

IN-PRsel04

## **Sale agreement for land or property to be developed by the buyer**

**Dated:** [Date]

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This agreement is made on [Date]

Between:

[Owner name] (the "Owner"), a company incorporated under the Companies Act, [ ]  
];  
a partnership / proprietorship firm having its head [ ];  
an individual s/o [father's name], / [ ]  
];

AND

[Developer name] (the "Developer"), a company incorporated under the Companies Act, [ ]  
];  
a partnership / proprietorship firm having its head [ ];  
an individual s/o [father's name], / [ ]  
];

These are the agreed terms:

## 1. Definitions

Following definitions apply unless the context

:

“Agreement” shall mean the instant Development Agreement.  
“Development” shall mean the construction of building or buildings as per municipal sanctioned plans and approved scheme, selling flats therein on ownership basis and ultimately transferring the land within the building to a body like a co-operative housing society or limited company formed by the

“Effective Date” shall mean the Date of the signing

“Flat” shall mean a separate set of premises, whether or not on the same floor,

“Flat Ownership” shall mean the

“Property” shall mean the property of the Owner and on which development is sought to be undertaken

“Purchasers” shall mean a person or persons acquiring an absolute interest in

## 2. Summary of agreement

2.1. The Developer is engaged in

/ ;

2.2. The Owner is the holder of absolute rights to the property,

;

2.3. For the purpose of development of the Property, the Owner has agreed to authorize the Developer for all necessary tasks involved therein, by demolishing the existing

### **3. Scope of Work**

The Owner hereby agrees to entrust and hand over to the Developer the work and right of Development of the Property in the manner and on the terms and conditions hereinafter contained, and the Developer agrees to develop and/

### **4. Representations of the owner**

4.1. The Owner hereby declares that he is the holder of

4.2. The Owner undertakes to execute a Power of Attorney in favour of

4.3. The Owner declares hereby that all arrears due

### **5. Representations of the developer**

5.1. The Developer declares that he has

5.2. The Developer hereby undertakes to obtain the requisite permissions from the concerned

5.3. The Developer undertakes to not commence any development tasks on

5.4. The Developer further agrees that he will not begin the work of construction on the

5.1

5.5. In case the Developer defaults on the payments of further instalments therein, the

## 6. Rights of the Parties under this agreement

6.1. In consideration of the Owner having agreed to entrust to the Developer the Development of the Property

[ /- ( ) ]  
:

6.1.1 The Developer will pay to the Owner a sum of Rs. [ /- ( ) ],

6.1.2 The balance sum of Rs. [Amount/- (Amount in words)] shall be payable in the form [ ] - . [ /- ( ) ],

6.1.3 It is further provided that if the Municipal Corporation sanctions additional Floor Space Index with respect to the property, the

Owner

. [ /- (

)]

,

[

]

6.2. The Developer shall be entitled to carry out at his own costs, charges and expenses, in all respects, all or

, ,

6.3. The Developer shall have the right to sub-contract the whole or any portion of his obligations under the ,

,

,

6.4. The Developer shall have the right to sell and/or allot the dwelling units or flats and/or any /

/

6.5. All such allotments shall be at the costs and accounts of

,

6.6. The Developer shall have the right to permit any of the premises to be occupied by such allottees as mentioned in sub-clause 5. 4

,

## 7. Rights and liabilities of the Parties

7.1. The Owner under this Agreement gives license and permission to the Developer to

7.2. The Owner shall, from time to time, at the request and complete costs of the Developer

7.3. The Developer undertakes that Development on the Property by the demolition of previously

7.4. The Owner shall join in such applications as mentioned in clause 6 . 2

7.5. The Developer further undertakes that all buildings to be constructed on the Property and all dwelling units thereon will be in accordance with the scheme if the Competent Authority/State ( ) , 1976

7.6. It is further agreed that the Developer shall be liable to pay and discharge all outgoings including Municipal Taxes and



## 8. Successors and assigns

8.1. The license to develop the Property granted by the Owner under this Agreement

8.2. If, however, with the consent of the Owner, the Developer enters into a further agreement with a third party under which the Developer has granted right to such third party to Develop the Property

[ ( 90 ) ]

## 9. Breach of the terms of agreement

9.1. If the Developer or his agents commit any breach of any of the terms and conditions contained in

9.2. Upon the revocation of the Agreement, the Developer shall remove from the Property

9.3. The Owner may, without prejudice to his rights, condone any default in payment by the Developer and extend the defaulted instalment if the Developer pays interest at [%]

]

## 10. Indemnification

The Developer undertakes to indemnify and keep indemnified the Owner from and against

## 11. Dispute Resolution

11.1. (“ ”)

11.2. , ,

1996 ( “ ”).

11.3. [ ]

11.4. [ ] ,

11.5.

11.6.

11.7. [ ].

## 12. Duration and Termination

12.1.

12.2.

12.2.1

12.2.2

12.2.3

12.3.

12.4.

## 13. Exclusivity

13.1.

13.2.

## 14. Relationship of parties

14.1.

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14.2.

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14.3.

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14.4.

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14.5.

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14.6.

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## 15. Agreement is divisible

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## 16. Force Majeure

## 17. Notices and Service

17.1.

17.2.

## 18. Waiver

## 19. Miscellaneous

19.1.

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19.2.

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19.3.

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19.4.

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19.5.

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19.6.

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19.7.

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## 20. Jurisdiction

Signed and delivered by

By: .....

Title: .....

By: .....

Title: .....

# **SCHEDULE**

Identify the property



## Explanatory notes:

### Sale agreement for land or property to be developed by the buyer

## General notes:

1. Every piece of land is now subject to the Urban Land (Ceiling and Regulation) Act, 1976. The ceiling limit changes according to the situation of the land but the maximum holding cannot exceed a certain measurement. Therefore a person holding land in excess of the ceiling limit has either to surrender the excess or surplus land to the government
2. Properties therefore are now not sold only for the sake of sale or purchased only for the sake of purchase. The initiative for sale or purchase is now not of the owner of the property or of any bonafide purchaser. The initiative is generally that of a third man who is neither personally interested in the sale of the land nor in the purchase. Such is the role of a developer. He induces the owner to sell the land, constructs a building thereon with flats, sells the flats to different purchasers and out of the purchase price of the / , ,
3. A developer after purchasing the land from the owner enters into an agreement with the owner for ,
4. Conditions of development are necessary to be
5. The owner may well want warranties, in respect of the work obligations and responsibilities, timeliness and safety of ,
6. It is always risky to allow the developer to enter upon the property
7. The developer is

8. Details of the payment terms

9. It is suggested that post termination matters tend

10. Registration

**End of notes**