



**MEMORANDUM OF UNDERSTANDING (MOU)
FOR
DEVELOPMENT OF AN INTERNATIONAL CIVIL AIR TERMINAL AT
MOHALI (CHANDIGARH) AIRFORCE BASE**

This Memorandum of Understanding is prepared and executed at Chandigarh, this the 4th day of January, 2008 between Greater Mohali Area Development Authority (hereinafter referred to as GMADA) through its Chief Administrator (hereinafter referred to as Assignor) which expression shall, unless excluded by or repugnant to the context mean and include its administrators, executors and assigns of the first part and the Airports Authority of India hereinafter referred to as AAI) represented by the Chairman, Airports Authority of India or any officer of the Airports Authority of India, as the Chairman authorizes (hereinafter referred to as Assignee) and which expression shall unless excluded by or repugnant to the context mean and include its administrators, executors and assigns of the second part.

WHEREAS the Assignor has requested the Assignee to establish an international Civil Air Terminal at Mohali (Chandigarh) in the State of Punjab;

AND WHEREAS the Assignee has agreed to develop and maintain the international Civil Air terminal at Mohali in the state of Punjab. This Memorandum of Understanding between them is prepared and executed as under :

- (i) A JV Company with 51% equity stake of AAI and 49% equity stake of GMADA will be formed to build and operate a international civil air terminal at Mohali(Chandigarh) in the state of Punjab. The authorized and subscribed equity capital of the JV company will be decided as per the advise of a Consultant to be appointed by the JV partners.
- (ii) Punjab Govt. / GMADA would transfer the required land located in Mohali, Punjab subject to a maximum of 300 acres to the JV Company including for city side development. The cost of land will be capitalized and would be counted towards equity contribution of GMADA. However, irrespective of the actual cost of land, the equity contribution of GMADA would be capped at 49% of the total subscribed capital.

(iii) *The 49% equity share of the JV company would be equally shared with Government of Punjab who would share the cost of land equally with Punjab including allied cost.*

1. **SCOPE OF SERVICES AND RESPONSIBILITIES**

The Assignor and the Assignee agree to the responsibilities and rights and abide by the terms and conditions for execution of the said project as mutually agreed, and set out here as under;

Responsibilities of Assignor

- (i) Clearances / permissions / NOC to be obtained by Assignor from concerned authorities -

Activities / Services for Clearance / Permission	Responsibilities of
Transfer of land (300 acres) to the JV company for development of the project	Assignor

The assignor shall acquire the land subject to maximum of 300 acres and transfer to the JV Company for the development of the project.

- (ii) The Assignor shall bear all the expenditure in respect of claims or liabilities arising out of any litigation, present or future in the matter of land acquisition.
- (iii) Initial establishment of sub station and waterline to be done by State Govt. free of cost.
- (iv) The Assignor shall be responsible for providing security for the Civil Air Terminal viz. peripheral security as well as the anti-hijacking squad at their cost.
- (v) The Assignor shall exempt the Civil Air Terminal complex including apron i.e. area including city side development and the staff colony and the land used for the installation of Navigational Aids and other related equipment, from property tax and other municipal taxes initially for a period of ten years commencing from the date of transfer of land to AAI minimize operational losses. The need for further extension of these concessions and exemptions will be jointly reviewed by the Assignor & Assignee at the end of the ten year period.
- (vi) The Assignor will acquire the land and develop four-lane approach road with lighting, horticulture, signages etc.
- (vii) The Assignor shall remove the identified obstacles, if any, hazard for safety of aircraft operation from the approach path of extended runway and transitional area such as high tension / low tension power lines, canal, gas pipeline structures, buildings, chimneys, trees etc. at their cost.

Responsibilities of Assignee (AAI)

- (i) Assignee shall bear all capital expenditure on development and upgradation of Civil Air Terminal at Mohali (Chandigarh).
- (ii) The Civil Air Terminal Complex, which will be constructed by Assignee, will have state of art facilities like aerobridges, escalators, Cargo complex etc.
- (iii) The Assignee shall develop an apron as per requirement for parking civil aircraft, alongwith adequate nos. of taxi track connecting runway to the apron.
- (iv) AAI will coordinate with IAF for provision of parallel taxi track in order to minimize runway occupancy time.
- (v) The Assignee shall develop the International Civil Air Terminal at Mohali in the state of Punjab for full-fledged operations within a period of two years from the date of handing over of physical possession of land.
- (vi) Extension of runway as per demand.

Responsibilities of JV

- (i) JV will obtain NOC from Pollution Control Board, Govt. of Punjab.
 - (ii) JV will obtain all permission/ clearances necessary from all authorities.
 - (iii) The JV shall be responsible for providing security for the civil air terminal.
- State Govt. /GMADA will facilitate the process of obtaining clearances from the Punjab pollution Control Board, Punjab and other authorities.

Redressal of Disputes

In case of any dispute arising out of the interpretation or implementation of any of the clauses of this Memorandum of Understanding, the matter will generally be settled amicably by both the parties in the interest of the success of the project, failing which the dispute(s) will be adjudicated by the Permanent Machinery of Arbitration established by the Central Government.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS MEMORANDUM OF UNDERSTANDING IN DUPLICATE ON THE DATE AND YEAR HEREINAFTER INDICATED

FOR AND ON BEHALF OF

GMADA

Signature :

Name : VIVEK PRATAP SINGH, IAS

Designation: CHIEF ADMINISTRATOR

WITNESS

Signature :

Name :

Designation :

Date : 04TH JANUARY 2008

Place : CHANDIGARH

FOR AND ON BEHALF OF

AIRPORTS AUTHORITY OF INDIA

Signature :

Name : DR. K. RAMALINGAM

Designation : CHAIRMAN

FOR AND ON BEHALF OF GOVT. OF HARYANA

PRINCIPAL SECY TO CHIEF MINISTER OF HARYANA

WITNESS

Signature :

Name :

Designation :

MLTA 70L