

ASSET PARTNER AGREEMENT

GENERAL SPECIFICATIONS

Hostel:	Location:	Period:
Partner Entity:	Address:	Revenue share:
PAN:	GSTIN: NA	Aadhar:
Agreement Type:	Start date:	End date:
Rooms:	No. of Beds:	

TERMS AND CONDITIONS

The agreement ("Agreement") is entered on _ ("Signing date")

by and between

The Hosteller Hospitality Private Limited, a company registered under the Companies Act, 2013, having its registered office at 303, Kumar Plaza, Kalina Kurla Road, Santacruz East, Mumbai 400029 (hereinafter referred to as the "**COMPANY**" which expression shall, unless it is repugnant to the subject or context thereof, include its successors and assigns) of the ONE PART.

AND

_____ holding PAN: _____ and Aadhar card as_____, residing at _____, an Indian national, hereinafter referred to as the "**PARTNER**" which expression unless repugnant to the context or meaning thereof be deemed to include, legal representative, executors, administrators, successors and permitted assigns) of the OTHER PART.

(The 'Company' and the 'Partner' are hereinafter collectively referred to as 'Parties' or the 'Party', as the case may be)

WHEREAS

- 1) The Company is engaged interalia in the business of creating, listing, operating and managing the Hostels/Backpacker accommodation and is the owner of the trade name and trademark 'The Hosteller'; by establishing leased or owned backpacker hostels, hostels through Partner(s) (independent entity(s)) etc.

- 2) The Partner is engaged in the business of creating & renting out the assets required to operate budget accommodation & other related services as specified by the Company.
- 3) The Company is desirous of associating with the Partner to provide the assets on a commercial consideration in 1 such property at '____i_' as per the uniform norms set up by the Company in respect of the nature of services offered.
- 4) The Partner is desirous of entering into the business with the Company in consideration of commercial benefits at the '_____' by providing necessary assets as per the uniform norms set up by the Company, as more clearly described in Annexure 1, in respect of the nature of services offered and as per the terms and conditions mentioned herein.

NOW, THEREFORE, the parties, in consideration of the covenants, undertakings and commitments set forth herein hereby mutually agree as follows -

Article 1: Definitions and Interpretations

For this agreement, the following expressions shall bear the respective meanings set forth below -

1. **'The Hosteller'** means a brand and trade name owned by M/s The Hosteller Hospitality Pvt. Ltd.
2. **'Effective Date'** means the start date i.e.,
3. **'Agreement Period'** means a period of 5 years from the Effective date.
4. **'Business'** means an activity of operating a backpacker hostel, F&B and ancillary activities.
5. **'Hostel Location'** means
6. **'Lock-in Period'** means a period of 5 years from the Effective date.
7. **'Revenue Share %'** means a percentage of Bed sales as agreed between the Parties.
8. **'Asset Investment Amount'** shall mean an amount equivalent to the investment made by the partner in procurement of said Hostel location's assets, as more clearly described in Annexure 1, valued roughly to INR 25,00,000/- only (Rupees Twenty Five Lakh only) inclusive taxes.
9. **'Master Lease Agreement'** means an Agreement entered between the Company and the Property owner of the Hostel location.
10. **'Bed Sales'** means total bed sales revenue achieved in a particular month, irrespective of various sales channels and including extra bed charges and post deduction of refunds thereof, a calculation based on reports from PMS.
11. **'PMS'** means property management software (currently in use: EZEE and can be changed thereon, if required).
12. **'Partner Payout'** means an amount equivalent to the consideration payable to the Partner as described more clearly in Annexure 2.
13. **'Buy Back Amount'** means an equivalent amount payable to the Partner on termination/completion of this Agreement for transfer/sale of the Hostel location's assets, as more clearly described in Annexure 1, to the Company against the consideration as more clearly defined as per Annexure 3.

14. **'Hostel'** means any backpacker hostel accommodation facility not necessarily under The Hosteller brand.
15. **'Confidential Information'** shall mean the product, services and any information relating to the Company's business, including, but not limited to, research, development, product plans, products, services, diagrams, formulae, processes, techniques, technology, firmware, software, know-how, designs, ideas, discoveries, inventions, improvements, copyrights, trademarks, trade secrets, customers, suppliers, markets, marketing, finances disclosed by Company either directly or indirectly in writing, orally or visually, to Partner. It also includes the revenue-sharing terms of this Agreement.
16. **'Force Majeure Event'** means any of the following:
- (i) acts of God (including, but not limited to, fires, explosions, earthquakes, drought, or floods);
 - (ii) Epidemic, pandemic, outburst of a bio-hazardous situation leading to a national/state/local government imposing bans or lockdown;
 - (iii) war, hostilities, invasion, or acts of terrorism;
 - (iv) rebellion, revolution, insurrection, or civil war;
 - (v) riot, commotion, strike, unless solely restricted to employees of the Company; or
 - (vi) any other unforeseeable circumstances beyond the control of the Company against which it would have been unreasonable for the Company to take precautions and which the Company cannot avoid/mitigate even by using its best efforts, in each case, affecting the Company's industry/sector, and not being attributable to any unreasonable action or inaction on the part of the Company.

Article 2: Grant of the Partner and Representations

1. The 'Company' warrants and represents that it is a company, validly existing and in good standing under the laws of the Republic of India and has all requisite power and authority to enter into this agreement with the Partner. All the obligations of the 'Company' under this agreement are legal, valid, binding and enforceable by its terms. No proceedings are pending against the Company, which may harm the ability of the Company to perform and meet its obligations under this agreement.
2. The 'Partner' warrants and represents that it is a proprietorship concern validly existing and in good standing under the laws of the Republic of India and has all requisite power and authority to enter into this agreement with the Company. All the obligations of the 'Partner' under this agreement are legal, valid, binding and enforceable by its terms. No proceedings are pending against the Partner, which may harm the ability of the Partner to perform and meet its obligations under this agreement. The Partner further warrants that it has the capacity and understanding to enter into the business to provide the required assets for use to the Company for the Agreement period.
3. On consideration of the Company's request and willingness of the Partner, the Company appoints the Partner on the terms and conditions outlined in this agreement. The Company hereby agrees to avail, for the Agreement period, the Partner's assets including all the furniture & fixtures required to manage the hostel location under the Company's brand name as per the Company's guidelines. The Partner hereby undertakes the obligation to provide the assets described in this Agreement and only at the aforesaid hostel location agreed upon by the Company and Partner.

4. Further, in consideration of the Agreement, the Company shall pay to the Partner an amount equivalent to the Partner payout calculated as per Annexure 2, herein the agreement, every month, subject to tax deduction as applicable. All the payments by the Company shall be deposited into a bank account no. _____, IFSC _____, _____ **Bank** on or before the 10th day of the following calendar month every month via wire transfer.
5. Further, it is agreed between the parties that on completion or termination of this Agreement by the Company, in any case whatsoever except in the case of Clause 5.2, the Partner shall be liable to sell the complete assets under consideration to the Company for a value more clearly described in Annexure 3.

Article 3: Services, Terms & conditions

1. The Partner shall provide the entire assets as per property standards described in Annexure 1. The Company shall hold no ownership rights over the Hostel location's assets during the period of the Agreement. However, on the expiry of the Agreement, the Partner shall be liable to transfer the ownership of the asset under consideration to the Company for a value more clearly described in Annexure 3 and shall hold no ownership rights over the Hostel location's assets thereon.
2. The Company has the absolute right to operate, manage & carry out functions at the said Hostel location as per the Company's guidelines. The Company, at any time during the Agreement period, reserves the right to make suitable business decisions related to operations of the said Hostel location.
3. The Company under no circumstances shall be liable to the Partner for loss and/or anticipated loss of profits, or for any direct or indirect, incidental, consequential, special or exemplary damages arising from the subject matter of this Agreement, regardless of the type of claim and even if the Partner has been advised of the possibility of such damages, such as, but not limited to loss of revenue or anticipated profits or loss business unless such loss or damage is proven by the Partner to have been deliberately caused by the Company.
4. In case of a change in the Master Lease Agreement or due to any business decisions whatsoever, if the Company decides to cease to operate in the Hostel location, then the Company in good faith shall attach the Partner, within 30 days, with any other location under The Hosteller brand with similar business potential on a proportional basis. The Company shall, however, be liable to pay an amount equivalent to 12% interest p.a. on the Asset Investment Amount for the 30 days..
5. In case of a change in the Master Lease Agreement or due to any business decisions whatsoever, if the Company decides to shift the property to the same Hostel location, then the Company, within 90 days, shall find, set up and start operations in the new property and adjust the future payouts proportionately vis a vis with the size & inventory at the new property. All such costs involved in the change of property in the same Hostel location shall be borne by the Company. In case the Company fails to transition to the new property in the same Hostel location within 90 days, then the Company in good faith shall attach the Partner with any other location under The Hosteller brand with similar business potential on a proportional basis. The Company shall, however, be liable to pay an amount equivalent to **12%** interest p.a. on the Asset Investment Amount for 90 days.
6. In case of events related to Force Majeure, as more clearly described above herein the Agreement, the Company shall oblige to increase the Agreement period by such number of months as affected by the events of Force Majeure. The Company and the Partner both shall act in good faith to support each other in any such Force Majeure events. However, the Company shall not be liable for any payout for such period.
7. We are considering the fact that the payment received was on 1 December 2023.

Article 4: Confidential Information

8. Partner may disclose the Confidential information only to those of its employees who need to know such information. In addition, before any disclosure of such Confidential information to any such employee, such employee shall be made aware of the confidential nature of the Confidential information and shall execute, or shall already be bound by a non-disclosure agreement containing terms and conditions consistent with the terms and conditions of this Agreement. In any event, Partner shall be responsible for any breach of the terms and conditions of this Agreement by any of its employees. Partner shall use the same degree of care to avoid disclosure of the Confidential information as it employs with respect to its own Confidential information of like importance, but not less than a reasonable degree of care.

Article 5: Termination

1. It is agreed between the parties that the Partner, in no circumstances whatsoever, can terminate the Agreement until the expiry of the Lock-in period. In case the Partner terminates the Agreement, the Partner shall be obliged to sell the complete assets under consideration, as more clearly described in Annexure 1, to the Company for an amount equivalent to INR 100/- (Hundred rupees only) at the time of the termination.
2. In case of early termination by the Company due to a liquidation event, the Agreement shall be terminated with forfeiture of all prior monthly payouts made by the Company to the Partner. Also, the Hostel location's assets, as more clearly described in Annexure 1, shall belong to the Partner on termination under this clause. The Company shall not be liable to pay any future payout and the Agreement shall be terminated by the parties.
3. In all other cases of early termination by the Company by serving a 3 (three) months prior written notice, the Company shall be liable to pay a return of 18% (eighteen) internal rate of return (IRR) on the Asset Investment Amount for the effective agreement period adjusting the prior monthly payouts made by the Company. The Partner shall then be liable to sell the Hotel's location assets, as more clearly described in Annexure 1, to the Company.

Article 6: Disputes & Arbitration

1. Any dispute, controversy or claim arising out of or relating to any provision of this Agreement or the existence, interpretation, enforceability, performance, breach, termination or validity hereof, including, without limitation, this Clause between any Parties shall be referred to and settled exclusively and finally by arbitration carried out in **Mumbai** and conducted in the English language presided over by a sole arbitrator in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
2. The arbitrator shall give a reasoned decision or award, including as to the costs of the arbitration, which shall be final and binding on the Parties. The Parties agree that the award of the arbitrator may be enforced against the Parties to the proceedings or their assets, wherever they may be found.
3. The Parties shall cooperate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under this Agreement.
4. Each Party shall bear and pay its own costs, expenses, fees, disbursements and other charges of its counsel, in connection with the arbitration proceedings except as may be otherwise determined by the arbitrator.
5. This Agreement shall be governed by and construed by the laws of India.

Article 8: Force Majeure

1. In case of any Force majeure event during the Agreement period, the Company shall not be held liable for any losses/claims, anticipated loss of revenue/profits, loss of material, life, or any such losses.

Article 9: Notices & Communication

1. All notices and other communication under this Agreement shall be in writing in English language and shall be caused to be delivered by email, hand or courier in each case to the addresses mentioned below -

If to the Company:

Kind Attn.: The Hosteller Hospitality Pvt. Ltd.
Address : 303, Kumar Plaza, Kalina Kurla Road, Santacruz East, Mumbai 400029
Email : contact@thehosteller.com

If to the Partner:

Kind Attn.: _____
Address: _____
Email: _____

On behalf of The Hosteller Hospitality Private Limited (First Part)

On behalf of (Second Part)

Annexure I
(List of Assets under this agreement)

Asset Head	Quantity

DESCRIPTION	CALCULATION (in %)
(a) Total Bed Sales (Inc. all booking channels & extra charges minus refunds, to be calculated as per PMS reports)	A
(b) Duties, Taxes, Cess or any other levies (charged to the guest)	B
(c) Net Bed Sales post taxes	$C = A - B$
(d) Partner Operational Payout	D = Revenue Share % of C

Annexure - 3
(Buy Back Amount)

As per definition 14 as mentioned above in the Agreement, **‘Buy Back Amount’** means an equivalent amount payable to the Partner on termination/completion of this Agreement for transfer/sale of the Hostel location’s assets, as more clearly described in Annexure 1, to the Company against the consideration as more clearly defined as per Annexure 3.” It is also agreed between the parties that the Company shall be entitled to and Partner shall be liable to sell/transfer the Hostel location’s assets, as more clearly described in Annexure 1, to the Company in all possible events of completion or termination of this Agreement, except termination due to an event of liquidation, as defined in Article 5.2 in the Agreement. The Buy Back amount shall be the consideration amount for the sell/transfer of the Hostel location’s assets and shall be inclusive of all applicable taxes and be calculated as under- -

DESCRIPTION	Amount
(a) Minimum Guarantee Amount	A
(b) Sum of all the Partner payouts made during the Agreement period as per Annexure 2	B
(c) Difference in Minimum Guarantee Amount & sum of all the Partner payouts	$(C = B - A)$
(d) Residual Value of INR 100	D
(e) Buy Back Amount	C, in case B is less than A Or else INR 100/- only.