associated with running of a restaurant.
- (d) Shall employ his own staff, labourers and the like and shall pay the required salaries, wages, provident fund, ESI and the like. He alone shall be responsible for the persons employed by him and KSTDC is not liable to them as a principal employer. In case KSTDC is put to any hardship or injury on this count the licensee will keep KSTDC duly indemnified.
- (e) Shall be solely responsible for all the happenings in the schedule property and in other areas in Mayura Valley View he shall be responsible for all things happening in the course of his business and any injury to third party on the schedule property and elsewhere when it is due to the functioning of the licensee or any of his employees he alone shall be responsible for them and shall keep KSTDC duly indemnified in case of any loss or injury to it.
- (f) Shall keep the restaurant open at least from 6.00 a.m to 11.00 p.m on all days of the week including holidays, subject to the law of the land, provided the timings may be changed by mutual consent.
- (g) KSTDC runs lodging facility in Hotel Mayura Valley View and the licensee shall provide for room service without causing any inconvenience to KSTDC or its customers. The cutlery and crockery shall be removed the same day, no sooner the guests are served. The licensee shall serve in decent and good quality crockery and cutlery. Provision of room service is compulsory. Room service menu card shall be printed by the Licensee as indicated by KSTDC and placed in each room.
- (h) To sell wholesome and good quality food, to use a cooking medium of hydrogenated vegetable oils, to sell food items and drinks at the rate approved by KSTDC, keeping in view the market conditions and to display the rates at a prominent place in the restaurant. The tariff may be revised from time to time in case it is warranted due to rise in food prices or other economic conditions with prior approval of KSTDC. A copy of the menu and approved tariff is enclosed to this agreement and forms part of this agreement.
- (i) To deal with customers in polite and courteous manner, to maintain utmost cleanliness, to use clean linen, to change the table cloths and service regularly.
- (j) To supply tea, snacks, beverages, vegetarian and non-vegetarian food. In the event of any failure on the part of the Licensee to supply the food and or drinks KSTDC reserves the right to procure the food and drinks from outside and to supply the same to the guests and the excess in cost and the expenses incurred will be recovered from the Licensee.
- (k) In the event of any complaint made by the customer against the Licensee in respect to the catering or services of the restaurant, it shall be the duty of the Manager of the restaurant appointed by the Licensee to take cognizance and settle the same. In the event the complaint/grievance is not settled by the manager, the same should be reported to the Head Office of KSTDC and the decision of KSTDC is final. KSTDC can terminate this agreement on this ground.
- (l) The licensee shall maintain a complaint box in a conspicuous place in the restaurant which will be kept open for inspection by persons duly authorised by KSTDC.
- (m) To provide sufficient personnel to properly run the restaurant and room service at his expenses. He shall engage at least five persons during restaurant hours for room service. The personnel shall be neatly dressed in uniforms, as approved by KSTDC at all times when working. The interior decoration of the restaurant and the uniforms of the staff shall be fixed keeping in view the Kodava culture.

- (n) To engage qualified and trained persons of good character and who are well behaved. The details of the persons employed shall be furnished by the Licensee to KSTDC and it shall include their photographs, address proof, police verification and such other detail as required by KSTDC.
- (o) The Licensee shall not employ any person, suffering from any contagious or infectious disease. The Licensee shall procure a health certificate to that effect from a competent doctor in this regard with regard to persons employed by him.
- (p) The licensee shall not employ child labour or any person in violation of any law of the land.
- (q) He shall maintain schedule property in good condition and in case of any breakage or destruction or damage, he shall suitably have the same repaired or replaced. After termination of this agreement, the licensee shall hand over the same back to KSTDC in good and proper condition. Schedule property or any fittings, furniture or fixture is damaged, he is liable to compensate KSTDC to that extent and KSTDC can deduct the damages from the refundable deposit or by invoking the bank guarantee other than claiming damages from Licensee.
- (r) He shall maintain the entire schedule property in good hygienic condition with regular cleaning.
- (s) The Licensee shall obtain an insurance policy under the Public Liability Insurance Cover to serve and protect the interest of the customers in the event of any food poisoning and as such other contingencies that may occur in the restaurant or room service or in the course of the business of the Licensee.
- (t) The Licensee shall not utilise this agreement for any purpose other than running the restaurant and providing room service at Mayura Valley View. He shall not alter the schedule property without the permission of KSTDC.
- (u) To comply with all laws with regard to sale of food and conduct such business as contemplated in this agreement and obtain such licenses and permission as may be required.
- (v) KSTDC has bar license. Licensee shall provide requisite staff and finance to operate the bar in all respects including with relation to transactions with departments and customers and shall be alone responsible for all the consequences of the same. In case KSTDC is put to any hardship or injury, the Licensee shall keep KSTDC duly indemnified. Further the Licensee shall also pay to KSTDC, the amounts spent by KSTDC to obtain the bar license and its fee.
- (w) To pay service tax and such other taxes and outgoings as applicable and carry on the business in accordance with law.
- (x) The licensee shall make adequate provision for fire fighting in the restaurant. Will provide photocopies of the all the licenses, insurance, receipts in respect of payment of taxes and other statutory outgoings and the like. He shall be solely responsible for his business, his employees, customers, and third parties in relation to this business. KSTDC is not liable for any thing and any injury or loss caused to KSTDC shall be duly indemnified by Licensee.
- (y) He shall operate his business without causing any nuisance to the customers of KSTDC. The functioning should be of a restaurant of a minimum of two star hotel standards. He shall serve the local cuisine in the restaurant.
- (z) He can install only such hoardings and at such place as permitted by KSTDC.
- (aa) The licensee shall provide food (as per menu) at a subsidised rates to the staff of KSTDC working in Mayura Valley View.

- (bb) The licensee shall provide breakfast to the room guests / residents at the agreed price against coupons.
- (cc) The licensee shall take approval of KSTDC for the menu price and items..
- (dd) Shall not create nuisance with the music system. The same can be played only in low sound without disturbing the guests of KSTDC in the rooms.
6. KSTDC shall not be liable for any loss or damage caused to any goods, stores or articles in the schedule property.
 7. KSTDC shall be entitled to stop the sale or destroy such eatables or consumables, which it considers unfit for human consumption and against any law.
 8. KSTDC can inspect any work being done by the Licensee.
 9. Licensee is entitled to furnish the schedule property if he likes, but with the permission of KSTDC. He shall bring in his utensils, cutlery and crockery and other articles to run the business.
 10. Possession of the schedule property lies with KSTDC and Licensee is only entitled to use the premises in accordance with this agreement.
 11. The Licensee is at liberty to name the restaurant as approved by KSTDC.
 12. KSTDC is at liberty to outsource any other portion of the Hotel Mayura Valley View, including for the purposes of bar and or restaurant and can do any alterations, modifications, additions and the like for the same. The licensee cannot object for the same.
 13. The licensee hereby agrees and states that he has inspected and verified the schedule premises licensed for his use, including the fixtures and furniture and is satisfied about the same. He has also verified all the aspects covering the business and hereby agrees that he shall not be entitled to raise any dispute touching upon the premises or goods being licensed for his use.
 14. Force Majure: If this agreement becomes unenforceable due to acts of god or nature or due to any government policy or decision, then the parties shall not be liable for the losses suffered by either of the parties.
 15. Termination:
 - (a) KSTDC can terminate this License, if the Licensee violates any of the terms of this agreement.
 - (b) Licensee cannot terminate this agreement for a period of one year. Thereafter he can terminate the same with a three months notice to KSTDC. If the Licensee terminates this agreement within one year then he shall be liable to pay the license fee for the period of one year.
 16. Arbitration: In case of any dispute the same shall be referred to arbitration and the secretary, department of tourism, state of Karnataka shall be the sole arbitrator.

SCHEUDLE

- 1) The premises licensed for the use of the licensee includes a kitchen, store room, dish wash area, sit out, dining hall, restaurant bar, toilets as shown in the drawing. In addition to the above the licensee can make use of the garden beyond the path way for restaurant purposes, provided the licensor does not require the same for any parties and the like that may be hosted by it.
- 2) List of fittings and furniture:

RESTAURANT:

1. Service table with wooden top-8 No.s (3' X 3')
2. Wooden Chairs with cushion (Rosewood finish)-40 No.s

3. Samsung Fridge-1 No.s(315 Ltrs , Double door)
4. Bottle cooler (Leonard)-1No.s
5. Marble top-8 No.s
6. Plastic Chairs-10 No.s
7. Posters (Big)-2 No.s
8. Posters (Small)-2 No-s
9. Carved seasam wood partition-1 No.s
10. Bar Counter-(16.7 X 4 X 2.1 with marble top)

A/C Rest:

1. A/c – 2 No.s-(Wall mounted 2 tonne each)
2. Cushioned Chairs-30 No.s
3. Posters-4 No.s

Kitchen:

1. S.S Wet Grinder 10 Ltrs-1 No.s
2. Grinder 5 Ltrs-2 No.s
3. Grinder 2 Ltrs-1 No.s
4. Fridge- 2 No.s (Blue star 40 CFT and Surrise 4 door S.S.Almirah type)
5. Idli steam cooker-1 No.s
6. Hot case-1+1
7. Buffet table-1 No.s
8. Dosa tawa- (2' X3')-1 No.s
9. Mixies-3 No.s
- 10.Exhaust Fan
- 11.Geasers-2 No.s
- 12.S.S.Cooking vessels with lids (Various sizes)-15 No.s
- 13.Gas Stove-5 No.s (Domestic-1, Comm. Single-3, Double-1)
- 14.S.S.Masala Tray-1 No.s
- 15.Cleaning Tray-1 No.s
- 16.Gas Cylinders-9 No.s
- 17.Iron stand-roof- 2 No.s
- 18.Coffee/Tea Flask –Big- 2 No.s
- 19.Grill cum oven-1 No.s

LIST OF STAFF FOOD TO BE PROVIDED BY THE LICENSEE AT THE COST
MUTUALLY DECIDED BY BOTH PARTIES

**Staff food: (Lunch between 12.30 p.m. to 01.15 p.m. & dinner 07.00
p.m. to 07.45 p.m)**

Breakfast:

Idli sambar

or Rice bath

or Pongal

or Upma

or Vangi Bath,

or Plain dosa

or Poori-Saagu

Coffee / Tea- (Along with Break fast & evening at 05.00 p.m)

Lunch/ Dinner:

South Indian Vegetarian thali meals with Poori or Chapathi or Roti, White rice, Rasam, Sambar, Kootu, Foogle, Thick Buttermilk, Pickle. One non-veg item and sweet once a week.

To collect and record breakfast coupons issued by the licensor

. Complimentary breakfast menu (to the residents)- rate to be payable by Licensor, after mutual understanding with Licensee

- Fresh Fruit Juice-
- Idli
- Vada
- Chutney, sambar
- Kesari bath

- Plain Dosa/
- Masala Dosa
- Eggs to Order
- Toast, Butter / Jam
- Coffee
- Tea

1. Buffet to be laid in the restaurant between 07.30 a.m to 09.30 a.m.
2. Packaged Drinking Water cans only to be used.
3. Break fast quantity is unlimited.
4. To collect and record breakfast coupons issued at the reception.
5. Menu can be modified with items like

Khara bath

Kesari bath

Bisi Bele Bath

Poori-Saagu

Pongal

Nooputtu

Kadambottu

Akki Rotti

Mashroom or Bamboo shoot curry or palya

IN WITNESS WHEREOF THIS AGREEMENT IS EXECUTED ON THE DATE AND AT PLACE FIRST HEREIN ABOVE MENTIONED.

WITNESSES:

1.

KSTDC

2.

LICENSEE