

CONTRACT

ON SALE OF PROPERTY

Entered into on May 2006 in Kotor, between:

HP „Fjord“ AD Kotor in bankruptcy, Kotor bb, represented by trustee in bankruptcy Milorad Iković (hereinafter referred to as – Seller)

Company for production, trade, services, export and import „New Fjord Developments“, represented by Director Mr. Michael Fingelton (hereinafter referred to as – Buyer)

Article 1

Within the bankruptcy procedure and in a direct deal the Seller shall sell and the Buyer shall buy the immovable property registered in the Deed of Title No 167, in the Cadastre Municipality Škaljari I, the property being registered as the cadastre lot 266, with the building 1 described as buildings for trade, catering and tourism covering the total surface of 16,005 m².

Article 2

The purchase price of the immovable property from the Article 1 of this Contract amounts to 5,500,000.00 (in words: five million five hundred thousand and 00/100) EUR.

Article 3

Buyer shall pay the purchase price from the article 2 to the seller:

- a. 500,000.00 euros non-refundable deposit within 21 days from the execution of this contract and its certification with the competent court.

- b. A payment of 5,000,000.00 euros on or before 1st of October 2006 to be supported by an irrevocable bankers guarantee in the sum of 5,000,000.00 euros committed to the seller and submitted within 21 days from the execution of this contract and its certification with the competent court.
- c. The agreed amounts shall be transferred to the business account of the Seller No 510-408-77 with Montenegrin Commercial Bank.

Article 4

Seller shall guarantee to the Buyer that the immovable property which is the subject hereof is exclusively his ownership. This shall be confirmed by an insight into the Deed of Title - transcript No 167, issued by Directorate for Immovable Property - regional unit Kotor. The seller notes that they are free to enter in to a legal trading/contract, regardless of the fact that this immovable property has a note of restitution.

Eventual rights of the third party on indemnity, based on the Law of resumption/restitution of deducted property rights, are to be paid by the seller in its entirety. The buyer recognizes and respects the legal rights of Sea Good as a government body with regard to the control on planning and use of this property.

Article 5

Seller shall guarantee to the buyer that the immovable property which is the subject hereof is not burdened by registered or unregistered burdens, and that it is not subject of any procedure of legal forcible nature.

Seller provides to the Buyer all the protection against eviction and undertakes to cover all the liabilities incurred before the day of taking over the immovable property.

The seller indemnifies the purchaser against any action, claim, litigation and any dispute of any nature whether known or not, prior to the closing of the sale of this property.

The seller shall guarantee full vacant possession of the property on or before the 1st of October 2006. It is understood that HP Fjord ad Kotor shall trade the hotel for the summer season as agreed. Seller guarantees full vacant possession of the property without workers and tenants and against any action, claim, litigation and any dispute of any nature whether known or not, prior to the closing of the sale of this property.

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Article 6

Parties agree that Buyer shall enter into the ownership of the immovable property from the Article 1 hereof on the day of arrival of the amount of the purchase price established herein to the business account of the Seller. From that day on all the rights and obligations related to the purchased immovable property shall be transferred to the Buyer.

The buyer shall take over the immovable property (buildings and land) without employees and without undertaking any obligation in relation to them or any other physical entity.

Article 7

Parties agree that on the day of arrival of 500,000.00 euros and the arrival of the irrevocable bankers guarantee for 5,000,000.00 euros to the business account of the Seller, Seller shall give to the Buyer the statement – *clausula intabulandi*, by which he shall give his unconditional approval for deleting his right of ownership entirely, without any further participation on his side, and without any recognition or approval. He shall also give his unconditional approval for registration of the transfer of this right entirely and on the basis of this contract from him as a former owner and user to the Buyer.

Article 8

Tax on sale of immovable property and other duties related to the sale of immovable property shall be paid by the Buyer.

Article 9

Parties shall put efforts in trying to solve amicably all the possible disputes related to the future Contract. Otherwise they agree on the jurisdiction of the Commercial Court in Podgorica.

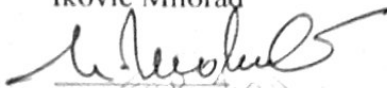
Article 10

This contract is made in eight identical originals, two for each Party; two to be submitted to the Court where the execution of the Contract shall be certified, and two to be submitted to the Commercial Court in Podgorica.

Article 11

Parties have read this Contract and they accept the rights and obligations stemming from it, IN WITNESS WHEREOF, accepting and agreeing with everything written herein, they are signing it

For the Seller,
Trustee in bankruptcy
Iković Milorad



for the Buyer,
Director
Michael Eingelton



Kotor, May 11, 2006