

Memorandum of Understanding (MoU)

This **MoU** is made at Islamabad on this day of (Month), 2018

BETWEEN

FEDERAL GOVERNMENT EMPLOYEES HOUSING FOUNDATION, AN INCORPORATED COMPANY LIMITED BY GUARANTEE, HAVING ITS HEAD OFFICE AT 10-MAUVE AREA, G-10/4, ISLAMABAD, THROUGH ITS COMPANY SECRETARY, MALIK ZAFAR ABBAS (HEREINAFTER REFERRED TO AS “PARTY ‘A’/PURCHASER”, WHICH EXPRESSION SHALL INCLUDE ALL ITS SUCCESSORS AND ASSIGNEES IN INTEREST.

AND

(HEREINAFTER REFERRED TO AS “PARTY ‘B’/SELLER/LAND PROVIDER”, WHICH EXPRESSION SHALL INCLUDE ALL ITS SUCCESSORS AND ASSIGNEES IN INTEREST.

Unless repugnant to the subject or the context, PURCHASER AND SELLER/LAND PROVIDER shall be independently referred to as PARTY and collectively referred to as PARTIES, which shall mean and include heirs, successors, executors, administrators, nominees, representatives and assignees of the respective Party :-

WHEREAS PARTIES ARE DESIROUS OF JOINING HANDS FOR DEVELOPMENT OF A HOUSING SCHEME, IT HAS BEEN MUTUALLY DECIDED TO REDUCE INTO WRITING THE TERMS AND CONDITIONS OF THE MoU.

NOW THEREFORE, THIS MoU is reached between the parties on the following mutually agreed terms and conditions.

1. PURPOSE:- Whereas, Party ‘A’ undertakes that it has Federal Government employees and other specified groups as its registered members and Party ‘A’ meets all mandatory requirements in terms of eligibility to develop a housing scheme for its registered members.

And

Whereas, Party ‘B’ undertakes to procure and develop a housing scheme for registered members of Party ‘A’, on fulfillment of all financial, legal, technical and other

related codal formalities required for a housing scheme, as mutually agreed between the Parties.

2. LOCATION AND ACCESS OF PROPOSED SCHEME: Whereas the land is located at suitable location situated at Mouzas located in Tehsil_____, District _____. Tentative/Proposed Site Plan enclosed as (Annexure-A) hereinafter to be considered as an integral part of this MoU.

And

Whereas main access to the project site shall be from _____ which shall be the responsibility of party 'B' to secure and provide alongwith right of way (ROW) for the access road having a specification upto 100' feet leading to project site.

3. TITLE OF RAW LAND: That Party 'B' declares to arrange a total land measuring Kanals to Kanals (approximately) of raw land in compact piece, free from all encumbrances, in Mouza(s)_____ Tehsil _____ District _____, which shall be extendable/reducible by mutual consent/understanding by both the parties depending upon booking of residential plots and response from prospective allottees, on the same terms and conditions as laid down in this MoU. Ultimately title of entire raw land shall rest with Party A expeditiously.

4. REQUIREMENTS FOR TRANSFER OF RAW LAND: For transfer of land from Party 'B' to Party 'A', following requirements must be fulfilled:

- a. Land shall be in compact piece, not scattered or disjointed and shall be contiguous/adjacent as per its approved Layout Plan.
- b. The first mutation must consist of land not less than the minimum area required for development of a Housing Society according to relevant municipal authority's byelaws i.e. ____ kanals approximately. The quantum of land to be transferred subsequently in the name of the Party 'A' for the remaining mutations can vary with mutual consent of both parties but shall not be less than 100 kanals for each sale mutation.

- c. Party 'B', shall at least 14 days prior to the transfer of title, identify the land at site with proper demarcation to earmark/identify each set of land parcels to be transferred/mutated in the name of 'Party A' along with khasra nos. alongwith names of original landowners of relevant mauzas. Party 'A' shall verify the said demarcation through the concerned District Revenue Authorities, consultant and technical committee of party A with the assistance of Party 'B' or its authorized consultant.
- d. Party 'B', shall be obligated to provide at least 07 days prior to transfer of title / mutation, *Fard-e-Malkiat Brai Bay* (issued not older than 60 days ago clearly indicating non encumbrance certificate on land) of relevant land . In addition Party 'B' shall provide relevant *Misle Haqaiat/Misle Miadi (JamaBandi Zerekar), Register Intiqal, Register Girdawari* as well as *Aks Shajra*, so as to indicate clearly any *Haqooq Shamilat* or *Rakh Sarkar* to any other relevant fact so as to facilitate the Party 'A' to ascertain/determine the factum of ownership / possession and to satisfy itself with regard to clear and unencumbered title of land and to eliminate any ambiguity or doubt with regard to title/possession alongwith any other right or interest over the land proposed to be transferred in the name of Party 'A'.
- e. Party 'B', at the time receipt of payment from FGEHF for the mutated land, shall be obligated to provide "No Demand Certificate" (NDC) from the original land owners certifying therein that he/she has no more right or interest / claim in the land and he/she shall not prefer litigation against the Party 'A' about the said land on any account whatsoever, including payment received from the Party 'B'.
- f. Before mutation of each set of land parcels, a committee consisting of representatives of technical/revenue staff of the Party 'A', technical consultant of the Party 'A', consultant of Party 'B' shall jointly visit the site and obtain/submit a joint report according to the following TORs:-
- (1) To verify authenticity/integrity of the land title, free from all legal/financial encumbrances including factum of adverse possession if any, with the assistance of District Revenue Authorities.

(2) To verify demarcation of land and confirming precise geographical coordinates as well Natural Surface Levels with the assistance of District Revenue Authorities and Survey of Pakistan / consultant of party A.

(3) To examine the site plan to be provided by the Party 'B' based on suitability/fitness of land for housing scheme based on the following :-

- (a) Compactness factor of land alongwith contiguity factor
- (b) Undulation factor of proposed site based on topographical features
- (c) Access to proposed site
- (d) Application of relevant Municipal/Zoning Regulations

(4) Party A and party 'B' shall jointly make all out effort to facilitate the aforementioned process and Party 'A' shall attempt to ensure completion of activities within 14 day.

4. NOC's: That party 'B' shall be responsible for securing requisite NOC'S in the name of FGEHF for start and completion of the housing scheme from the following authorities inter-alia.

- a. Federal/ Provincial Environment Department;
- b. Federal/ Provincial Forest Department;
- c. Concerned Municipal/Development Authority;
- d. Any other relevant authority wherever applicable.

However, payment of official dues/fee of above mentioned NOCs shall be payable by Party 'A'.

5. POSSESSION OF DEVELOPED HOUSING SCHEME: Party 'B' shall be responsible to handover peaceful possession of developed housing scheme with clear title of raw land without any encumbrance, to Party 'A' including inter alia developed residential/commercial/amenity plots along with roads and allied infrastructure within the mutually agreed time not exceeding "___" months after execution/signing of construction MoU based on mutually agreed price/terms between Party 'A' and Party 'B'. In case of any force majeure, the period can be extended to ___ months or even beyond, with mutual written consent of both parties.

6. DISTRIBUTION OF QUOTA:

i) RESIDENTIAL PLOTS

- a. PARTY "A" QUOTA: The quota for developed residential plots for Party 'A' shall not be less than 75% depending upon number of applications received from FG employees and other specified groups duly approved by the Executive Committee of FGEHF in respect of which ownership/transfer shall remain with Party "A" and allotments shall be made as per approved policy of Party "A".
- b. PARTY "B" QUOTA ___% quota of developed residential plots shall be reserved for Party 'B' in respect of which ownership / transfer shall remain with Party A. However, allotment shall be based on recommendations of party B without any delay. All the proceeds from this quota of ___% of party B, shall be charged by Party "A" on behalf of Party "B" and passed on to Party "B" for maintenance of plots against this quota.

ii) DEVELOPED COMMERCIAL/AMENITY PLOTS:

- a. PARTY "A" QUOTA: Party 'A' shall have ___% share of total Commercial/Amenity Plots/Area.
- b. PARTY "B" QUOTA: Rest of Commercial/Amenity plots/area i.e. ___% shall be allotted to the Party "B" as per the requirements and manner desired by party B in accordance with Clause 9 (ii) of MoU ibid. However, Commercial area to the corresponding value of development works expenditure shall remain with FGEHF as guarantee and shall be transferred on pro rata basis on percentage of infrastructure / development works done. Allotment shall be based on recommendations of party B.

7. FINANCIAL ARRANGEMENTS:

- i. All prospective allottees including the general public, shall have to adhere to the schedule of payments, duly advertised in the widely circulated news papers / brochures of housing scheme.
- ii. There shall be a designated “FGE Project Collection Account” for the purpose of collection of all proceeds from prospective allottees i.e. members of FGEHF. The project collection account shall be operated solely by Party ‘A’ and exclusively for the instant project.
- iii. Similarly, there shall be a separate designated “General Public Collection Account” for the purpose of collection of all proceeds from share of party ‘B’ i.e. General Public quota Plots shall be operated jointly by both parties.
- iv. Installments received in project collection account, according to the schedule of payment, as given in brochure of the scheme will be released to Party B in their designated account for payment of raw land and development expenditures excluding taxes (on actual work done basis as per verification of consultant of party ‘A’) in accordance with the terms & conditions to be specified in the Construction Agreement which will be executed between Party “A” & Party “B” before commencement of development work.
- v. To adhere to the payment schedule, party ‘A’ shall collect installments from allottees (both FGEHF and General Public Quota) within time, as per terms of offer of allotment.
- vi. Party ‘A’ shall share the detail of amounts deposited in project collection account as well as General public Account with Party ‘B’ as and when required by Party B.

8. PAYMENT OF RAW LAND:

Payment of raw land shall be released to Party ‘B’, through cross cheque, contingent upon transfer/mutation of land, subject to the completion of the following measurable targets by the Party ‘B’:-

- i. Verification of the title of land and compactness of land presented by Party “B” from District Revenue Authorities.

- ii. Demarcation of verified land, erection of pickets/posts/pillars (**Buttis**) as per specifications of Party A, identification of geographical coordinates corresponding to erected pickets / posts/pillars, to be followed by survey by the consultant/technical-Revenue Committee of Party 'A' for preparation of GIS Map / Image clearly indicating pickets / posts/pillars, along with geographical coordinates on the GIS Map corresponding to each picket/post/pillar which should be numbered. Installation of pickets/ posts/pillars, may be done by Party "B", whereas survey and collection of data and mapping of coordinates shall be done by the consultant/technical-Revenue Committee duly appointed by Party "A". All installation charges as well as cost of material to be fixed with labour charges for erection of pickets / posts/pillars, shall be borne by party A.
- iii. Measurement and Verification of on ground possession of land presented by Party "B" and reconciliation with results of the survey/ GIS Map, by the Survey of Pakistan/ Consultant and Technical-Revenue Committee of Party 'A'.
- iv. Issuance of "**Fard-e-Malkiat Brai Bay**" of the land under transfer by District Revenue Authorities, to be arranged by party 'B'.
- v. Entry of mutation of land (اندراج انتقال) in favor of Party "A" before District Revenue Authority by the revenue department of Party 'A' and in this regard Party 'B' shall fully cooperate with Party 'A'.
- vi. Attestation of Mutation (تصدیق انتقال) by District Revenue Authority and confirmation of measurement/ possession of land corresponding to title by the concerned Revenue Officer.
- vii. That party "A" is under obligation to pay sale consideration to party B at the time of Attestation of Mutation (تصدیق انتقال) by District Revenue Authority after transfer / mutation of land in the name of party A.
- viii. All types of fees / duties etc related to transfer of land shall be paid by party 'A'.

9. AGREED RATES OF DEVELOPED RESIDENTIAL PLOTS: For Mouza(s) _____ located in Tehsil _____, District _____, subsidized cost of _____ to _____ kanals of raw land shall be Pak Rupees. _____/- (Rupees _____ only)net per revenue kanal (excluding taxes).

- i. For the Federal Government Employees, size and rates of subsidized developed residential plots shall be as under:-

S.#	Plots Sizes (in feet)	Square Yards	Rates of developed plots for FGEHF members	Categories
1.	50x90	500		Cat-I
2.	40x80	356		Cat-II
3.	35x70	272		Cat-III
4.	30x60	200		Cat-IV
5.	25x50	139		Cat-V

- ii. In case of default by Party “B” or in case Party ‘B’ is unable to complete development at aforementioned rates, then Party A shall withhold allotment / transfer of corresponding value of commercial/amenity plots from the share of Party B which shall be truncated accordingly and the development work shall be executed on auction/sale of these plots from the share/quota of Party “B” at the risk and cost of Party “B”.
- iii. For the General Public, size and rates of developed residential plots shall be decided by Party “A” upon exclusive recommendation of Party ‘B’.
- iv. Party “A” undertakes to make payment within 14 days after verification/recommendation regarding satisfactory quality/quantity of works by the supervisory consultant of Party “A”.

10. SCHEDULE OF PAYMENT FROM PROSPECTIVE ALLOTTEES:

- i. That schedule of payment for developed residential plots from Party ‘A’ quota shall be decided by Party “A”.
- ii. Tentative schedule of payment of General Public shall be framed on exclusive recommendation of Party B.

11. **INFRASTRUCTURE DEVELOPMENT:** A construction agreement shall be executed between Party “A” & Party “B” for infrastructure development as per PEC/FIDIC guidelines. That Party ‘B’ shall be obligated to undertake infrastructure development of the housing scheme as per the approved layout plan and services design, in accordance with local/municipal bye laws and standards of concerned development authority, by a contractor/firm/agency of adequate / requisite financial and technical profile as per PEC/FIDIC guidelines. All bids in respect of design, engineering, construction / supervision would be invited by Party ‘B’ and submitted to Party ‘A’ alongwith detail analysis / comparative statement for its concurrence / final approval. Party ‘B’ will follow PEC rules / guidelines and will use PEC prescribed documents for award of development works including FIDIC / PEC construction agreement. The party ‘B’ shall be responsible for the following:

- i. Roads, streets, footpaths, area development, landscaping, retaining walls, main entry gate, culverts, bridges, electrification, water supply system including water lines and sewerage, sui gas lines as per approved layout plan and services design.
- ii. The infrastructure will also be in conformity to required parameters as notified by the concerned municipal authority / utility organization.
- iii. Storm water disposal with required gradient as per soil condition in open shall be ensured with mechanism to stop bulk flow during heavy rain / flood season.
- iv. The laying of main sewerage lines for the scheme up to Sewerage Treatment Plant of Party A in conformity with EPA/ PEPA etc. requirements.
- v. The laying of underground electrification network (if Topography permits) with street lights from grid station of party A within scheme area shall be established through relevant authority e.g. IESCO etc. following their prevailing standards.
- vi. The laying of main Sui Gas lines shall be ensured as per number of plots.
- vii. The laying of main water supply line, development/installation of tube wells with provision of under-ground water tank and overhead tank both with required capacity as per number of plots.
- viii. Connection / design for main supply of electricity, sui gas and other related approvals etc from concerned authorities shall be obtained from concerned

department with related fees / securities / duties etc by party A. The related fees and charges to these authorities shall also be paid by party A.

- ix. The area for all necessary amenities shall be secured and marked for better future planning.
- x. Party 'B' shall be entitled for all advances including 15% mobilization advance as per PEC/FIDIC guidelines to be enshrined in the construction agreement to be executed between Party "A" & Party "B" depending upon the area mutated for the housing scheme.

12. PLANNING, QUALITY CONTROL AND PROJECT MANAGEMENT OF INFRASTRUCTURE WORK:

- i. A consultant shall be appointed by the Party A under Public Procurement Regulatory Authority Rules, 2004 and the expenses on account thereof will be charged from the prospective allottees of the scheme. The consultant shall verify/approve the design along with BOQs prepared by Party "B" and supervise quality of works. He will perform the role of Resident Engineer as well as project manager, on behalf of Party A.
- ii. Party "A" shall make payment within 7 days after verification/recommendation regarding satisfactory quality/quantity of works by the supervisory consultant of Party "A".

13. ISSUANCE OF ALLOTMENT/ POSSESSION LETTERS AND APPROVALS OF RESIDENTIAL AND COMMERCIAL BUILDING PLANS:

- i. The Party "A" shall be responsible for issuance of allotment/ possession letters of developed residential/commercial plots of housing scheme of both the quota's.
- ii. Technical wing of Party "A" shall forward the layout plans of residential/commercial plots as per relevant bye laws to the concerned development authority for approval.

14. PROJECT SUPERVISION:

- i. That a project supervisory committee comprising of six members (three selected from both parties) shall be constituted under the Chairmanship of Director General (FGEHF) for policy level intervention and decisions.
- ii. Director (Technical) and Director (Finance) shall be the permanent members on behalf of the Party A. The PD (JVPs) shall be overall custodian of the relevant record of the housing scheme.
- iii. Party "B" shall be responsible for day-to-day matters/affairs of the housing scheme, and shall furnish periodical progress report to project supervisory committee.
- iv. Meeting of project supervisory committee can be convened at 24 hours' notice on recommendation of either the DG (FGEHF) or the representative of "Party B".
- v. All decisions shall be subject to final approval of Executive Committee of Party 'A'.

15. COORDINATION & COOPERATION: In recognition of the Purpose and Standards of the relationship arising out of the MoU in hand, the Parties hereto agree to:

- i. Exchange and share relevant information;
- ii. Provide mutual support in areas of common interest;
- iii. Establish a close working relationship on an equal basis through regular formal and informal communications and activities (documented activities); and
- iv. Assist each other in matters related to and arising out of this MoU.

16. TRANSPARENCY AND ETHICAL CONSIDERATIONS: That the Parties shall put all their energy and efforts to facilitate provision of maximum benefits to the members. No malpractice or any sort of conflict of interest shall be permitted. That the Parties shall ensure that the project, its funds and resources shall be used only for the purposes agreed upon and not for political or other purposes which may damage the society.

17. SECURITIES:

- i. The Parties shall put all their energy and efforts with extreme zeal to facilitate provision of maximum benefits to the members.
- ii. It is further to be ensured that logo / brand / name of FGEHF shall not be used by Party B, for the adjoining land which is not part of this MoU.
- iii. The time shall be the essence of the Agreement and in case of any delay in the development work, Party 'B' shall pay to Party 'A' Pak Rupees. 10,000/- for each day's of delay against the timelines specified in the construction agreement provided that such failure has not been contributed to by the action of the party "A".

18. MAINTENANCE / SECURITY OF THE SCHEME: Party 'B' shall be authorized to carry out maintenance and provide other services including security services in the housing scheme on behalf of Party 'A' in lieu of service charges which shall be negotiated between Party "A" and Party "B".

19. DISPUTE SETTLEMENT MECHANISM: Every dispute or difference arising between the parties as to the interpretation, operation, or effect of any clause in the MoU which cannot be mutually resolved, shall be referred to the Executive Committee of Party A. If not resolved than the same shall be referred to sole Arbitrator, which shall be nominated by mutual consent of the parties. The decision of the sole Arbitrator shall be binding on the Parties. The Arbitration Act, 1940 and rules made there under shall be applied to the arbitration proceedings under this clause. The venue of Arbitration shall be Islamabad.

In witness whereof the Parties hereto have reduced in writing the MoU and put their respective hands thereupon on this ____ day of (Month) 2018.

Signature: _____
Company Secretary
FGEHF, Islamabad

Signature _____
C. E. O./ Managing Director

In the presence of:

Witness 1

Witness 1

Witness 2

Witness 2