**Key Clauses for Redevelopment Agreement;**

1. The completion period of Redevelopment shall be of not more than two years and in special cases not more than 3 years in case of any exigencies.
2. The Developer should give Bank Guarantee of 20% price of Redevelopment Project.
3. The Developer should try to give alternate accommodation to the members in the same area till the Redevelopment Project is complete. Otherwise, he will pay monthly rent and Deposit (equivalent to the prevalent rate of rentals in the same vicinity including the yearly rent escalation) agreeable to members or make available Transit Camps.
4. In case this advance rental is dishonored, the society has the right to prevent the builder from either selling or allowing any new flat purchaser to occupy their respective flats.
5. The Agreement should be registered under Registration Act 1908.
6. All the new members shall be admitted in the society after completion of the Redevelopment Project and after approval of General Body Meeting of the society only.
7. The Agreement should have specific mention of the agreed Carpet Area.
8. The Development rights given to the Developer will be non-transferable.
9. The flat owners will vacate their flats only after receipt of all the legal permissions for the Redevelopment work and those in possession of their flats will not lose their rights.
10. Agreement between contractor, Architect, and society should have a condition that disputes, if any, on the Redevelopment work shall be settled u/s Rule No. 91 of the Rules.
11. After receipt of the Occupation Certificate for the Redeveloped building, the distribution of the flats should be preferably made in accordance with the prevailing arrangement of present floors. In the case when the Allotment of flats is required to be made by lots, only after completion of the building the Developer should make available the lottery system after completion of the Redevelopment Project.  The developer should arrange for a draw of lots for the distribution of flats in presence of Registrar’s representative and video shooting of the complete process will be made.
12. No member of the Committee or Office bearer shall be a Developer and or his relative.
13. The Building Plans which are approved by the Municipal Corporation / Competent Authority shall be again placed before the General Body Meeting for information. A member wishing to have a copy of the approved Documents can get the same on his written application. The Committee is bound to issue the information on charging a reasonable fee.
14. The housing society member need to calculate and assess the financial implication keeping in mind the interest of all members on account of any increase in the maintenance charges for the additional facilities/amenities builder may provide. Depending upon the average financial capacity member should ask the developer if he is willing to bear the maintenance charges which would otherwise have been borne by the society members. In the case of such an arrangement, the society should ask the developer to deposit the amount into a separate account prior to giving him permission to sell the surplus flats in the newly redevelopment building.
15. Ensure to add appropriate penalties/damages in case the project is delayed beyond the agreed period including but not limited to payment of rental and other charges to the members.

On Drafting of Redevelopment Agreement and related documents A] Laws to be considered 1. Maharashtra Co-Operative Society Act, Rules, byelaws, S.79A and notification dated 03.01.2009. 2. Maharashtra Regulation Development Act. 3. Maharashtra Ownership Flats Act, 4. Maharashtra Apartment Ownership Act. 5. Indian Contract Act. 6. Transfer of Property Act 7. Easement Act. 8. Maharashtra Rent Control Act, 9. Mhada, 10. Public Premises Act, 11. MRTP Act, 12. Development Control Regulations DCR 33(7) 13. Civil Procedure Code. 14. Mah Stamp Act. B] Process Upto Drafting Stage 1. Society must have Conveyance (Deemed Conveyance). 2. Structural Audit, dilapidated, not repairable 3. Report must detail about FSI used balance, TDR, fungible FSI, Development Potential of Society land, financial benefit projections. C] Drafting Assignment. 1. Resolutions 2 2. Tender 3. Memorandum of Understanding 4. Consent Letter, 5. Development Agreement 6. Title document for flat. 7. Power of Attorney only for work 8. Indemnity D] Society to Follows Process SGBM for considering 1. PMC Report 2. Bids Short listing 3. Selection of Builders 4. Development Agreement draft approval 5. Development Agreement Execution E] Gist of Proposal Keep in mind developer is not bearing any land cost, but only construction cost and he wants to share profit. F] Points to be considered wile drafting Development Agreement (Chapter wise) I] Recitals 1. Conveyance held by society. 2. Existing Construction in Carpet and Built-up sq. ft. area as per sanction plan. 3. FSI Consumed, balance and total Development Potential 4. Balance FSI, Setback, 5. TDR in Sq. ft. can be loaded. 6. Fungible FSI, available II. DefinitionsDefinitions of terms and reference of Applicable Law 3 III. Describe process Process followed for PMC SGBM, Tender, bid Short listing, SGBM, Reg, Video recording, LIO/MOU, Terms finalization, DA, SGBM, Power of Attorney, as per S.79A and notification dated 03.01.2009. IV. Negotiation - Negotiation On 1. Letter of Intent or Memorandum of Understanding 2. Letter of developer recording acceptance of Letter of Intent. 3. Terms of Development Agreement. V. Negotiation for and reference off following points 1. Letter of Intent/acceptance of Letter of Intent is superior to bid document. Acceptance of Letter of Intent forms a contract 2. Area addition in carpet to each Member 3. Rent by Advance Cheque Corpus by Advance Cheque to be kept with society Brokerage by Advance Cheque Deposit by Advance Cheque Transportation by Advance Cheque 4. Bank guarantee equal to Construction Cost of society component Performance linked reducing guarantee 5. Lien or No sale- offers are to be avoided 6. Different models of Amenities in Annexures such as Flooring, windows, A/c Opening, gas geysers, dish antenna, Security Camera Copper Wire, Colour Plaster of Paris on walls, society office, security cabin, Electricity Points, Kitchen furniture water outlets, Plumbing accessories. 7. Liberty to Members to select amenity model 8. Quality of construction to be specified in Annexure 4 9. Supervision, Certificate of society Architect is binding 10. Plan to be sanctioned in name of society and copies of Plans and correspondence with BMC and authorities to be furnished. 11. Time Schedule (18 months to 24 months) 12. Deposit against execution of Development Agreement to be adjusted against corpus. 13. No Cost to be borne by society. 14. Advocate and PMC Fees by developer. 15. Title documents tripartite agree for new flats Registration, Stamp duty by developer 16. Mode of Payment or rent, corpus 17. Corpus to be deposited with Society before vacating flats. 18. Design of flats Direction of flats Location of flats of member will not be changed without written consent. 19. Garden, Jogging Track, Gym, Hall Skylange, Lifts, Servants Lift, Spare Lift, stretcher lift. 20. Vacating after IOD and Registration of new flat title document 21. Possession after O/c. 22. Parking 23. Plan to be put up to BMC approval by society. VI. Essential Points 1. Time is essence of contract 2. Stages of construction with time schedule specified. 3. Default mechanism resulting into termination 4. Penalty, for delay daily/lump sum. 5. Consequences of defaults or delay 6 months of any state Taking construction over to other developer or contractor 5 6. Possession be given to Members with o/e. and amenities first 7. No possession be given to purchasers of new flats till members are given possession with occupation certificate and amenities. 8. Security of payments/defaults or dishonor of cheques by linking to bank guarantee. 9. NOC of architect is not required or deemed permission for switching to new developer VII. Termination/Frustration 1. Defaults in completing stage of construction in time. 2. No Claims or damages from society. 3. Indemnity by developer to society. 4. Arbitration Clause, define points of reference 5. Certain dispute to Co-operative Court 6. Certain disputes to mediation. 7. Technical Mediation 8. Supremacy of supervision certificate of architect. 9. Remove Goods, articles on termination or else it will be property of the society. VIII. General Terms 1. Share benefits accrued by change in law 2. Force majure to be specifically defined 3. Share benefit accrued, by change in circumstances. 4. Plinth if laid then benefits of change cannot be shared. 5. Share further benefit formula by payment of money. 6. Forthwith payment to society before using benefit. 7. 5 years guarantee of constructed building for rectification 8. Tax Payment, dues by developer and certificate of no dews by authorities or C.A. 6 9. Insurance, Labour Laws, Taxation, Property Tax to be cleared. 10. Construction cost total or incidental cost payment by developer 11. New Building is not property of developer and hence cannot be mortgaged. 12. No finance on Building/land mortgage to developer 13. NOC for free sale component flats, for bank loan 14. Developers Entry as licensee of society 15. Indemnity to society against any actions or suit from purchasers or suppliers.