

DRAFT BANK GUARANTEE
(Worth Rs. 100/- on Indian non-judicial paper)
TO BE FURNISHED BY A PROMOTER FOR GETTING LICENCE TO DEVELOP
LAND INTO A COLONY

This deed of Bank Guarantee made this day _____ between _____ (hereinafter called the Bank which term shall include its successors and assigns) on the one part and the Addl. Chief Administrator/Administrator of the Punjab Urban Planning & Dev. Authority exercising the powers of competent Authority appointed as such under the Punjab Apartment and Property Regulation Act, 1995 (hereinafter called the Competent Authority) on the other part.

2. Whereas _____ registered as promoter under the Punjab Apartment and Property Regulation Act, 1995. (hereinafter called the "Promoter") has applied to the Competent Authority for the grant of licence to develop _____ (description of land) into a colony:

3. And whereas the Competent Authority vide its order No. _____ dated _____ has granted permission to the Promoter to develop _____ (description of land) into a colony and the Competent Authority has further desired that the Promoter should furnish a Bank Guarantee equal to twenty-five percent of the cost of the development works amounting to Rs. _____ for carrying out completion of the development works in the colony in accordance with the conditions of licence to be granted to the promoter by the Competent Authority; and also in accordance with the provisions of the Punjab Apartment and Property Regulation Act 1995 and the rules made thereunder;

4. Now, therefore, in consideration of the Competent Authority having agreed to grant licence to the promoter to develop _____ (description of land) into a colony subject to the condition that the promoter will furnish a Bank Guarantee for Rupees _____ the bank hereby undertakes to pay to the Competent Authority on demand an amount not exceeding Rupees. _____ in case the development works are not completed in accordance with the conditions of the licence within the time prescribed for their completion to the satisfaction of the competent authority or in case any provisions of the Punjab Apartment and Property Regulation Act, 1995 or the rules made thereunder are violated and any demand so made on the Bank shall be conclusive as regards the amount due and payable by and the liability of the bank under this guarantee deed and the Bank hereby undertakes to pay to the competent Authority the amount so demanded forthwith without any demur and notwithstanding any proceedings pending in any court or before any Authority relating to this guarantee deed, the liability of the Bank under this guarantee deed being absolute and unconditional.

5. Notwithstanding anything here-in-before contained, the Bank agrees that this guarantee shall remain in full force for a period of 4 years from date of this guarantee deed and unless a

demand or action to enforce any claim under this Guarantee is made or taken against the Bank within a period of three from the date of such discharge, the Bank sand discharged of all liabilities thereunder;

6. The Bank further agrees that the Competent Authority shall have the fullest liberty, without the consent of the Bank, hereunder to vary any of the powers exercisable by the competent Authority against the promoter or grant extension in time and to forebear or enforce any terms and conditions of licence and the Bank shall not be relieved from its liability by reason so such variation or extension being granted to the bank or the promoter or for any forbearance, act or omission on the part o the Competent Authority or any indulgence by the Competent Authority to the promoter or by any mater or thing whatsoever, which under the law relating to sureties would, out of this provision have effect of so relieving the bank.

7. The bank lastly undertakes not to revoke the Guarantee during its currency, except with the previous consent of the Competent Authority in writing, and that the liability of the Bank whatsoever by any manner and irrespective of any conte-station regarding claims and disputes, the bank will deposit the Guarantee amount on first demand of the Competent Authority.

In witness whereof the _____ for and on behalf of the Bank have signed this Guarantee deed on the date and year first above written : -

Witness :

for and or behalf of the

_____ Bank

1. Name
Address

2. Name
Address

Accepted by the Competent Authority