

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

Lahore Development Authority

REQUEST FOR PROPOSAL

Luxury Apartments and Health Club at Finance
& Trade Center, Johar Town Lahore

8/5/2014

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DEFINITIONS	3
1 INTRODUCTION	5
1.1 BACKGROUND	5
1.1.1 LDA's role in the project and incentives for developers	5
1.1.2 Basic Data & Information	6
1.2 BRIEF DESCRIPTION OF THE BIDDING PROCESS	7
1.3 CONFIDENTIALITY	8
1.4 SCHEDULE OF BIDDING PROCESS	8
2 INSTRUCTIONS TO BIDDERS.....	9
2.1 GENERAL TERMS OF BIDDING PROCESS	9
2.1.1 Cost of Bidding	10
2.1.2 Site Visit	10
2.1.3 Amendment of Bidding Documents	10
2.1.4 Right to accept or reject any or all Development Proposals	10
2.2 PREPARATION OF BID PROPOSALS	11
2.2.1 Language	11
2.2.2 Submission of Development Proposals	11
2.2.3 Development Proposal Due Date	11
2.2.4 Minimum Technical Information Required	12
2.2.5 Minimum Financial Information	14
2.2.6 Currencies	14
2.3 EVALUATION, PROCESS, CRITERION AND PROCEDURES	15
2.3.1 The Overall Evaluation Process	15
2.3.2 Development Proposal Evaluation Criteria	15
EXHIBIT 1: CONTOURS OF JV AGREEMENT	18
EXHIBIT 2: LDA BYE-LAWS FOR FINANCE AND TRADE CENTER, JOHAR TOWN, LAHORE	32
EXHIBIT 3: FORMAT OF COVER LETTER	33
EXHIBIT 4: POWER OF ATTORNEY	35
EXHIBIT 5: FORMAT OF MOU / AGREEMENT.....	37

DEFINITIONS

The following terms used in this Request for Proposals (RFP) will have the meanings as defined below:

"Bidder" means a pre-qualified entity which is bidding by way of submitting a Development Proposal pursuant to the RFP Package.

"Bidding Documents" means all documents that are issued to the Bidders with the RFP or circulated to all the Bidders after issuance of RFP but before the Development Proposal Due Date, including any bid clarifications and RFP amendments that allow Bidders to gain better understanding of the proposed project and RFP requirements.

"Bidding Process" means the various activities leading up to the selection of the successful Bidder, including without limitation, the issuance of the two stage RFPs, submission of proposals, and scrutiny and evaluation of such proposals.

"Best Development Proposal" means the proposal selected by the Authority from the multiple options proposed and adopted as the criteria, after necessary modifications, for the second stage of bidding (Stage-II RFP).

"Developer" means the bidder which has been declared successful under Stage-II.

"Development Proposal(s)" means the proposal submitted by the Bidders at Stage-I in response to this RFP Package.

"Development Proposal Due Date" means the date specified in clause 2.2.3 of this RFP Package by which all Development Proposals shall be submitted (as such date may be extended by LDA from time to time).

"Guaranteed Premium" means the percentage share in revenue of the Project in PKR terms and converted to equivalent sellable space/units at the sale price projected in the detailed financial model submitted by a bidder at Stage-II.

"Joint Venture Agreement" or **"JV Agreement"** means the agreement to be signed and executed inter se LDA and the Developer containing all the terms and conditions for the execution and implementation of the Project.

"LDA" or **"Authority"** means Lahore Development Authority of Pakistan.

"Minimum Upfront Developer Equity Investment" means as defined under Exhibit 1.

"Project" means as defined clause 1.1.2 of the RFP Package, which is to be designed, financed, constructed and marketed by the Developer.

"Project Company" means the special purpose vehicle established by the Developer, if required by LDA for the purposes of execution of the Project.

"RFP Package" or **"Stage-I RFP"** refers to this document, issued to the pre-qualified Bidders by LDA.

“Stage-I” means the bidding pursuant to this RFP Package under which Best Development Proposal is selected in accordance with the procedure provided in the Management and Transfer of Properties by Development Authorities, Act 2014.

“Stage-II” means the Stage-II of the Bidding Process pursuant to which a successful bidder is selected to implement the Project.

“Stage-II RFP” means the request for proposal issued by LDA in respect of Stage-II.

“Financial Bid” means, such part of the bid submitted by a bidder in a separate envelope (at Stage-II of Bidding Process) that relates to the financial aspects of the Project.

“Technical Bid” means, such part of the bid submitted by a bidder in a separate envelope (at Stage-II of Bidding Process) that relates to the technical aspects of the Project.

REQUEST FOR PROPOSAL (RFP) PACKAGE-STAGE-I

This RFP Package for Stage-I comprises of the following:

- a) An overview description of the Project, including a statement of the objectives, scope, and expected outputs.
- b) Development Proposal submission procedures; including the date, time and location of proposal submission and the permissible mode of proposal transmission.
- c) The minimum conceptual design parameters and data required of Bidders to be considered responsive.
- d) The minimum financial data required of Bidders to be considered responsive.
- e) The evaluation criteria, the Authority will use to determine the most advantageous proposal, price and other factors.
- f) Proposed contours of Joint Venture Agreement to be negotiated and entered into between Developer and the LDA as shown in Exhibit-1 of this RFP.
- g) LDA Bye-laws applicable to the site under consideration as shown in Exhibit-2 of this RFP.
- h) Form of cover letter for submission of Development Proposal as shown in Exhibit-3 of this RFP.
- i) Form of power of attorney for submission of Development Proposal as shown in Exhibit-4 of this RFP.
- j) Draft Memorandum of Understanding to be submitted in case of Consortium as shown in Exhibit-5 of this RFP.

1 INTRODUCTION

1.1 Background

LDA is working on a number of projects to develop Lahore into a modern and progressive city. While doing so, care is being taken to preserve the city's rich cultural heritage, natural beauty, green spaces and the infrastructure that any modern and progressive city should have.

Among the several initiatives being undertaken by the LDA, one major initiative that has been taken is to optimize the value of its existing land banks, provide landmark facilities and to utilize these to fund some of its infrastructure development projects.

LDA is also open to undertaking long term investments in some of these projects and creating sources of regular revenues that may then fund some of its recurring expenses. LDA has earmarked certain land uses for a selected group of land parcels that it wishes to develop on priority.

LDA has engaged “Ernst & Young Ford Rhodes Sidat Hyder” and “HaidermotaBNR & Co.” as the financial and legal advisors to provide transaction advisory services for this Project.

1.1.1 LDA's role in the project and incentives for developers

LDA wishes to engage the private sector for bringing their capital, experience and expertise in real estate development by entering into an arrangement with a private developer which would be the Developer that will implement the Project. The Developer shall undertake the designing, construction, financing and marketing of the proposed Project. LDA, as land owner and regulator, plans to offer the Project land under lease cum development and sale arrangement against a consideration to be determined through competitive Bidding Process at Stage-II. LDA shall reasonably endeavor to facilitate the Developer.

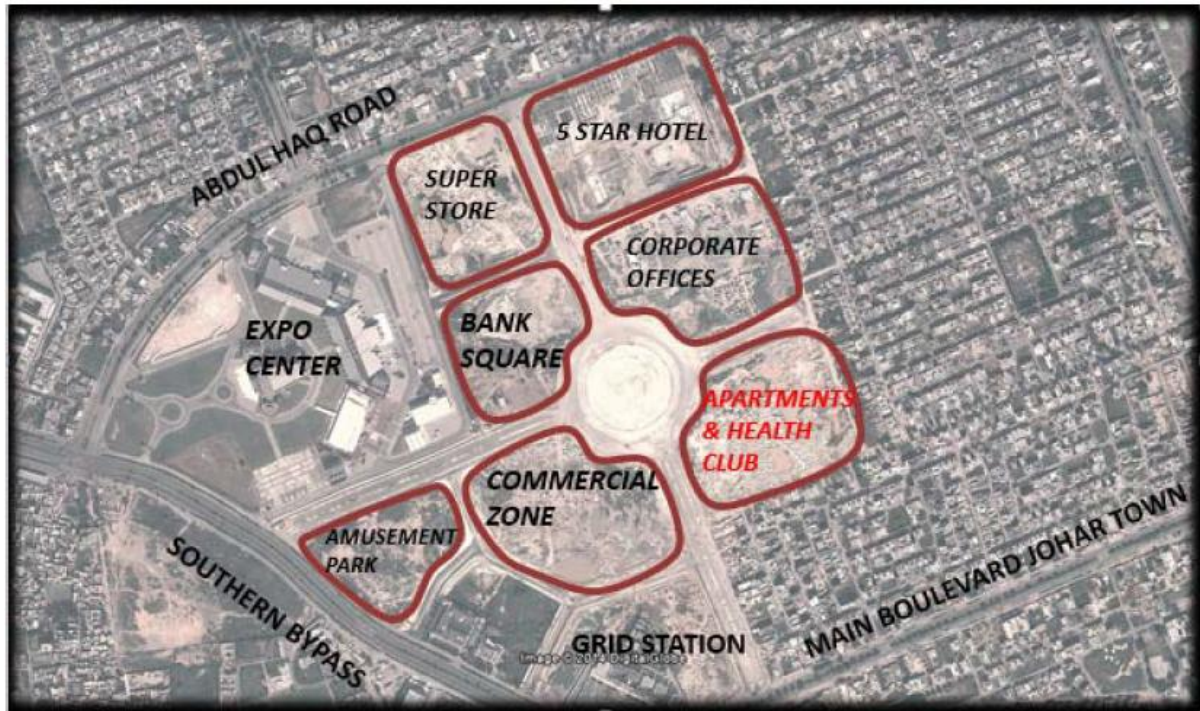
In order to bring in the aforementioned expertise and capital, LDA is inviting pre-qualified bidders having financial strength, experience of construction and development of real estate. Pre-qualified parties, lacking necessary experience may consider forming consortia with other parties to further strengthen their eligibilities.

LDA's participation would be in the form of provision of prime land under a lease cum development cum sale arrangement to the Project. The consideration for this arrangement shall be in the form of lease rentals comprising a guaranteed amount and a variable amount in the form of share in revenue and a certain sale consideration. LDA would also extend its support as city development authority to create enabling environment for Project at this location. LDA shall require an escrow account arrangement to ensure that proceeds from investment and sale, as the case may be, are applied for development of the Project and settlement of the aforesaid lease rentals and the sale consideration in a transparent manner.

1.1.2 Basic Data & Information

LDA owns a piece of land (approximately 70 kanals, 8 marlas and 90 square feet) located in the Finance & Trade Center, Johar Town Lahore - - an upcoming business hub of international standards.

Growing population, better business opportunities and migration to urban localities have increased demand for housing in Lahore.



The location is central to many housing societies of Lahore such as WAPDA Town, Faisal Town, Johar Town and Model Town. It is at a distance of 3 kilometers from Thokar Niaz Baig interchange and close to Canal Road, Southern Bypass, Motorway and other intercity roads, which facilitate easy movement within and outside city.

Keeping in view the residential and health club use permissibility on this site, LDA proposes to build multi-storey high end residential apartments with health club facility on this land (the **“Project”**).

The objective of this RFP is to invite pre-qualified bidders to study and evaluate the above location for suitability of the proposed real estate development as mentioned above. Within the ambit of LDA Bye-laws for this site (given in Exhibit-2), the developers are encouraged to take a view on the size of construction, phasing, conceptual design and methodology that they consider is expected to offer the highest and best use of the available land. The developers would be required to submit a business plan for their suggested conceptual design as part of their development proposal.

Salient features of luxury apartments and health club project

- Construction of high quality multi-storey residential apartment buildings in the upscale residential and commercial locality of the city.
- Prime real estate located in close proximity to Lahore Expo Center and 5-Star Hotel allocated for apartments.
- Provision of high quality apartments with spacious corridors that can cater to the housing demand at FTC.
- Development of premium health club with focus on health, hygiene, fitness and nutrition catering residents of apartment and neighborhood.
- Provision of specialized facilities of gymnasium, spa, swimming pools, aerobics, yoga and indoor sports for male and female members.
- Group exercise and personal training services by certified fitness instructors.

1.2 Brief Description of the Bidding Process

The Authority has adopted the two stage bidding process for selection of the successful bidder as a Developer for award of the Project. Amongst other information, this RFP is accompanied by a draft of the broad contours of JV Agreement, which will form the basis of the JV Agreement to be entered into between the Authority and the Developer.

Bidding will be conducted in two stages in accordance with Section 9 of the Management and Transfer of Properties by Development Authorities Act 2014 (III OF 2014). In Stage-I, the Bidders are being called upon to submit their respective Development Proposals in accordance with this RFP and the Bidding Documents. This Development Proposal is being sought from the pre-qualified bidders and its objective is to select the Best Development Proposal for this location. On the basis of the Best Development Proposal under Stage-I with such modification deemed necessary by LDA, the parameters shall be outlined in the RFP for Stage-II, where all the Bidders shall have the option to submit their Technical and Financial Bid on the basis of standardized development proposal.

Each Development Proposal submitted by the pre-qualified bidder within the Development Proposal Due Date shall be evaluated in accordance with the evaluation criteria specified in this RFP. Before the Development Proposal Due Date, the Stage-I RFP shall be discussed in a conference with all the Bidders, with respect to any aspect of the Project that may require technical and/or commercial clarifications or adjustments. As a result of such discussions, the Authority may amend the Stage-I RFP, and in case of any amendment in the RFP, all pre-qualified bidders will be informed accordingly.

Clarifications can be requested till 72 hours before the Development Proposal Due Date at the address as mentioned in 2.2.3.

Following the submission of the Development Proposal by the Development Proposal Due Date, on the basis of the evaluation criteria set out in this RFP, LDA shall evaluate and declare Best Development Proposal.

At Stage-II, Bidders shall be required to submit Technical and Financial Bids in light of the Stage-II RFP. At first, the Technical Bids will be evaluated on the basis of the criteria

provided in the Stage-II RFP without opening the Financial Bids. The Financial Bids of only those bidders shall be opened whose Technical bids are found to be responsive. Financial Bid offering the greatest share in revenue to LDA shall be declared the best commercial offer as provided in the Management and Transfer of Properties by Development Authorities, Act 2014.

Bidders shall be required to submit Technical and Financial Bids by not later than the bid due date applicable to that stage. Failure on the part of a Bidder to submit the Technical and Financial Bids by the bid due date for Stage-II shall be deemed to be a withdrawal of that Bidder from the Bidding Process.

The Authority shall endeavor to follow the Bidding Process as outlined above, however the Bidding Process may be varied to the extent permitted by law if circumstances warrant such variation at the sole discretion of LDA.

1.3 Confidentiality

Information relating to the evaluation of Development Proposals and recommendations concerning the selection of Best Development Proposal shall not be disclosed to the Bidders, which submitted the Development Proposals or to other persons not officially concerned with the process, until the publication of the award of Contract subsequent to Stage-II evaluation.

1.4 Schedule of Bidding Process

Issuance of Stage-I RFP	15 August, 2014
Pre-proposal conference	22 August, 2014
Submission of Development Proposals	15 September, 2014
Opening of Development Proposal	15 September, 2014 at 3.00pm
Presentations from Bidders	4 days reserved for presentations after proposal opening

The Authority may, at its sole discretion, vary the aforesaid timeline. The Authority shall appropriately issue revisions to the aforesaid timelines.

2 INSTRUCTIONS TO BIDDERS

2.1 General Terms of Bidding Process

- a. Except as envisaged in this RFP, no Bidder shall submit more than one Development Proposal for the Project. A Bidder bidding individually or as a member of a consortium shall not be entitled to submit another Development Proposal either individually or as a member of any other consortium, as the case may be.
- b. The Bidders are expected to carry out their own legal, commercial, technical and financial due diligence, surveys, investigations and other detailed examination of the Project before submitting their Development Proposals. Nothing contained or outlined in this document shall be binding on the Authority nor confer any right on the Bidders, and the Authority, its employees or advisers shall have no liability whatsoever in relation to or arising out of any or all contents given therein.
- c. Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft contours of JV Agreement shall have overriding effect; provided that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the JV Agreement to be negotiated with the Developer under Stage-II.
- d. This RFP and all other documents provided by the Authority (including the Bidding Documents) are and shall remain or become the property of the Authority and are or will be transmitted to the Bidders solely for the purpose of preparation and submission of a Development Proposal in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Development Proposals. The Authority will not return to the Bidders any Development Proposal, or any other document or information provided along therewith.
- e. A Bidder shall not have a conflict of interest that affects the Bidding Process. Any Bidder found to so have a conflict of interest shall be disqualified. A Bidder shall be deemed to have a conflict of interest affecting the Bidding Process if:
 - i. the Bidder or any of its members or associates or any associate of any of its members owns more than 20% (twenty per cent) of the shares (directly or indirectly, in terms of voting rights and/or rights to dividends) of another Bidder or any of its members or associates or any associate of any of its members;
 - ii. the Bidder or a lead member or member of the Bidder is also the lead member or member of another Bidder;
 - iii. the Bidder or any of its members or associates or any associate of any of its members has received, directly or indirectly, any subsidy, grant, concessional loan or subordinated debt from another Bidder or any of its members or associates or any associate of any of its members; and/ or

- iv. the Bidder or any of its members or associates or any associate of any of its members has a relationship with another Bidder or any of its members or associates or any associate of any of its members, directly or through a common third party/parties, that puts either side or both of them in a position to have access to each other's information about, or to influence, the Development Proposal of either side or both of them.

- f. This RFP is not transferable.

2.1.1 Cost of Bidding

The Bidder shall be responsible for all fees, costs and expenses incurred in preparing and negotiating any proposal submitted by it and the LDA shall under no circumstances become liable to reimburse any Bidder for any such fees, costs or expenses regardless of the conduct or outcome of the Bidding Process.

2.1.2 Site Visit

The Bidders are advised to visit and examine the proposed site of the Project and its surroundings and to obtain for itself on its own responsibility, all information that may be necessary for preparing the Development Proposal and entering into a Joint Venture Agreement. The costs incurred in visiting the site and carrying out necessary due diligence shall be at the Bidder's own expense.

2.1.3 Amendment of Bidding Documents

At any time prior to the Development Proposal Due Date, LDA may for any reason, whether at its own initiative or in response to a clarification requested by Bidder(s), modify the RFP.

The amendment will be notified in writing or by e-mail or facsimile to all Bidders who have been issued the RFP, and will be binding upon them. In order to afford Bidders, reasonable time to take the amendment into account in preparing their Development Proposals, LDA may, at its discretion, extend the deadline for submission of the Development Proposals.

2.1.4 Right to accept or reject any or all Development Proposals

Notwithstanding anything contained in this RFP, the Authority reserves the right to reject all Development Proposals and annul the Bidding Process without any liability or any obligation for such rejection or annulment, and without assigning any grounds therefor (except in the event and in such case to the extent required by law). In the event that the Authority rejects all the Development Proposals or annuls the Bidding Process, it may, in its discretion, invite all Bidders to submit fresh Development Proposals. The Authority also reserves the right not to proceed with the Bidding Process at any time, without notice or liability.

2.2 Preparation of Bid Proposals

2.2.1 Language

The Development Proposals and all related correspondence and documents in relation to the Bidding Process shall be in the English language. Supporting documents and printed material furnished by a Bidder with its Development Proposal may be in any other language provided that they are accompanied by translations of all the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials which are not translated into English may not be considered. For the purpose of interpretation and evaluation of the Development Proposal, the English language translation shall prevail. If untranslated supporting materials furnished by a Bidder are in the sole discretion of the Authority, taken into consideration by it, the interpretation placed upon them by the Authority shall not be called into question.

All written communications during the Bidding Process will be in the English language.

2.2.2 Submission of Development Proposals

The Bidders are required to submit their Development Proposals in a sealed "envelope". The Authority requires the envelope, marked DEVELOPMENT PROPOSAL, to contain the original and four (4) copies of the Bidder's Development Proposal. In the event of any discrepancy between the original and copies, the original shall govern.

The original and copies of the bid shall be typed or written or marked in indelible ink and shall be signed by a person or persons duly authorized to bind the Bidder to the Development Proposal. Proof of authorization shall be furnished in the form of a written Power-of-Attorney, which shall accompany the Development Proposal. All pages of the Development Proposal, except for un-amended printed material, shall be initialed by the person or persons signing the Development Proposal.

The complete Development Proposal shall be without alterations, interlineations or erasures, except as necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the Development Proposal.

2.2.3 Development Proposal Due Date

Bidders are required to transmit Development Proposals, in a sealed envelope to be received by LDA on or before 15 September, 2014 by 1500 hours at the following address:-

Director (C&I), LDA,
467-D II, Johar Town, Lahore
Pakistan.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

Development Proposals may be submitted by either of the following methods:

- by hand delivery of the original and copies to LDA at the address given above;
- by courier service

2.2.4 Minimum Technical Information Required

The minimum technical information the Authority requires Bidders to submit in their Development Proposal to be considered responsive to the technical requirements is defined hereunder:

2.2.4.1 Executive Summary

A cover letter identifying the firms(s) joint venture or consortium, the relationship of the parties, the lead and associated firms, the proposed operational role and planned financial participation of each member in the consortium and an executive summary of the Bidder's Development Proposal covering key conceptual design and business plan proposed to execute the same. This executive summary should not to exceed five pages.

2.2.4.2 An overview of proposed project organization

A narrative and graphic presentation (no page limitation) explaining the Bidder's proposed institutional arrangements; including its proposed project organization during construction and marketing phases, roles and responsibilities where consortium is involved.

The memorandum of understanding /JV arrangement to be submitted by the Bidder comprising the consortium has been given as per Exhibit-5.

2.2.4.3 Comments on Contours of JV arrangement and clarity on LDA objectives

Within this clause, the Bidder is required to provide comments to the proposed contours of Joint Venture Agreement and understanding about LDA objectives.

2.2.4.4 Preliminary Conceptual Design

Preliminary conceptual design (no page limitation) shall be developed based upon the suggested best use of land. Preliminary conceptual design shall, among other topics, include the following information:

- Layout plan including number of floors and their usage, facilities for residents, safety and security features, transportation access, entrances to site, etc
- Apartment type/mix proposed by size and by quality of finish
- Floor area ratio
- Height of building proposed
- Area reserved for parking and parking capacity proposed (both basements and surface) along with underlying computations
- Green spaces/landscaping proposed

- Proposed health club – covered area, type of facilities and access for outside neighborhood residents

2.2.4.5 Proposed Business Plan

- ***Project Outline Implementation Methodology***

A narrative and graphic presentation (no page limitation) of the Bidder's methodology to execute the works shall be prepared. The Bidder shall clearly explain its funding plan, construction methodology, time period, state of the art practices, tentative plans, type of structures and erection technology, the high level machinery, plant and labor needs of the Project, requirement for associated working and accommodation areas, anticipated construction problems and measures to overcome these.

The Bidder's proposed implementation methodology should also include a narrative of how the Bidder, as the Developer, would work with the Authority to coordinate land takeover and construction activities. The plan shall include but not limited to:

- Anticipated time required to arrange funding for the Project;
- Number of years required to complete the construction of building;
- Equity amount and timeline committed for upfront investment in construction;
- Timetable for utilization of advances against sales for construction (i.e. upon spending of minimum upfront equity investment on the Project from own sources or later);
- Timeline for commencement of booking of space for sale; and
- Timetable within which Bidder would be able to close-out the Project in terms of sale and possession transfer to customers.

The overall indicative Project time line should be summarized in a CPM-Gantt chart.

- ***Proposed Marketing Plan***

For the Development Proposal, Bidders must include a narrative of the contents of an outline marketing plan (duly reflecting an assessment of the real estate market), the Bidder intend to adopt, subject to the Authority's approval, for the Project, as well as a narrative and graphic presentation of the Bidder's proposed approach to implement the marketing plan for the Project (no page limitation).

The marketing plan should clearly indicate the following:

- Key commercial assumptions (space booking, pricing and installment collection plan) supported by real estate assessment of Lahore evidenced through documents such as in-house real estate study, reputable real estate market research agency report, primary survey, etc.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

- Basis of proposed sale prices for each type of apartments such as prior project history in Lahore or other cities, benchmark survey or in-house study.
- Target customer groups and outline marketing strategy.

2.2.5 Minimum Financial Information

Following is the minimum financial information the Authority requires each Bidder to submit in its Development Proposal to be considered responsive:

- Estimated total cost of the Project in a work breakdown structure (WBS) together with indicative yearly disbursement plan (separately indicating land lease rentals);
- Proposed means of funding the Project i.e. statement showing equity contribution of each member of the Bidders' consortium and advances from customers;
- The proposed business plan for the Project comprising of financial model (key assumptions, projected balance sheet, earning statement, cash flow statement, ratio and sensitivity analyses) for each operational year. The business plan shall also include the following key assumptions:
 - Area utilization plan
 - Footprint
 - FAR
 - Total covered area
 - No. of buildings
 - No. of floors per building
 - Average size per floor
 - Common areas and Sellable space per building
 - No of apartment units by type
 - proposed space booking plan by type of apartment;
 - proposed price structure for the apartments by type;
 - proposed payment plan against bookings;
 - marketing and administrative cost estimates;
 - health club – capital and operational costs; and revenues assumptions
 - any other matters deemed relevant by Bidders.
- Proposed development option's investment evaluation indicators (i.e. Project IRR, payback, NPV @ 15% discount rate).

2.2.6 Currencies

Bidders are required to express all financial calculations in Pakistan Rupee.

2.3 Evaluation, Process, Criterion and Procedures

2.3.1 The Overall Evaluation Process

The Authority will use the evaluation criteria detailed in this clause of the RFP to determine the best evaluated Development Proposal. The evaluation process will consist of a two-step approach: i.e., responsiveness, and technical and financial evaluation.

At the date, time and location previously announced, the Authority shall open proposal packages received from Bidders. The Authority shall announce, to those persons present at the proposal opening (and on any request by a Bidder who submitted a proposal but is not present or represented at the proposal opening), the name and address of each Bidder whose package is opened. Such announcement shall be recorded immediately in the record of the Bidding Process.

The Authority shall not evaluate the Development Proposals from any Bidder determined to be non-responsive, as reflected in the record of the Bidding Process. The public portion of the proposal opening will then be closed.

The Authority shall separately, and privately, evaluate responsive Development Proposals in accordance with the technical parameters provided in the evaluation criteria in clause 2.3.2. The Development Proposal obtaining 70% or more marks in the said technical parameters as defined in 2.3.2, shall be evaluated on the basis of the proposed Net Present Value (NPV) for the determination of Best Development Proposal. Development Proposal with the highest positive NPV (determined at a discount rate of 15%) shall be considered as the Best Development Proposal.

In case the Bidder scores less than 70% (or scores less than 2 in mandatory criteria (B3) shaded grey), NPV of the Development Proposal shall neither be evaluated nor shall the Proposal be eligible to be declared the Best Development Proposal. However, the Bidder can submit a bid for the Stage-II.

2.3.2 Development Proposal Evaluation Criteria

The Development Proposals shall be evaluated on the quality of their development plan at the Project site. Such a concept plan should be based on:

Technical Parameters [100 Marks]		Basis of measurement*)				
		1	2	3	4	5
A.	Preliminary conceptual design proposal for the suggested use [30 Marks]					
1.	Attractive layout plan, including facilities for residents, safety and security features, transportation access, etc. [Basic to be rated 2, innovativeness rated higher]					
2.	Diversity of apartment types [all apartments of a similar type to be rated 2, diversity rated higher]					

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

Technical Parameters [100 Marks]		Basis of measurement*)				
		1	2	3	4	5
3.	FAR [Minimum compliance to LDA bye-laws rated 2, lesser FAR rated higher]					
4.	Height of building proposed [5 storeys rated as 2, taller rated higher]					
5.	Area reserved for parking [Minimum compliance to LDA bye-laws rated 2, greater rated higher]					
6.	Green space proposed [Minimum compliance to LDA bye-laws rated 2, greater rated higher]					
7.	Accessibility proposed for health club for non-residents [Exclusive for apartment residents rated 2, openness of accessibility rated higher]					
	Sub-total A					
B.	Robustness of outline implementation methodology [20 Marks]					
1.	Anticipated time required to arrange funding [6 months to be rated 2, lesser time rated higher]					
2.	Timing for the construction of building [3 years to be rated 2, lesser time rated higher]					
3.	Equity amount committed for upfront investment in construction [Rs. 250 million rated 2, greater amount rated higher]					
4.	Timeline for utilisation of advances against sales for construction [upon spending of Rs. 250 million on the Project from own sources rated 2, greater completion rated higher]					
5.	Timetable within which Bidder would be able to close-out the Project in terms of sale [5 years to be rated 2, lesser time rated higher]					
	Sub-total B					
C.	Quality of Business Plan [40 Marks]					
1.	Sound basis of key commercial assumptions (space booking, pricing and installment collection plan) [In-house real estate study of Lahore to be rated 2, any third-party study rated 3, third-party study by reputable real estate market research agency rated 4, primary data rated 5]					
2.	Reasonableness of estimated project costs for the land use proposed [close to market prices rated 5]					
3.	Reasonableness of estimated sale prices [prices commensurate to prior project history in Lahore rated 5, in other cities rated 4, benchmark studies rated 3, in-house estimate rated 2]					
	Sub-total C					
D.	Comments on Contours of JV Agreement [10 Marks]					
1	Clarity on and understanding of proposed contours					

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

Technical Parameters [100 Marks]		Basis of measurement*)				
		1	2	3	4	5
	of JV Agreement					
2	Clear demonstration of understanding of LDA's objectives from the Project					
	Sub-total D					
	Overall Technical Score - A1**)					

*) The rating moves from 1 to 5 where:

- 5 is excellent
- 4 is very good
- 3 is good
- 2 is average/minimum
- 1 is poor /failed

**** Overall Technical Score [A1]:** $[(\text{Sum of A}/35 \times 30) + [(\text{Sum of B}/25 \times 20) + [(\text{Sum of C}/15 \times 40) + [(\text{Sum of D}/10 \times 10]$

NPV of project cash flows shall only take into consideration complete land lease payments to LDA over 5 years at the rate of PKR 21 million/kanal using 15% discount rate [as given in Table 1], and shall not include any revenue sharing with LDA.

Table 1.

**Land Lease
payment plan (in
PKR millions)**

Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Amount	-	295.8	340.1	391.1	449.8	517.3

NOTE: The land lease payment plan mentioned in Table 1 is indicative, and may vary based on the contours of the JV Agreement, as shown in Exhibit 1.

EXHIBIT 1: Contours of JV Agreement

Introduction

This document outlines the proposed commercial and legal contours of proposed joint venture arrangement that would serve as the basis for finalization of JV and other underlying agreements to form part of the Stage-II RFP.

This Exhibit is organized in the following parts:

- Part I: Commercial Contours of Proposed JV Agreement
- Part II: Legal Contours of Proposed JV Agreement

Brief description of each of the commercial and legal contours covered in respective parts is as follows.

The following contours are indicative; LDA has the right to add further provisions and modify the contours of the JV Agreement.

Part I: Commercial Contours of Proposed JV Arrangement

1. Introduction

The Project is envisaged to be developed under a lease cum development cum sale arrangement. Under this arrangement, the Developer shall enter into an agreement with LDA to lease the property on which the real estate project is to be developed. Under the same agreement, the Developer shall have unrestricted access to the property for the purpose of its development in accordance with the project plan agreed with LDA. The property shall remain under the ownership of LDA until the agreed premium, sale consideration and all lease installments have been paid, at which time it shall be transferred to the Developer at nominal consideration.

Time shall be of the essence for the development and construction of the Project. The entire joint venture arrangement shall be completed within mutually agreed period of time and thereafter the joint venture arrangement must automatically stand concluded/dissolved/terminated in accordance with the business plan and the JV agreement. LDA may require the Developer to set up a Project Company to undertake the Project.

2. Consideration agreed for the property

The consideration shall be aggregate of the following:

- a. Guaranteed lease rentals not below the reserve price of land in present value terms; and

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

- b. Guaranteed Premium in the form of share in revenue which would be received in the form of developed units/space. This would be structured as sale consideration for the apartments and lease rental for the health club(s).

The bidder in Stage-II fulfilling the financial bid conditions given in Note 1 and 2 below and offering the highest Guaranteed Premium shall be declared successful under Stage-II. Consideration against the property shall be determined on the basis of the highest amount of Guaranteed Premium received over and above the reserve value of the property (being present value of total guaranteed lease rentals) to be leased to the bidder at Stage-II ("Reserve Value"). Reserve Value (i.e. the guaranteed lease rentals) has been determined by an independent valuation firm on State Bank of Pakistan (SBP) approved list of valuation services firms and vetted and approved by Price Assessment Committee of LDA.

Financial Bid (PKR in millions)		1	2	3	4	5
Guaranteed Lease rentals (A)		Yy	yy	yy	yy	yy
Share in revenue from sale	X%					
PV of Total Guaranteed Lease rentals (B)		Yyyyy				
Guaranteed premium (X% share monetized in revenue based on equivalent sellable space)) (C)		Xxxx				

Note:

- Amount under (A) above in any year cannot be less than 10% of Reserve Value of land set by LDA.**
- Amount under (B) above can only be greater than or equal to Reserve Value of land set by LDA.**
- Present Value of cash flows from guaranteed lease rentals shall be discounted at 6 months Kibor rate plus (xx%) percent applicable 2 days prior to bid due date for Stage-II. LDA shall standardize, at its own discretion, any variation in case bidders select different rates.**
- Monetization of share in revenue from sale of space allocated to LDA shall be made at selling prices assumed by the bidder at Stage-II and reflected in the detailed financial model to be submitted at Stage-II. For the sake of clarity, quoted share in revenue shall also be deemed to be LDA's share in sellable space/units with same percentage.**

3. Lease and Development Arrangement:

The property shall be transferred for use of the Developer under a lease arrangement. Under this arrangement, the Developer is obligated to pay periodic lease rentals to LDA during the length of the development period. The annual amount of lease rentals, payable on a half-yearly basis after an initial grace period of [x] months (to be confirmed in Stage-II RFP), shall be determined through competitive bidding process indicated above.

As a result of the above arrangement, based on the terms indicated in the lease agreement, the Developer shall have permission to develop the Project on the leased property and sell the units developed subject to the lease. The JV Agreement would allow Developer to collect advance against sale of units being sold in the Project as per the sale plan approved by LDA. However, use of such sale / advance against sale proceeds shall be used as per agreed upon order, as indicated under the JV Agreement.

a. Indicative terms of lease rentals

- The term of lease shall not exceed 5 years but may be renewed or extended at the discretion of LDA.
- The lease rentals shall be payable on half-yearly basis as per the amortization schedule agreed under the lease agreement.
- Delay in payment of lease rentals shall be subject to a surcharge @ X% p.a. (to be confirmed in Stage-II RFP) over the overdue amount for each outstanding day.
- Lease rentals (inclusive of present value adjustment) agreed as per amortization schedule included in the lease agreement will not be subject to any other periodic increase.
- All costs associated with registration of lease deed and any other transaction related duties, taxes and other costs shall be borne by the Developer/Lessee.

b. Indicative terms of development plan

- The site shall be handed over to the Developer for the purpose of development upon furnishing the evidence of transfer of minimum upfront equity investment of PKR 250 million ("**Minimum Upfront Developer Equity Investment**") in the designated Project Escrow Account by LDA.
- The Developer shall be permitted to mobilize its team and setup site office at the Project site upon taking over possession of site;
- The construction works shall commence based on the detailed engineering design prepared by the Developer and approved by the LDA in compliance with LDA bye-laws and technical part of the bid submitted by the Developer in Stage-II of the Bidding Process.
- The Developer shall:

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

- Bear entire cost for the land lease/transfer, designing, development construction, installation and marketing of the Project.
- Carry out required geo-technical studies including Environmental Impact Assessment.
- Prepare detailed designing of the Project in compliance with LDA bye-laws.
- Seek all regulatory approvals and clearances and payment of all dues
- Achieve financial close through minimum upfront investment in the Project to be made in Escrow Account
- Award of EPC contracts as per the detailed engineering design approved by LDA
- Appoint Independent Engineer (IE) and Independent Auditor (IA) with the approval of LDA.
- Launch of the Project in market at an appropriate time (as agreed with LDA) shall be permitted. Advances shall be received from customers in an Escrow Account. The advances received from customers shall be utilized once the Minimum Upfront Developer Equity Investment by the Developer has been fully spent on the Project.
- Not to engage in any trading of files or sale activities prior to official market launch of the Project.
- Allocate sellable space to LDA in equal proportion (equivalent to LDA's share in revenue) in proposed apartment mix and uniformly spread over different floors at the time of lease cum development agreement signing to the extent of LDA's Guaranteed Premium.
- Create lien (if required by LDA) in favor of LDA over files/allotment letters of sellable units allocated to LDA against its share of revenue.
- Allow LDA to sell its proportionate share in sellable units corresponding to the Guaranteed Premium itself and take proceeds in its name or if permitted by LDA, sell such units on LDA's behalf with payments directly made to LDA. For the sake of clarity, LDA has the right to require the Developer to sell these units along with his own units in similar proportion and timing. In this case, Developer would be the sale and collecting agent for LDA.
- Complete Project within agreed timeline as certified by the Independent Engineer approved by LDA.

- Payment of land consideration to LDA as agreed in the lease deed and JV Agreement certified by an Independent Auditor appointed in terms of the JV Agreement.
- Execute sale deed with LDA upon final settlement and payment of a notional amount of PKR X million (to be confirmed at Stage-II RFP) and assume ownership of land. The costs of land transfer shall be borne by the Developer. LDA shall retain the title of land in its name till the final settlement and full recovery of consideration agreed between LDA and the Developer.
- Handover of possession of built up space/units to customers as per the committed timelines.
- Ensure operations and maintenance of the Project as per quality standards agreed with LDA.

c. Investment requirements from developer

- Developer shall contribute its upfront equity in Project Company or Project, as applicable subject to a minimum injection in terms of clause 3b above.
- This upfront investment in Project shall be retained in the Project till completion of the Project.
- Guaranteed lease payments to LDA shall be made by the Developer through its own sources and customer advances.
- Developer shall be responsible to bridge any shortfall in customer advances in any year from its own sources without incurring liability on the Project. This is required to keep the Project construction and development on track despite funding constraints.

d. Escrow mechanism and payment waterfall

- All inflows and outflows of the Project shall be routed through Escrow mechanism.
- Lease payments are to be made to LDA within a maximum of 5 years of signing of JV Agreement from either Developer's equity or revenues from sale of space, which are collected in an Escrow account, to be used for Project development and contractor payments. Lease payments in any year shall not be less than 10% of the Reserve Value in present terms. LDA shall have priority over any payment to Developer.

- Escrow Mechanism to be established under the JV Agreement by Developer or Project Company shall follow the following waterfall:

Payment Type	Priority
Upfront land Lease Payment	1 st
Development expenditure payments	2 nd
Secured Lease payments to LDA against land Lease	3 rd
Guaranteed premium payments/share in revenue to LDA	4 th
Project management and operations expenditure	5 th
Investment/Sub-debt of PP (over and above the minimum equity investment)	6 th
Profit share/equity redemption of PP	7 th

e. Monitoring and evaluation of project

- LDA shall select an Independent Engineer to monitor construction and operations out of list of qualified engineers submitted by the Developer consisting of three of the most reputable firms. IE shall certify the development and construction of the Project in accordance with the technical and structural specifications provided by Developer in Stage-II Bid and approved by LDA.
- LDA shall select an Independent Auditor (IA) to keep, maintain and monitor inflow and outflow of capital and financial records of the Project (separate from Developer's other businesses) out of the panel submitted by Developer consisting of three reputed CA firms.

f. Security

- Developer shall issue irrevocable and unconditional Performance bond issued by a first class scheduled bank acceptable to LDA for an amount of Rs. 250 million, which shall secure the development and construction of the Project and payments to LDA.
- In case the Project is being implemented by the Project Company, the Developer shall issue a corporate guarantee securing all the obligations of the Project Company.
- Performance Bond shall be released upon the receipt of complete lease and sale consideration; and issuance of completion certificate by the Independent Engineer approved by LDA.
- Shortfall, if any, in collection of installments from customers would be bridged by the Developer from own sources, without incurring any liability on the Project, to keep the Project construction on track and complete the milestones.
- Developer shall not arrange any sort of commercial debt against the Project land or for the purposes of implementation of the Project. However, Developer shall not be barred to raise debt for its other

business ventures or projects, so long as these are ring-fenced from this Project in such a manner acceptable to LDA. In case the Project is implemented by the Developer through the Project Company as required by LDA, the Project Company shall not take any commercial debt except subordinated debt (on such terms acceptable to LDA including the cancellation of such subordinated debt in case of cancellation of lease and/ or taking over of the Project by LDA) from the Developer and a Project Company shall not create any encumbrances over its assets and properties particularly the land being provided by LDA. In case a share pledge in favor of LDA is not created over the shares of the Project Company held by the Developer, the Developer shall not pledge or otherwise create any encumbrances in respect of such shares of the Project Company.

- Developer shall exclusively be responsible for the standard and quality of construction, equipment and installations, fittings and fixtures and related costs.
- Developer shall exclusively be responsible for the commitments made and liabilities assumed (including against customer advances to be received against sale of space subject to lease). This responsibility of the Developer shall remain intact for space sales made from its own stock or from LDA's allocation.
- Developer shall be responsible for making sure of uniform and consistent quality of construction of sellable units, without discrimination between units to be allocated to or sold on behalf of LDA and those retained and / or sold by the Developer.

g. Insurance

- Developer shall arrange for comprehensive insurance policies through reputed Insurance Companies in respect of construction of the Project and furnish credible proof to LDA periodically.

h. Regulatory approvals

- Developer shall be responsible for seeking all regulatory approvals and clearances.
- LDA shall provide reasonable facilitation to the Developer in getting requisite regulatory approvals. However, costs associated with such approvals and any costs relating to such facilitation will be borne by the Developer.

i. Termination and events of default

- The arrangement shall be terminated on the happening of default or upon failure of either party to perform its obligations. The mode and the consequences of the termination shall be provided in the JV Agreement through negotiations.
- Developer shall be required to take the commercial risk on the Project. Inability to arrange funding for project completion shall be considered an event of default (EOD).

j. Compensation mechanism

Proposed exit mechanism to be negotiated and incorporated in JV Agreement is as follows.

- In case the Project is not completed or on account of any other event of default or termination (not cured during allowed time frames), LDA, taking it as a termination event under lease deed, can exercise the option to terminate the lease and take over the land as unencumbered.
- Notice of EOD shall be given to Developer, mentioning the time period allowed for the private party to cure the EOD. LDA may have the option of extending the cure period if considered reasonable by its management.
- In case of inability of Developer to cure the EOD, a Notice to Terminate the lease agreement and the JV Agreement shall be issued to the Developer.
- Upon termination, LDA shall have the right to either:
 - **Take over the project land:** LDA would terminate lease in respect of the project land and pay compensation to Developer against independently assessed value of investment in Project by the Independent Auditor, after deduction of penalties and third party dues. LDA may complete the Project at its own, if so decided.
 - **Lease project land to alternative Developer:** LDA would in this case bid out the lease rights of land and associated infrastructure to seek Replacement/ Alternative Developer (AD). The value determined by the Bidder for the Project (100% value of property in the stage of development it stands), shall form the basis on which compensation to Developer shall be determined for compulsory termination of lease in respect of project land.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

The compensation amount would be calculated as follows:

Compensation elements	Amount (PKR)
Value of overall project determined/max bid received	XX
Less: Creditors (contractors, advisors, tax and others)	(aa)
Less: Creditors (Advance against units sold)	(bb)
Less: LDA (land lease) liability	(cc)
Add: Cash in hand and escrow account	Dd
Add: Other advances, deposits and receivables	Ee
Equals : Net Value of PP Equity/Investment in project	YY
Less: Penalty for default (cd%)	(ff)
Equals: Final Compensation/consideration	XXX

- In case liabilities cannot be compensated by bidding out the lease rights to the project land and associated infrastructure to Replacement/ Alternative Developer (AD), outstanding liabilities may be recovered as arrears of land revenue.
- EOD by LDA leading to termination would require compensation for Developer against investment made based on project value assessed by an independent technical valuator to be selected and appointed with mutual consent of Developer and LDA.
- Arbitration shall be the agreed medium for resolution of disputes/differences. All Arbitration proceedings shall be conducted in accordance with the provisions of the JV Agreement and venue shall be at the city of Lahore.
- Joint venture arrangement shall be governed and regulated under the laws of Pakistan.
- The proposed Joint Venture arrangement is not absolute and subject to change/modification. Developers are encouraged to submit business plan conforming to the aforesaid proposed Joint Venture arrangement.
- Consents, approvals, acceptance and recommendations in favour of any contesting bidder shall not be construed as acceptance of particular bid unless the approval is sanctioned in writing by the LDA Authority not otherwise.

Part II: Legal Contours of Proposed JV Arrangement

A. JV AGREEMENT:

The JV Agreement would broadly set out the major elements of the transaction. This would be an agreement between the Lahore Development Authority ("**LDA**"), the successful bidder ("**Developer**") and the special purpose vehicle established by the Developer ("**SPV**" or "**Project Company**") if required by LDA. The basic contours of the Development Agreement are as follows:

PROVISIONS	RATIONALE
Computation of the Lease Price and Purchase Price	This provision would provide for the determination of the lease price and purchase price.
Construction Obligations of the JV Partner	<p>This provision would set out in detail the construction specification of the Project and the obligation of the Developer to strictly adhere to the same.</p> <p>This would also set out a procedure for alteration of the construction specification of the Project with the consent of the LDA and in the instances when such procedure can be invoked by the Developer.</p>
Failure to Complete the Project within the allotted timeline	This provision would set out the implication of failure by the Developer to complete the Project within the allotted timeline.
Utilization of Development Funds	This provision would provide for a detailed mechanism as to how funds for the implementation of the Project would be utilized.
Market Obligations of the Developer	This provision would detail as to how the Developer would develop a marketing plan and strategy in respect of the Project and approval of the LDA in respect of the same.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

PROVISIONS	RATIONALE
Operations and Maintenance	This provision would provide for the various operations and maintenance services to be provided by the Developer.
Insurance Obligations	This provision would detail as to which insurances are to be procured by the Developer. Furthermore, it would also detail as to how would any such insurance proceeds utilized.
Events of Default and its Consequences	This provision would list down the events and consequence in case where each LDA or the Developer is entitled to terminate the arrangement.

B. Sale Deed:

This is the deed pursuant to which the property relating to the Project is to be sold to the Developer/Project Company (as applicable) by the LDA following completion of lease and the milestones specified in the JV Agreement. The basic contours of the Sale Deed are as follows:

PROVISION	RATIONALE
Sale and Purchase Provision	This provision would provide for the sale of the property provided by LDA at the Purchase Price
Transfer of Title of Property Provided by LDA	The title to the property provided by LDA would be transferred upon payment of the full land lease, Guaranteed Premium and sale consideration.
Costs relating to transfer of title of Development Property	All costs relating to the transfer of title of the property provided by LDA would be borne by the JV Developer.

This Sale Deed would be executed when the Project is complete at a notional amount.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

C. Lease Deed

This is the deed pursuant to which the project land is leased to Developer/Project Company. This would set out certain termination events such as standard events of defaults, failure to complete the various milestones relating to the Project etc. Upon occurrence of such termination event, LDA would have the right to terminate the lease and take over the project land.

D. Share Pledge Agreement:

In case LDA decides to have the Project executed through a Project Company, this is the agreement through which LDA has a pledge over the shares of the SPV in case of default of the Developer. The basic contours of the Share Pledge Agreement are as follows:

PROVISION	RATIONALE
Pledge Provision	This provision would provide for the pledging of the entire shares of the SPV with LDA in case of default by the JV Partner or the SPV of the Development Agreement.
Costs relating to pledge of Project Company shares	All costs relating to the pledge of shares of Project Company would be borne by the Developer.

E. Accounts Agreement:

PROVISION	RATIONALE
Kinds and details of Accounts	This provision would set out the various bank accounts being opened by the Developer/Project Company in respect of the Project.
Utilization of Funds from the Accounts	This provision would set out in detail the various instances wherein the funds in the accounts as specified in the JV Agreement can be utilized.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

PROVISION	RATIONALE

F. Arbitration

All disputes arising in connection with the Project shall finally be settled by arbitration in Lahore, Pakistan, in accordance with provisions of JV Agreement.

EXHIBIT 2: LDA Bye-Laws for Finance and Trade Center, Johar Town, Lahore

New Building Bye-laws

Specially Approved for

Finance and Trade Center Only

Plot Size	Less than 25 kanals	25-50 kanals	Above 50 kanals
Height	As per limit fixed by the Civil Aviation Authority (NOC required from CAA for buildings with height of 300 feet and above)		
Building Line	40 feet	40 feet	50 feet
Parking	Health Club	1 car space for every 1200 sq. ft. of Floor area	
	Apartments	1 car space for every 1000 sq. ft. of Floor Area	
	Mosque, Service Area	As per Building Regulations	
Ground Floor Coverage	60%	60%	60%
Rear	15 feet	15 feet	15 feet
Both side	15 feet	15 feet	15 feet
Floor Area Ratio	1:8	1:10	1:12

NOTE:

1. A maximum of five basements can be constructed for parking.
2. The Gross Floor Area shall not include the area of Mechanical Plant Room, Electrical Sub-Station, Prayer Halls, Public Toilets, Stairs, Covered Parking and Circulation of Vehicles.
3. Apart from Special Regulations, all other provisions of Prevailing Building Regulations shall remain applicable.

EXHIBIT 3: Format of Cover Letter

Date:

Director (C&I),
Lahore Development Authority
467-D II, Johar Town, Lahore
Pakistan.

The undersigned,

Last Name: _____

First Name: _____

Title/Position: _____

Company: [_____ Bidder¹ _____] (the “Lead Bidder”) acting as the legal
representative of [_____ Bidder² _____] (the “Bidder”) pursuant to the [power of
attorney][powers of attorney³] attached hereto as **Attachment A**, located at the following
address:

Address: _____

Telephone: _____

Fax: _____

Email: _____

hereby certify, represent, warrant and agree, on behalf of the Bidder that:

1. This Proposal Letter, along with all its attachments listed herein, forms our Proposal and is submitted pursuant to the Request of Proposals dated [_____] issued by the LDA, as amended, modified, supplemented or varied through [list all Addenda with title _____]

¹ If the Bidder is a consortium, Lead Bidder or Main Sponsor shall be mentioned.

² If the Bidder is a consortium, each member of the consortium shall be listed.

³ If the Bidder is a consortium, a power of attorney from each member of the consortium is also required.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

and date] issued by LDA (the “RFP”) for the development of [Insert Project details]. All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the RFP.

2. Having examined and being fully familiar with all the provisions of the RFP (including its attachments, exhibits and appendices and all the above Addenda), receipt of which is hereby duly acknowledged, and having evaluated, following our own studies undertaken under our responsibility, the nature and scope of the contractual obligations to be executed, the financing structure, the proposed contours of Project Agreements and any other regulation associated to the Project or its execution, we hereby offer to undertake the Project.
3. We hereby agree that this Proposal constitutes our firm offer that is binding upon us and will remain valid for a period of one hundred eighty (180) Days from the Deadline for Submission of Proposals (the “Proposal Validity Period”), except as such period may be extended by us at the request of LDA.
4. We certify that (i) the information submitted as part of this Proposal is complete and accurate, (ii) the Proposal has been submitted in the legal name of the Bidder [consortium whose members][who] will be bound to this Proposal and to the development of the Project, (iii) we accept the documents, terms and conditions and disclaimers of the RFP documents.
5. We understand the criteria and process for evaluation of Proposals and acknowledge that LDA is not obligated to accept our Proposals and may at any time reject our Proposal at its sole discretion.

The Lead Bidder duly authorized to execute the Proposal for and on behalf of the Bidder [consortium]:

Notarized Signature and Seal

EXHIBIT 4: Power of Attorney

1. If the Bidder is not a consortium, it will furnish a power of attorney authorizing the person who signs the Development Proposal and other documents forming parts of the Development Proposal to sign for and on behalf of the Bidder and to bind the Bidder to the signed Development Proposal and document and any subsequent agreement.
2. If the Bidder is a consortium:
 - Each member of the consortium (other than the lead Bidder) shall furnish a power of attorney authorizing the lead Bidder to act and receive instructions on behalf of all the consortium members and to submit the Development Proposal for and on their behalf.
 - Each member of the consortium (including the lead Bidder) shall furnish a power of attorney authorizing the person who signs the Development Proposal and other documents forming parts of the Development Proposal to sign for and on behalf of the Bidder (which term includes all members of consortium) and to bind the Bidder to the signed Development Proposal and document and any subsequent agreement.)

Sample Format

Know all men by these presents, We, _____ (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr. / Ms (Name), son/daughter/wife of _____ and presently residing at _____, who is [presently employed with us/ the Lead Member of our Consortium and holding the position of _____], as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for [Insert name of Project] including but not limited to signing and submission of all applications, bids and other documents and writings participate in bidders' and other conferences and providing information / responses to the Authority, representing us in all matters before the Authority, signing and execution of all contracts including the Agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Authority in all matters in connection with or relating to or arising out of our bid for the said Project and/or upon award thereof to us and/or till the entering into of the Agreement with the Authority.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE
EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____, 2009.

For _____

(Signature)

(Name, Title and Address)

Witnesses:

- 1.
- 2.

Accepted [Notarized]

(Signature)

(Name, Title and Address of the Attorney)

EXHIBIT 5: Format of MoU / Agreement

MEMORANDUM OF UNDERSTANDING

Between

[First Member]

And

[Second Member]

(For Providing / Rendering Particular Development Activities)

THIS MEMORANDUM OF UNDERSTANDING (hereinafter called "MOU") made and entered into this day of the month of 20__, by and among:

- *[Name & complete address of First/Leading Member]* (hereinafter called "*[short name/acronym]*"), which expression shall include its successors, legal representatives and permitted assigns;
- *[Name and complete address of Second Member]* (hereinafter called the "*[short name/acronym]*"), which expression shall include its successors, legal representatives and permitted assigns;

(Both of the above for the purpose of this MOU shall hereinafter individually called the "Member" and collectively called the "Members")

WHEREAS,

- (a) *[Name of the Client]* represented by *[Name of the person/officer]* (hereinafter called the "Client") has invited through *[Mention the title of invitation]* published in daily *[Insert name of news paper]* dated *[Insert date]* to submit proposal for Development Activities for *[Name of the project]* (hereinafter called the "Project");
- (b) the Members hereby intend to join hands to form an unincorporated association for the sole purpose of, preparation and submission of joint proposal as required to be submitted to the Client for carrying out the Development Activities for the Project. In case of acceptance of proposal by the Client, the members shall perform the Development Activities as shall be agreed through Joint Venture/ Consortium *[Use which is appropriate]* Agreement and the contract to be entered between the Client and the Joint Venture/Consortium.

NOW, THEREFORE, the Members confirm their understanding (hereinafter called the "Association") as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words and expressions shall have the meanings assigned to them, except where the context otherwise requires:

- 1.1.1 "Association" means the understanding formed between the Members in accordance with this MOU;
- 1.1.2 "Client" means the person, firm, company or body named as client in the Joint Venture/Consortium Agreement and none other, except its legal successors and permitted assigns;
- 1.1.3 "Contract" means the Contract between the Client and the Joint Venture/Consortium for the provisions of professional services for the Project;
- 1.1.4 "Country" means [State the name of the "Country"] where the Project is located;
- 1.1.5 "Invitation" means the invitation of the Client to submit a proposal for the provision of particular engineering services for the Project;
- 1.1.6 "Joint Venture" means the joint venture to be formed between the Members for the Project and Lahore Development Authority;
- 1.1.7 "Joint Venture Agreement" means the formal agreement to be entered between the Members, and Lahore Development Authority;

In case of Consortium Agreement

- 1.1.8 "Consortium" means the consortium to be formed between the Members for the Project;
- 1.1.9 "Consortium Agreement" means the formal agreement to be entered between the Consortium Members, upon acceptance of proposal for the Project;
- 1.1.10 "Proposal" means the proposal to be prepared and submitted by the Members in response to the Invitation, by the Client;
- 1.1.11 "Development Activities" means the development of the Project including procuring, constructing and any other activity relating to the same;
- 1.1.12 "Representative" means the person nominated by the Members(s) of the Joint Venture/Consortium through Power of Attorney to sign the Proposal and the Contract on behalf of and in the name of that Member. The signature of Representative shall bind each Member in respect of all obligations and liabilities it assumes under the Joint Venture/ Consortium Agreement.
- 1.1.13 "Leading Member" means the Member which will take the lead in the management of the Association's affairs under this MOU and which will provide the Association's Representative for liaison with the Client;

1.1.14 "Day" means the period between any one midnight and the next, and "month" means a period of one month according to the Gregorian calendar commencing with any day in the month; and

1.1.15 "Document" means written, drawn, typed, printed, magnetized or photographic material which is capable of being copied.

1.2 Interpretation

1.2.1 Words importing the singular also include the plural and the masculine includes the feminine and vice-versa where the context requires.

1.2.2 The headings in this MOU shall not be taken into consideration in its interpretation.

1.2.3 Unless otherwise stated, all references to clauses/sub-clauses are references to clauses/sub-clauses numbered in the Conditions and Terms of this MOU and not to those in any other document attached or incorporated by them.

2. ASSOCIATION/UNDERSTANDING

2.1 The Members hereby intend to join hands to form an unincorporated association for the purpose of:

- preparing and submitting the Proposal to the Client;
- providing any further information, the Client may require or negotiating with the Client on any matters requiring negotiation in connection with the Proposal;
- entering into a formal Joint Venture Agreement; and
- performing all the Development Activities to be undertaken for the Project by the Consortium under the Joint Venture Agreement.

2.2 The Members hereby appoint the Leading Member and, pursuant to Clause 3.2, the representative of the Association.

2.3 Notwithstanding anything to the contrary, the Lead Member should remain liable for all the obligations and liabilities of other Consortium.

2.4 Where required by the Client, the Member shall establish a wholly owned subsidiary to perform the activities for part thereof as set out in clause 2.1.

3. PROPOSAL SUBMISSION

3.1 Upon the execution of this MOU, each of the Members shall grant a Power of Attorney in favour of a person nominated by it as its Representative. Under the Power of Attorney granted to him, the Representative of a Member shall thereby have authority to sign the Proposal and the Joint Venture Agreement on behalf of and in the name of that Member. The signature of its Representative shall bind each Member in respect of all obligations and liabilities it assumes under this MOU.

- 3.2 The Representative of the Leading Member shall be the representative of the Association for the purpose of correspondence and discussion with the Client on matters involving the interpretation of the Proposal and alterations to it and to the Development Activities to be performed.

4. NOT USED

5. LANGUAGE AND LAW

This MOU shall be written and interpreted in English Language and the law which is to be applied to this MOU shall be the law of Islamic Republic of Pakistan.

6. NOT USED

7. NOT USED

8. NOT USED

9. NOT USED

10. ASSIGNMENT AND THIRD PARTY

No Member shall assign, sell, transfer or in any way encumber its interest under this MOU, or its interests in any sums payable by the Lahore Development Authority, without first obtaining the consent in writing of other Member.

11. SEVERABILITY

If any part of the provisions of this MOU is found in any way to be void or not applicable, such part of the provisions shall be deemed to be deleted and remainder provisions of MOU shall continue in force and effect.

12. MEMBER IN DEFAULT

In the event of insolvency of a Member, the other Member hereby irrevocably constituted and appointed attorney-in-fact for such insolvent Member to act for it in all matters affecting performance of the Joint Venture Agreement to be entered with the Client.

13. LIABILITY

In case of the Consortium, all Members would be jointly and severally liable for all obligations and responsibilities under the Joint Venture Agreement and other ancillary documents.

14. NOT USED

Lahore Development Authority
Request for Proposal of Firms/Companies/ Associations/Consortia for
Development of Luxury Apartments and Health Club at FTC, Johar Town, Lahore on Joint
Venture basis

IN WITNESS WHEREOF the Members hereto have executed this MOU in [*State name of place*] on the day, month and year first above written.

1. Signed for and on behalf of
[Name of the Leading Member]

Signature _____

Name: _____

Designation: _____

Date: _____

Seal

2. Signed for and on behalf of
[Name of the Member]

Signature _____

Name: _____

Designation: _____

Date: _____