LAND LEASE POLICY 2019

CIVIL AVIATION AUTHORITY ORDER

VERSION : 2.0
DATE OF IMPLEMENTATION : 03-09-2019
OFFICE OF PRIME INTEREST : Commercial & Estate Directorate (Estates & Land Record)
<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jafar Abbas Cheema</td>
<td>ADLD Estate &amp; LR</td>
<td>J. Cheema</td>
</tr>
<tr>
<td>Tashfeen Ashraf</td>
<td>Acting Director Commercial &amp; Estates</td>
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<tr>
<td>Syed Aamir Mehoob</td>
<td>DDG. APS</td>
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<tr>
<td>Air Cdre. Nasir Raza Hamdani</td>
<td>Director SQMS</td>
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<tr>
<td>Shahrukh Nusrat</td>
<td>Director General Pakistan CAA</td>
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**Type of Document:** Civil Aviation Authority Order (CAAO)

**Status of Document:** Controlled
A. PURPOSE:

A1. Pakistan Civil Aviation Authority (PCAA) has been established to promote and regulate the civil aviation activities and to develop airport infrastructure within Pakistan to ensure safe, efficient, adequate, economical and properly coordinated air transport services. Airports owned and controlled by PCAA are mostly sited in cities, which are hub of diversified commercial activities. It is vital to effectively utilize PCAA land to achieve sustainable economic development, upgradation of aviation services, adoption of upcoming aviation technologies, etc.

A2. PCAA is obligated under law to generate revenue to meet its increasing requirements of infrastructure development, maintenance, operational cost and management cost, etc. This Policy will encourage private sector participation for optimum commercial exploitation of landside at airports as per the approved airport plans with an assurance that such exploitation shall not adversely affect future airport infrastructural developments such as expansion of runway, taxiways, aircraft parking hangers, MRO’s, GHSO, Flight Kitchens, Cargo Village, flying clubs, storage of aviation petroleum products, etc.

B. SCOPE:

B1. This CAAO is implemented in Civil Aviation Authority and shall be applicable on all leases executed under this CAAO.

C. CORE RESPONSIBILITY:

C1. For the purpose of this Policy the Director Commercial & Estates is the authorized OPI.

C2. The authorized OPI or duly delegated officer will:

C2.1 implement the Policy and oversight the process for grant of Lease of Land and its completion process after meeting the codal formalities and ensure timely completion of process by officials as per the checklist attached Annex-B2;

C2.2 be responsible for preparation of the tender documents including the standardized pre-qualification procedure, request for proposal (RFP) issuance, technical/financial evaluation, approval and award and publication of the same through print and electronic media; and

C2.3 to prepare and disseminate information for auction of land.

C3. Airport Manager & Concerned Estates Officer shall be responsible to ensure possession of land to the successful bidder after seeking clearance from the authorized officer and complete formalities of registration/execution of Lease Deed and approval of building plan.

C4. PCAA Legal will also be responsible for vetting of Lease Deeds and fulfillment of all codal formalities before execution of the Lease Deed.

C5. The Price Evaluation Committee shall be responsible for fixation of reserve price as specified herein.

C6. Airport Manager & concerned Estates Officer of the airport shall be responsible to coordinate with the local authorities of Land Revenue and shall complete the handing / taking over process of the leased land with successful bidders after meeting all the requirement specified herein.

D. DESCRIPTION:

D1. OBJECTIVE:

D1.1 PCAA felt the need to revise the existing land lease in light of vision of the National Aviation Policy to maintain financial self-sufficiency by revenue generation from land use and to:
D1.1.1 Ensure consistent process to develop aeronautical projects such as aviation projects on the airside and landside;
D1.1.2 Ensure consistent process to develop non-aeronautical projects such as commercial projects, commercial projects on landside;
D1.1.3 Ensure constant, essential, safe and quality services at airside and landside; and
D1.1.4 Foster the growth of non-aeronautical and aeronautical development in and around airports in accordance with the applicable PCAA Airport Minimum Standards Operating Regulations (SOR).

D1.2 This Policy declares that PCAA owned land is not available for sale, however land may be exchanged with the prior approval of the PCAA Board. Airport aeronautical and non-aeronautical development will be processed through grant of long-term Lease subject to airport master plan, airport layout plan, airport business plan and the PCAA land use scheme as determined from time to time.

D1.3 This Policy further declares that the tenancy of PCAA Agriculture Land shall be governed by procedure appended as Annex-A.

D2. MODE OF LEASING:
D2.1 The land under this Policy will be leased for.-
D2.1.1 Non-Aeronautical Development i.e., for Commercial Projects and Mega Commercial Projects by way of grant through public auction/ open tender; and
D2.1.2 Aeronautical Development i.e., for Aviation Projects by way of grant through direct allotment or as specified by the Board.

D3. DURATION OF LEASE:
D3.1 The land for projects will be offered by grant of “Lease” for a “Term” as provided below:
D3.1.1 Mega Commercial Project up to 50 years [Extendable]
D3.1.2 Commercial Project up to 30 years [Extendable]
D3.1.3 Aviation Project up to 30 years [Extendable]

D3.2 The Term of Lease shall be as specified in clause D3.1.1, D3.1.2 and D3.1.3 with an option to extend the Lease for D3.1.2, D3.1.3 and D3.1.1 with projects with mutual consent on the same terms and conditions for another period of 20 years and 05 years respectively subject to a pre-determination that the project land is not required for airport infrastructural development.

D3.3 The award of Lease for Mega Commercial Projects shall be subject to submission and approval of the feasibility report including viable business plan in addition to other tender requirements. The bidders will also be required to provide the proposed financing arrangement for the development of Mega Commercial Project.

D3.4 The Lease Deed for specified projects in D3.1 shall be executed on non-judicial stamp papers. However, possession of land shall be given upon registration of Lease Deed and completion of all legal and financial conditions as per the checklist appended as Annex-B1.

D3.5 Maximum 10% increase in the awarded land maybe allowed if identified later on in the possession of lessee or requested by the lessee. Subject to the approval of the competent authority, the lessee shall be charged 100% of the assessed land price/value at the time of award of lease in respect of the excess land. However, annual...
ground rent shall be charged in accordance with the executed lease deed. No decrease in the area of leased premises shall be allowed.

D3.6 No sub-leasing shall be permissible for any of the leased premises, only rentals shall be allowed.

D4. **DETERMINATION OF LAND VALUE/RESERVE PRICE:**

D4.1 To fix the reserve price for Lease of land earmarked for aeronautical and non-aeronautical development following procedure shall be adopted:

D4.1.1 Reserve price of land shall be calculated based on the DC rates or/and on the value of immovable properties rates notified by the Federal Board of Revenue (FBR) from time to time under the applicable Income Tax Law whichever is higher, plus 05% increase in the value/price.

D4.1.2 Concession/ reduction of 25% shall be applied on value of land calculated as per D4.1.1 for determination of reserve price in case of aeronautical development through Aviation Project/s. Aviation projects at the land side shall not be subject to any exemption and DC or/and FBR Rates plus 5% increase whichever is higher shall be applied for determination of reserve price.

D4.1.3 No method for calculation of reserve price shall be applied except as stipulated herein above.

D4.1.4 Final price shall be decided by Director Commercial & Estates, HQCAA and HQCAA Committee where location price is not considered rational enough.

D4.1.5 The Price Evaluation Committee shall fix the reserve price for inviting tenders or direct allotment as provided herein.

D5. **COMPOSITION OF PRICE EVALUATION COMMITTEE:**

D5.1 The Price Evaluation Committee shall comprise of the following members:-

<table>
<thead>
<tr>
<th>HQCAA</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director Commercial &amp; Estate</td>
<td>Airport Manager/ C.O.O.</td>
</tr>
<tr>
<td>Additional Director Estates &amp; Land Record</td>
<td>Estate Officer</td>
</tr>
<tr>
<td>Representative of Additional Director Legal</td>
<td>Representative of Additional Director Legal</td>
</tr>
<tr>
<td>Representative of Additional Director Finance</td>
<td>Representative of Additional Director Finance</td>
</tr>
</tbody>
</table>

D6. **PREMIUM:**

D6.1 Subject to clause D4, the premium amount shall be calculated as follows:-

D6.1.1 Mega Commercial Projects ½ [half] of the highest land value/price offered by successful bidder;

D6.1.2 Commercial Projects: 1/3rd [one third] of the highest land value/price offered by successful bidder. The extended period beyond 30 years i.e. 31st to 40th year and 41st to 50th year shall be subject to increase of annual ground rent of 150% and 100% respectively.

D6.1.3 Aviation Projects: 1/3rd [one third] of the land value/price for a term up to 30 years. The extended period beyond 30 years i.e. 31st to 40th year and 41st to 50th year shall be subject to increase of annual ground rent of 150% and 100% respectively.
D6.2 The payment of Premium will be made either in lump-sum, or in three equal installments, as follows:

D6.2.1 Payment of Premium in Lump sum, rebate of 1% in Premium amount shall be admissible. However, annual ground rent shall be charged on the basis of original amount of Premium.

OR

D6.2.2 First installment at the time of award of Lease;
Second after six month of the first installment;
Third shall be paid within 12 months of the second installment;

D7. **ANNUAL GROUND RENT:**

D7.1 Annual ground rent shall be charged upon award of Lease as advance "Ground Rent", for the period that shall commence from the date of handing over the possession of the Lease land and approval of the building plan whichever is later. The annual ground rent for different categories of Projects shall be as follows.

<table>
<thead>
<tr>
<th>SR. NO</th>
<th>CATEGORIES OF LEASE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>a).</td>
<td>Mega Commercial Projects</td>
<td>- 10% of the assessed premium for the 1st period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 2nd period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 3rd period of 10 year.</td>
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<tr>
<td></td>
<td></td>
<td>- 100% increase for the 4th period of 10 year.</td>
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<tr>
<td></td>
<td></td>
<td>- 150% increase for the 5th period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(50 + 05 = 55 years)</td>
</tr>
<tr>
<td>b).</td>
<td>Commercial Projects</td>
<td>- 10% of the assessed premium for the 1st period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 2nd period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 3rd period of 10 year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 150% increase for the 4th period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 5th period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(30+20 = 50 years)</td>
</tr>
<tr>
<td>c).</td>
<td>Aviation Projects</td>
<td>- 10% of the assessed premium for the 1st period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 2nd period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 100% increase for the 3rd period of 10 year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 150% increase for the 4th period of 10 years.</td>
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<td></td>
<td></td>
<td>- 100% increase for the 5th period of 10 years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(30+20 = 50 years)</td>
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</tbody>
</table>

D8. **OPEN TENDER:**

D8.1 Land for Mega Commercial Projects and Commercial Projects will only be leased through auction /open tenders. All tenders shall be published in the Urdu and English national dailies and PCAA website or as per the requirement of tenders.

D8.2 The authorized OPI or its delegated officer shall form a committee that will be responsible for the tendering process including bid opening, its evaluation and subsequent award of Lease to the successful bidder after approval of the competent authority. Lease Deed shall be executed by the respective Airport Managers.

D8.3 Single bid in response to the tender will be considered in accordance with applicable laws and procedures and if found qualified may be accepted accordingly.
D8.4 No conditional bid will be accepted.
D8.5 Tender should be awarded to the highest evaluated bid.

D9. **DIRECT ALLOTMENT:**

D9.1 The land for Aviation Projects will be leased through direct allotment when the:

D9.1.1 Recipient is an entity exclusively related to aviation business such as: airlines, charter operators, flying clubs/schools, airport service license holders, aircraft manufacturing industry, aircraft maintenance organizations, MROs, flight kitchens, GHSO/ GHAs, aviation fuel farms, cargo village, aviation related training institutes and services, etc.; and

D9.1.2 Land is required by the Government/ Semi-Government agencies in furtherance of their operational or semi-operational function related to aviation industry. The premium and/ or ground rent to be charged as per the terms and condition of the Lease Deed termed as a "Special Lease Deed": or

D9.1.3 Land to be made available for an agency, organization, department, etc. directly under the administrative control of Aviation Division, on the directive of the Aviation Division on such terms and conditions as stipulated therein.

D9.2 The Director General shall execute Lease Deed of Aviation Project[s], after approval of the competent authority.

D10. **TERMS FOR EXTENDED PERIOD OF LEASE:**

D10.1 Extension of Lease may be granted for such term as specified in clause D3 of this Policy. However, the terms and conditions of the Lease Deed shall remain unchanged except as specified in the Lease Deed otherwise.

D10.2 In case of extension in the duration as per D3.2, the Lessee shall be bound to submit written request to Director General or Airport Manager prior to one year before the expiry of the existing Lease Term.

D10.3 The rate of annual ground rent for the extended period shall be re-calculated and fixed in terms of clause D7.1.

D10.4 The Addendum to the lease Deed to reflect extension in term will be granted on willingness of Lessee to pay premium amount [if any] as well as the annual revised ground rent and approval of the competent Authority;

D11. **TIMELINES FOR COMPLETION OF PROJECTS:**

D11.1 The time will be the essence for all Projects:

<table>
<thead>
<tr>
<th>CATEGORY OF PROJECT</th>
<th>START UP DATE</th>
<th>COMPLETION DATE FOR OPERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mega Commercial Projects</td>
<td>Within six months of physical possession and approval of the building plan [whichever is later] under clause D3.4</td>
<td>Within five year of physical possession and approval of building plan [whichever is later] under clause D3.4. Provided that upon written request the period may be extended on a sufficient reason for a term not exceeding two years.</td>
</tr>
<tr>
<td>CATEGORY OF PROJECT</td>
<td>START UP DATE</td>
<td>COMPLETION DATE FOR OPERATIONS</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Commercial Projects</td>
<td>Within three months of physical possession and approval of the building plan [whichever is later] under clause D3.4.</td>
<td>Within two year of physical possession and approval of building plan [whichever is later] under clause D3.4. Provided that upon written request the period may be extended on a sufficient reason for a total term not exceeding one year.</td>
</tr>
<tr>
<td>Aviation Projects</td>
<td>Within three months of physical possession and approval of the building plan [whichever is later] under clause D3.4.</td>
<td>Within three year of physical possession and approval of building plan [whichever is later] under clause D3.4. Provided that upon written request the period may be extended on a sufficient reason for a term not exceeding one year.</td>
</tr>
</tbody>
</table>

D11.2 In case of default of clause D11.1 Non-Utilization charges will be imposed on the Lessee. Provided that before imposition of any Non-Utilization charge the checklist appended as Annex-B2 will be submitted for the determination that the cause of delay in execution and registration of Lease Deed, physical possession or/and approval of building plan cannot be attributed to CAA officials.

D12. **NON-UTILIZATION CHARGES:**

D12.1 If the Lessee fails to start the project within the stipulated period as provided above the Lessee shall be liable to pay non-utilization charges Rs.100/- per square yard per month till the time the default is continued.

D12.2 If the Lessee fails to complete the project for operation within the period provided above and in the Lease Deed or within the extended period as allowed by the Authority, the Lessee shall be liable to pay a non-utilization charge of Rs. 300/- per square yard per month as delay penalty for a grace period of 60 days or/and before the notice for cancellation/termination of Lease Deed and resumption of land as stipulated in the Lease Deed.

D12.3 The non-utilization charges will be revised by 100% after every ten years.

D13. **FINAL APPROVAL:**

D13.1 All cases for grant of Lease, will be subject to the approval of the competent authority:

D13.1.1 PCAA Board for Mega Commercial Projects and Aviation Projects;
D13.1.2 PCAA Executive Committee for Commercial Projects.

D14. **FINANCIAL CONTROL:**

D14.1 The payment of premium, annual ground rent, any fine as penalty including non-utilization charges shall be deposited in CAA Account on or before the due date.

D14.2 In case of any default of Lessee in the payment of the premium amount, annual ground rent or non-utilization charges or any other fine/penalty, for more than sixty days, it shall be deemed as breach of conditions of Lease Deed and Lease Deed will be liable to be cancelled/terminated and possession of leased land along-with fixtures or/and building as the case will be, resumed by PCAA immediately.

D15. **RESTRICTIONS ON LAND USE:**

D15.1 The Lessee will not mortgage/pledge/alienate/sub-Lease any part or portion of the leased land. PCAA shall have the right to inspect the leased land as per Annex-C periodically.
D15.2 The land will not be leased in operational and technical areas and airside except for Aviation projects.

D16. RESERVED RIGHTS:

D16.1 PCAA reserves the right to further develop or improve the aviation facilities of the airports as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance.

D16.2 PCAA reserves the right to take any reasonable action, including zoning laws, it considers necessary to restrict the use of the land adjacent to or in the vicinity of the airports to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.

D16.3 PCAA reserves the right to take any action it considers necessary to protect the aerial approaches of the airports against obstruction, together with the right to prevent Lessee's from erecting, or permitting erection of any building or other structure on or adjacent to the airports that, in the opinion of the Authority would limit the usefulness of the airports or constitute a hazard to aircraft. Any proposed constructions on, or in the vicinity of the airports are subject to the PCAA Airport Minimum Standards Operating Regulations (SOR) & PCAA Building Control.

D17. MISCELLANEOUS:

D17.1 WAR OR NATIONAL EMERGENCY:

D17.1.1 It shall be understood that during a time of war or national emergency/contingency, the PCAA shall exercise such control as provided under section 6 of the Civil Aviation Ordinance 1960, over all leased land till the duration of war or national emergency without any financial implication on the PCAA.

D17.2 PREVENTION OF INTERFERENCE WITH AIRCRAFT OPERATIONS:

D17.2.1 Lessee shall agree to prevent any operation on the leased land that would produce electromagnetic radiation, smoke, steam, or electrical signals that would cause interference with any air navigation or air communication systems. Additionally, Lessee shall not allow emission of confusing light, which may create restrictions to visibility at the airports.

D18. COMPLIANCE:

D18.1 Lessee's shall be required to comply with all laws, rules, regulations including the rules and regulations of the Civil Aviation Authority as may be amended from time to time.

D18.2 In case of breach / violation of any clauses of this Policy or the Lease Deed, PCAA shall take action as per the terms conditions of this Policy and Lease Deed, accordingly.

E. EVIDENCES (ACRONYMS / DEFINITIONS / REFERENCES):

E1. ACRONYMS

APM AIRPORT MANAGER
CAA CIVIL AVIATION AUTHORITY
CAAO CIVIL AVIATION AUTHORITY ORDER
COO CHIEF OPERATING OFFICER
DTE DIRECTORATE
HQCAA HEADQUARTERS CIVIL AVIATION AUTHORITY
**E2. DEFINITIONS:**

**E2.1** "Airport" means the airport notified by the Federal Government under sub-section (ii) of Section 2 of Pakistan Civil Aviation Authority Ordinance No. XXX of 1982;

**E2.2** "Aeronautical Development" means any project or activity whether conducted on or off airdrome, that involves, makes possible, or is required for the operation of an aircraft or that contributes to, or is required for, the safety of such operations and shall include, but not by way of limitation, all activities commonly conducted on airdrome, such as charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, flying clubs/ schools, aerial advertising and surveying, aircraft services, storage of aviation petroleum products, whether or not conducted in conjunction with other included activities, aircraft manufacturing industry, aircraft repair and maintenance, airport ground handling and any other activity which, because of its direct relationship to the operation of aircraft, can appropriately be regarded as an aeronautical activity;

**E2.3** "Approval" means the approval of PCAA Board, the PCAA Executive Committee or the Director General as the case may be;

**E2.4** "Authorized OPI" means an Officer of PCAA, who is duly authorized, by the orders of the Director General/ PCAA Executive Committee/ PCAA Board to control, manage, administer the PCAA Estates and to exercise certain powers relating thereto, delegated or otherwise;

**E2.5** "Aviation Projects" means lease of land for aeronautical development;

**E2.6** "Commercial Projects" means lease of land for projects other than Mega Commercial Projects for non-aeronautical development;

**E2.7** "Landside" means any site that does not have direct access to the airdrome operation area;

**E2.8** "Lease" means lease of land for Aeronautical Development and Non-Aeronautical Development as the case may be;

**E2.9** "Lessee" means any person under a valid Lease Deed, as specifically defined in each individual lease Deed;

**E2.10** "Master plan & layout plan" means the approved scaled drawing of the airport, indicating current and proposed land use for each identifiable segment as approved and/or modified by the Authority from time to time;

**E2.11** "Mega Commercial Project" means lease of 06 acres or above of land for non-aeronautical development for large-scale venture or project[s] including chain of four star and above Hotel[s], Convention Centre, International Standard State of Art Mall with all commercial and entertainment options, Amusement/ Theme Parks, Expo Center, Corporate Tower, etc. to generate sustainable economic activity, with the involvement of both public and private stakeholders;

**E2.12** "Non-Aeronautical Development" means any commercial development on landside through Commercial Projects and Mega Commercial Projects including but not limited to Convention Center, Expo Center, Corporate Tower, Hotels, Restaurants, Show rooms, Malls, Ware Houses, IT parks, Petrol Pumps, etc.;
E2.13 "Person" means any individual, firm, partnership, corporation, company, association, joint stock association or body politic, and includes any trustee, receiver, assignee or other similar representative thereof.

E3. REFERENCES:
Nil

IMPLEMENTATION
This CAAO shall be implemented with effect from 3rd September 2019 and supersedes CAAO-CMER-001-1.0 dated 1st March 2012.

Dated: 3rd September 2019

(SHAHRUKH NUSRAT)
DIRECTOR GENERAL
PAKISTAN CIVIL AVIATION AUTHORITY

(TASHFEEN ASHRAF)
Director Commercial & Estates
Dated: 3rd September 2019
File No. HQCAA/1918/279/CMER/X
ANNEX - A

GENERAL CONDITIONS FOR LEASE OF PCAA AGRICULTURAL LAND

1. Agricultural land will only be leased through public tender/open auction or local quotation with the approval of Competent Authority as follows:
   (a) Upto Rs. 10 Million of total bid amount with approval of Director Commercial & Estate
   (b) More than Rs. 10 Million of total bid amount with approval of Director General CAA.

2. Agricultural land will be leased on consideration of annual rent and the rent shall be increased 5% per annum.

3. The reserved rentals value of the agriculture land shall be fixed per acre as per the customary norms of the respective District Revenue Authorities.

4. Agricultural land shall be leased for a term of five (5) years with an option to be renewed for another term up to five years. Such extension in the term of lease shall only be on the written request of lessee 6 months before expiry of the initial term, i.e. 5 years and the lessee shall have to participate in tender/auction/quotations as the case may be with first right of refusal to the sitting lessee to match the highest bid.

5. The possession of agricultural land will only be handed over upon execution of the lease deed.

6. The Agricultural land.
   (a) Barren or uncultivated for the first time shall be leased on a condition that lessee shall make the land cultivable at its own cost. PCAA will not charge rent for first three years of cultivation however, the lessee will be responsible to pay all revenue cess, electricity and water charges etc.
   (b) Earmarked for plantation of an orchard/fruit trees will be leased on a condition that lessee will do the plantation of orchard at its own cost, however, PCAA will charge rent upon having availed the first yield of the orchard.

7. Agriculture Land Use Within Restricted Operational Parameters
   (a) Flowers plantation whether permanent/seasonal shall be encouraged through participation of CAA employees either individual or collective team at no cost to CAA for beautification of areas and development of flora and fauna. Provision of adequate water resources and initial leveling of land shall be provided at CAA’s Cost.
   (b) Development of orchards at vacant land will also be encouraged.

8. Cutting/Trimming of Grass and Trees
   (a) Surplus grass and trees at Airports shall be sold out to the highest bidder through open auction.
   (b) Reserve Price for the auction shall be fixed by respective Airport Manager/ C.O.O after obtaining rates from concerned Agriculture/Forest department.
   (c) Director Commercial & Estate shall give the final approval for acceptance of highest bid.
Instructions: Fill in the requested information and place a check in boxes for which requirements have been satisfied.

PART - A

I. Basic Information:

1. Airport: _______________________

2. Approval:
   - Board
   - Executive Committee

3. Date of Award: _______________________

4. Lessee: _______________________
   - Individual
   - Firm/partnership
   - Company
   - Joint venture
   - Special purpose vehicle

5. Type of Lease: _______________________
   - Aeronautical
   - Non-Aeronautical

6. Type of Project: _______________________
   - Aviation:
     - Commercial
     - Mega Commercial
     - Business plan
     - Feasibility Report

7. Reserve Price: _______________________
   - DC value + 05 %
   - FBR value + 05 %

8. Premium Amount: _______________________
   - 1st Installments
   - 2nd Installment
   - 3rd Installment

9. Annual Ground Rent:
   - for first 10 yrs: __________
   - for second 10 yrs: __________
   - for third 10 yrs: __________
10. Location On Airport: ________________________________

11. Term: ______ Years With ______ Option(s) of ______ Years(s)
   - The lease is consistent with the Airport Layout Plan and Master Plan approved by the Board on the following date: ______________.
   - The lease is environmentally compatible with airport operations.

II. Mandatory Requirements:
   - Annual Ground Rent @___________ per ____________ (year)

III. Lease Deed
   - Registered

IV. Mandatory Clauses of Lease Deed:
   - Term
   - Consideration In Terms of Receivables
   - Default of Payment
   - Tax liability
   - Termination
   - Force Majeure
   - Severability
   - Amendment
   - Right to Takeover
   - Disputes Mechanism
   - No Waiver
   - Non-Discrimination
   - Height Restrictions
   - Creation of No Hazards
   - Property Rights Reserved

V. Recommended Clauses (Not Mandatory):
   - Use Defined
   - Inspection Of Premises
   - Subordination
   - Maintenance & Repair
   - Indemnification
   - Damage Assessment Procedure
   - Insurance Requirements
   - Ownership of Improvement
   - Lessor’s Interest (not subject to Lessee’s liens)
I, ____________________________, have reviewed the enclosed Lease Deed and certify that the Lease Deed meets the requirements set forth by the PCAA Board. I further understand that failure to comply with the required clauses could jeopardize PCAA interest.

______________________________
Signature

______________________________
Printed Name

______________________________
Designation Title
ANNEX - B2
Checklist

Instructions: Fill in the requested information of officials and place a check in boxes for which requirements have been satisfied and ensure that there is no default or delay on part of CAA Officer/ Officials.

I. Information:

1. Name of concerned Officer/Officials
   a. ________________________ [Airport Manager]
   b. ________________________ [Estate Officer]
   c. ________________________ [Legal Officer]

2. Date of Award and Execution of Lease Deed:______________________

3. Date of Registration of Lease Deed:______________________

4. Name of Lessee:__________________________________________

5. Type of Lease:______________________
   - Aeronautical
   - Non-Aeronautical

6. Type of Project:______________________
   - Aviation:
   - Commercial
   - Mega Commercial
   - Business plan
   - Feasibility Report

7. Date of submission of Building Plan with complete drawings etc.:______________________

8. Date of approval of Building Plan and drawings:______________________
   - Within six months
   - After six months

9. Reasons for delay of approval of Building Plan within six months;
   - Registration of Lease Deed;
   - Submission of Building Plan;
   - Incomplete Building Plan;
   - Deviation from the submitted Building Plan;
   - Non Payment of Premium Amount; or
   - other

10. Date of Physical Possession of Lease Land:______________________

II. Date of Registration of Lease Deed:______________________
III. Certification

☐ I, ____________________________, have reviewed the enclosed checklist and certify that the officers/officials have not committed default or delays in completion of process and met the codal formalities to ensure the timely completion. I further certify that officers/officials have complied with the required clauses and have not jeopardized PCAA interest.

OR

☐ I, ____________________________, have reviewed the enclosed checklist and certify that the officers/officials have committed default or delays in completion of process and have failed to comply with the codal formalities to ensure the timely completion. I further certify that failure of officers/officials to comply with the required clauses have jeopardized PCAA interest, hence propose initiation of departmental proceeding of misconduct.

__________________________________________
Signature

__________________________________________
Printed Name

__________________________________________
Designation Title
LAND LEASE POLICY 2019

ANNEX –C
Inspection Form
(after every 12 months)

Instructions: Fill in the requested information and place a check in the boxes for which the requirements have been satisfied.

I. Mandatory Requirements:

- Use of land as per Lease Deed:
- Physical Possession date:
- Building Plan approval date:
- Startup date:
- Completion date:
- Annual Ground Rent @___________ per ___________ (year)

II. Appraisal Requirements:

- Encumbrances:
- Third party right:
- Default:
- Non completion notice date:
- Non Utilization Charges date:
- Termination notice:

III. Renewal/ Extension request date:_________ and re-calculation of premium

- DC value + 05 %
- FBR value + 05 %
- Annual Ground Rent @___________ per ___________ (year)

IV. Certification

I, ___________________________________________, certify that the lessee is operating the Lease as per the Lease Deed and meets the requirements set forth by the PCAA Board.

Signature

Printed Name

Designation Title