

HTP BUDVANSKA RIVIJERA A.D.

Broj. 0411-311

Budva 31.01. 2007. god. Date 31st January 2007

HTP Budvanska Rivijera AD (1) *[Signature]*

and

Adriatic Properties D.O.O. (2) *[Signature]*

and

Aidway Investments Limited (3) *[Signature]*

and

The Ministry of Tourism (4) *[Signature]*

and

Amanresorts Management BV (5) *[Signature]*

LEASE

relating to

Sveti Stefan and Milocer Hotels

Sveti Stefan

Montenegro

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THIS LEASE is made the31st..... day of January, 2008

BETWEEN:

- (1) HTP Budvanska Rivijera AD the registered office of which is at 85310 Budva, Trg Slobode 2, Montenegro (the Landlord)
- (2) Adriatic Properties D.O.O. the registered office of which is at Budva, Mediteranska 2, Montenegro (the Tenant) and
- (3) Aidway Investments Limited the registered office of which is at P O Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands (the Guarantor)
- (4) The Ministry of Tourism of Rimski Trg, 81000 Podgorica, Republic of Montenegro SCG (the Landlord Guarantor)
- (5) Amanresorts Management BV the registered office of which is at Strawinskylaan 1725, Tower B, 17th Floor, 1077XX Amsterdam, Netherlands, (Aman)

NOW THIS DEED WITNESSES as follows:

PART ONE: DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS AND INTERPRETATION

For all purposes of this Lease the terms defined in this clause have the meanings specified.

1.1 'Accounting Period'

'Accounting Period' shall have the following meaning

- 1.1.1 the first Accounting Period shall be the period commencing on the Rent Commencement Date and ending on 31 December next following the Rent Commencement Date;
- 1.1.2 each subsequent Accounting Period shall be the year commencing on 1 January in each subsequent year of the Term;

- 1.1.3 the last Accounting Period shall be the period commencing on 1 January in the last year of the Term and expiring at the End of the Term;
- 1.2' **'Aggregation Certificate'**
'Aggregation Certificate' means the Certificate described in Schedule 6, Part 2
- 1.3 **'The Aggregated Guaranteed Rent'**
'The Aggregated Guaranteed Rent' means, in any Half Yearly Period, the total of the Guaranteed Rent and the QB Guaranteed Rent.
- 1.4 **'The Aggregated Percentage Turnover'**
'The Aggregated Percentage Turnover' means, in any Half Yearly Period, the total of the Percentage Turnover and the QB Percentage Turnover.
- 1.5 **'Aman'**
'Aman' means Amanresorts Management BV or such other Group Company of Silverlink Holdings Limited that enters into the Management Agreement which is a party to this Lease solely for the purposes of PART NINE of this Lease.
- 1.6 **'Aman Proprietary Assets'**
'Aman Proprietary Assets' means any item (including uniforms, cutlery, china, glasswear, brochures and directories) at the Property that carries the 'Aman' or 'Aman Resorts' name and logo or other proprietary software, operating and other manuals which are proprietary to Aman, personal guest history, records and the like that are associated with hotel operations by Aman save to the extent that such personal guest history, records and other similar information relates to just the hotel operation carried out at the Property and is severable from Aman Proprietary Assets (for example the names and contact details of hotel customers and the dates of their stays at the hotels within the Property but not details of such customer stays at other hotels operated by Aman or a Group Company of Aman).
- 1.7 **'Aman Standards'**
'Aman Standards' means the standards to which the Property should be operated and maintained which shall be the highest quality of facilities, operations and services

generally consistent with and expected by guests at other resorts operated by Aman or a Group Company of Aman throughout the Term and to no lesser standard than the standards of service and operation prevailing at other resorts operated by Aman or a Group Company of Aman as of the date of this Lease.

1.8 'The Certificate Date'

'The Certificate Date' means the date on which the Architect issues a completion certificate in accordance with paragraph 2.6 of Schedule 4

1.9 'The Churches'

'The Churches' means the churches located on the Island and forming part of the Property.

1.10 'Concession Agreement'

'Concession Agreement' means any agreement entered into by the Tenant or Aman under which the operation and/or control of any Facility is delegated, sub-contracted, or otherwise outsourced to any third party provided that the term 'Concession Agreement' shall not include any Permitted Underletting.

1.11 'The Conduits'

'The Conduits' means the pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, channels, flues and all other conducting media – including any fixings, louvers, cowls and any other ancillary apparatus – that are in on over or under the Property.

1.12 'The Deadline Date'

'The Deadline Date' means 30 September 2007;

1.13 'The Effective Date'

'The Effective Date' means ³¹18 January 2007 being the date on which this Lease becomes effective in accordance with Clause 44.

1.14 'The Employees'

'The Employees' means 186 employees of the Landlord engaged in the hotel business being carried on at the Property at the date of this Lease provided that if the contract of employment of an Employee is terminated for any reason (whether by such Employee or by the Tenant) and if such former "Employee" is subsequently re-employed by the Tenant in the business being carried on at the Property then, for the purpose of this Lease, such former "Employee" shall, on his or her re-employment be deemed to be a Hotel Employee and not an Employee.

1.15 'The Estimated Completion Date'

'The Estimated Completion Date' means 30th June 2008.

1.16 'The Excess Rent'

'The Excess Rent' means the excess rent (if any) paid by the Tenant calculated and defined in Schedule 6 Part 2.

1.17 'Facilities'

'Facilities' means all and any hotels, restaurants, bars, shops, kiosks, fitness centres, spas, water sports or other facilities or other recreational activities installed on or operating from the Property or from the beaches coloured yellow on the Plan or beyond the boundaries of the Property or the said beaches but which are for the benefit of the Property and/or its guests at any time during the Term.

1.18 'FF&E'

'FF&E' means furniture, fixtures and equipment (whether fixed or moveable) from time to time required for or in connection with the operation of the Property in accordance with the Permitted Use including without limitation, lobby furniture, carpeting and other floor coverings, draperies, paintings, bed-spreads, television sets, recreational and sporting equipment, office furniture and equipment (such as safes, cash registers and accounting, duplicating, facsimile and communication equipment) and all computer and other equipment needed for the reservation system and all other electronic equipment needed for the operation of the Property in accordance with the Permitted Use from time to time, guest room furniture, specialized hotel equipment (such as equipment required for the operation of kitchens, laundries, the front desk,

dry cleaning facilities, bars and cocktail lounges), special lighting and other equipment, vehicles, material handling equipment and cleaning and engineering equipment and all other equipment, apparatus and moveable property needed for such purposes.

1.19 'Force Majeure'

'Force Majeure' means any operation of the forces of nature as reasonable foresight and ability on the part of the affected party could not provide against (including hurricanes, tornadoes, other severe storms, floods, earthquakes, volcanic eruptions, disease, epidemics and certain fires and explosions); fires and explosions caused wholly or in part by human agency; acts of war, riots, terrorism or other civil commotion; strikes or other similar labour disturbances which significantly and adversely affect the operation of the business being conducted at the Property (but not strikes or other labour disturbances which affect only the Property) or acts or omissions of government authorities having jurisdiction over the Property which significantly and adversely affect the operation of the business being conducted at the Property.

1.20 Gender and number

Words importing one gender include all other genders; words importing the singular include the plural and vice versa.

1.21 'Group Company'

'Group Company' shall mean any holding company for the time being of any of the parties hereto or any subsidiary for the time being of such party or of any such holding company and for the purposes of this definition;

1.21.1 a company is deemed to be another's holding company if (but only if) the other is its subsidiary, and

1.21.2 a company is deemed to be a subsidiary of another if (and only if);

(a) that other company either;

(i) is a member of it and controls the composition of its board of Directors,
or

- (ii) holds more than half in nominal value of its equity share capital,
or
- (iii) has the right to appoint or remove directors holding the majority of the voting rights at meetings of the board on all or substantially all matters.

or,

- (b) the first mentioned company is a subsidiary of any other subsidiary company of the first mentioned company.

1.22 'Guaranteed Rent'

'Guaranteed Rent' means an initial sum of €1,600,000 for each full Accounting Period and proportionately for the First Accounting Period and for part of an Accounting Period up until the first Review Date (as such term is defined in Schedule 5) and thereafter as calculated in accordance with Schedule 5.

1.23 'Half Yearly Days'

'Half Yearly Days' means the 15th July and 15th January in each Accounting Period.

1.24 'Half Yearly Period'

'Half Yearly Period' means either the period commencing 1 January and ending 30 June or the period commencing 1 July and ending 31 December in each Accounting Period.

1.25 'Headings'

The clause, paragraph and Schedule headings and the table of contents do not form part of this document and are not to be taken into account in its construction or interpretation.

1.26 'Hotel Employees'

'Hotel Employees' shall mean the employees employed by the Tenant at the Property from time to time throughout the Term and shall include the Employees whilst employed by the Tenant at the Property.

1.27 'Insurance Rent'

'The Insurance Rent' means the gross sums including any commission which the Landlord from time to time pays –

1.27.1 by way of premium for insuring the Property, including the Business Interruption Insurance, in accordance with his obligations contained in PART FOUR of this Lease.

1.27.2 by way of premium for insuring in such amount and on such terms as the Landlord acting reasonably considers appropriate against all liability of the Landlord to third parties arising out of or in connection with any matter including or relating to the Property, and

1.27.3 for insurance valuations.

1.28 'The Insured Risks'

'The Insured Risks' means the risks of loss or damage by fire, storm, tempest, earthquake, lightning, explosion, riot, civil commotion, malicious damage, terrorism, impact by vehicle, by aircraft and articles dropped from aircraft – other than war risks – flood damage and bursting and overflowing of water pipes and tanks and any other risks, whether or not in the nature of the foregoing, that the Landlord acting reasonably from time to time decides to insure against.

1.29 'Interest'

'Interest' means Interest at the Interest Rate calculated on a daily basis from the date on which interest becomes chargeable on any payment pursuant to any provision of this Lease to the date on which such payment is made.

1.30 'The Interest Rate'

'The Interest Rate' means the official interest rate published by the government of Montenegro or the Central Bank of Montenegro throughout the Term and which is currently the rate of 6% per year.

1.31 Interpretation of 'consent' and 'approved'

References to 'consent of the Landlord' or words to similar effect are references to a prior written consent signed by or on behalf of the Landlord and references to the need for anything to be 'approved by the Landlord' or words to similar effect are references to the need for a prior written approval by or on behalf of the Landlord.

1.32 Interpretation of 'the Guarantor'

The expression 'the Guarantor' includes not only the person named above as the Guarantor but also any person who enters into covenants with the Landlord pursuant to clause 32.

1.33 Interpretation of 'the Landlord'

The expression 'the Landlord' includes the person or persons who at any time throughout the Term is or are entitled to possession of the Property when this Lease comes to an end.

1.34 Interpretation of 'the last year of the Term' and 'the End of the Term'

References to 'the last year of the Term' are references to the actual last year of the Term howsoever it determines, and references to the 'End of the Term' are references to the end of the Term whensoever and howsoever it determines.

1.35 Interpretation of 'the Tenant'

'The Tenant' includes any person who is for the time being bound by the tenant covenants of this Lease.

1.36 Interpretation of 'this Lease'

Unless expressly stated to the contrary, the expression 'this Lease' includes any documents supplemental to or collateral with this document or entered into in accordance with this document.

1.37 'The Island'

'The Island' shall mean the island of Sveti Stefan as shown coloured green on the Plan.

1.38 'Joint and several liability'

Where any party to this Lease for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are deemed to be made by or with the persons comprising that party jointly and severally.

1.39 'Legal Obligations'

'Legal Obligations' means any obligation relating to the Property or its occupation or use imposed by any present or future law, regulation, notice, direction or requirement of any governmental, public, judicial or local authority.

1.40 'Losses'

References to 'losses' are references to liabilities, damages or losses, awards of damages or compensation, penalties, costs, disbursements and expenses arising from any claim, demand, action or proceedings.

1.41 'Management Agreement'

'Management Agreement' means the Management Agreement to be entered into between the Tenant and Aman in the form attached hereto as Schedule 9.

1.42 Obligation not to permit or suffer

Any covenant by the Tenant not to do anything includes an obligation not to permit or suffer that thing to be done by another person.

1.43 'The Permitted Use'

'The Permitted Use' means, subject to Clause 6.4, use of the Property and the Facilities as a luxury international hotel and such other uses as are ancillary to such use including, conference facilities, restaurant, leisure facilities, or health/spa facilities.

1.44 'Permitted Underletting'

'Permitted Underletting' means the underletting of a kiosk or shop

1.45 'The Plan'

'The Plan' means the large scale plan which has been signed by the parties as a separate document in duplicate and which shall be deemed to form part of this Lease, a smaller scale version of which has been annexed to this Lease for convenience only the parties acknowledging that the larger scale plan shall prevail in the event of any inconsistency.

1.46 'The Plant'

'The Plant' means such systems plant and machinery as may from time to time be provided for the amenity of the Property, such as security and surveillance systems, fire alarm and prevent equipment, sprinklers, heating, ventilation and air-conditioning plant, public address and other communication facilities.

1.47 'Preliminary Rent'

'Preliminary Rent' means the sum of €1.6 million per year (and proportionately for part of a year) payable from the Effective Date up to and including the day immediately preceding the Rent Commencement Date.

1.48 'The Property'

'The Property' means

1.48.1 the land described in Schedule 1 as more particularly shown on the Plan and edged red.

1.48.2 the buildings known at the date of this lease as the Sveti Stefan Hotel and the Milocer Hotel and all other buildings currently installed on the land described in Schedule 1.

1.48.3 such of the Works as have from time to time been carried out to the said land or buildings;

1.48.4 all erections, structures, new buildings, fixtures, fittings and appurtenances constructed or installed on the said land or buildings from time to time, throughout the Term;

1.48.5 all additions, alterations and improvements to the said land or buildings; and

1.48.6 the Conduits, Plant, Facilities and FF&E..

1.49 'Quarter Days'

'Quarter Days' shall mean the dates which are:

- (a) the date which is 3 calendar months from the Effective Date and each anniversary of such date;
- (b) the date which is 6 calendar months from the Effective Date and each anniversary of such date;
- (c) the date which is 9 calendar months from the Effective Date and each anniversary of such date; and
- (d) each anniversary of the Effective Date.

1.50 'Queen's Beach Lease'

'Queens Beach Lease' shall mean the lease entered into between HTP Milocer and the Tenant and dated the same date as this Lease and where referred to in this Lease the terms 'QB Guaranteed Rent', 'QB Rent Commencement Date', 'QB Percentage Turnover', 'QB Turnover Rent' and 'QB Works' shall mean respectively the Guaranteed Rent, Rent Commencement Date, Percentage Turnover, Turnover Rent and the Works as defined in the Queens Beach Lease.

1.51 'References to clauses and Schedules'

Any reference in this document to a clause, sub clause, paragraph, subparagraph or Schedule without further designation is to be construed as a reference to the clause, sub clause, paragraph, subparagraph or Schedule to this document so numbered.

1.52 'References to laws'

Unless expressly stated to the contrary any references to a specific law include any statutory extension or modification amendment or re-enactment of the law and any regulations or orders made under the law and any general reference to a law includes any regulations or orders made under that law.

1.53 'Rent Commencement Date'

'Rent Commencement Date' means the earlier of 60 days from the Certificate Date or the date upon which any of the hotel guest rooms within the Property first receives paying guests..

1.54 'Rents'

'Rents' means the Preliminary Rent, the Guaranteed Rent, the Turnover Rent, and the Insurance Rent.

1.55 'The Term'

'The Term' means the period commencing with the date of this Lease and expiring on the 30th anniversary of the Effective Date.

1.56 'The Termination Date'

'The Termination Date' means, subject to paragraph 2.4 of Schedule 4, the date which is 18 calendar months from the Estimated Completion Date.

1.57 'Turnover Facility'

'Turnover Facility' means, subject to paragraph 3.4 of Schedule 6 Part 1, all the Facilities and activities installed on or operating from the Property at the Rent Commencement Date or planned to be installed on or operating from the Property within a reasonable time after the Rent Commencement Date except any area or space within the Property intended to be used for retail purposes, watersport activities or transportation.

1.58 'The Turnover Rent'

'The Turnover Rent' means (on and from the Rent Commencement Date) the 'Turnover Rent' as defined and calculated in accordance with Schedule 6.

1.59 'VAT'

'VAT' means value added or other similar sales or purchase tax in force in the Republic of Montenegro from time to time throughout the Term.

1.60 'The Works'

'The Works' means the works described or referred to in Schedule 7, to be carried out on the Property in accordance with Schedule 4.

PART TWO : DEMISE

2 DEMISE

The Landlord demises the Property to the Tenant, excepting and reserving to the Landlord the rights specified in Schedule 2, to hold the Property to the Tenant for the Term subject to the Subjections referred to in Schedule 3 yielding and paying to the Landlord:

- 2.1 The Preliminary Rent payable in equal quarterly instalments of Euros 400,000 each in advance the first such instalment to be paid on the Effective Date and all subsequent instalments on the Quarter Days save that the final instalment of Preliminary Rent shall be adjusted so that the Preliminary Rent actually payable for such instalment shall be the proportion of the annual Preliminary Rent of Euros 1,600,000 for the period from the Quarter Day on which the final instalment of Preliminary Rent is paid up to and including the day immediately preceding the Rent Commencement Date. Any overpayment of the final instalment of Preliminary Rent will be set off against the Guaranteed Rent until such overpayment is refunded to the Tenant.
- 2.2 For the period commencing on the Rent Commencement Date and ending on the expiry of the Term both the Guaranteed Rent and, if any, the Turnover Rent payable as follows:
 - 2.2.1 The Guaranteed Rent shall be payable by equal monthly instalments on the first day of each month save that the first monthly instalment shall be payable on the Rent Commencement Date for the period from the Rent Commencement Date until the end of the month in which the Rent Commencement Date occurs and the final monthly instalment shall be paid on the first day of the final month and shall be for the period beginning on that day and ending on the expiry of the Term.

- 2.2.2 Within seven days of submission of the Half Yearly Turnover Statement described in Schedule 6 Part 1 and submitted by the Tenant each Half Yearly Day the Tenant shall pay the Turnover Rent (if any) being the amount by which the Turnover Percentage exceeds the Guaranteed Rent as shown in the Half Yearly Turnover Statement;
- 2.2.3 Subject to Clause 2.4, if at the end of an Accounting Period the amount of Turnover Rent as certified in the Turnover Certificate (as defined in Schedule 6, Part 1) is greater or less than the amount of Turnover Rent actually paid for such Accounting Period then the Tenant shall pay to the Landlord the amount of the shortfall or the Landlord shall pay to the Tenant the amount overpaid (as the case may be) within 15 days of the issue of the Turnover Certificate.
- 2.3 by way of further rent the Insurance Rent payable in accordance with clause 22 save that for the first eight Accounting Periods commencing immediately after the First Accounting Period the Tenant shall only pay the Insurance Rent for each such Accounting Period to the extent it exceeds Euros 100,000.
- 2.4 the parties acknowledge that the Guaranteed Rent and the Turnover Rent payable under this Lease shall be aggregated with respectively the QB Guaranteed Rent and the QB Turnover Rent for the purpose of calculating the total Guaranteed Rent and Turnover Rent payable under both this Lease and the Queens Beach Lease so that the maximum Guaranteed Rent and Turnover Rent payable by the Tenant shall be the greater of (a) the Aggregated Guaranteed Rent and (b) the Aggregated Percentage Turnover. If in any Half Yearly Period occurring after both the Rent Commencement Date and the QB Rent Commencement Date, and as certified in the Aggregation Certificate calculated in accordance with Schedule 6, Part 2, the Tenant has paid an Excess Rent the amount of the Excess Rent shall be set off against the Turnover Rent.

PART THREE : TENANT'S COVENANTS

3 INTRODUCTION

The Tenant covenants with the Landlord as set out in this part of the Lease.

4 THE WORKS

The Tenant must commence and carry out the Works and must comply in all respects with the terms of Schedule 4, the provisions of which are to have effect accordingly. The Tenant shall expend a minimum of Euros 15 million in carrying out the Works Provided that notwithstanding the expenditure incurred by the Tenant in carrying out the Works under this Lease the aggregate minimum expenditure in respect of the Works and the QB Works shall be Euros 40 million. For the avoidance of doubt, the cost of the Works for the purposes of this Clause shall include all costs in connection with the carrying out of the Works and preparing the Property for opening to the public.

5 RENT

The Tenant shall pay the Rents as provided in Part Two of the Lease without, subject to Clause 2.4, deduction or set-off.

6 COSTS OF OUTGOINGS, MANAGEMENT, OPERATION, MAINTENANCE AND UTILITIES

6.1 The Tenant shall pay and indemnify the Landlord against all rates, taxes, assessments, impositions, duties, charges and outgoings now or at any time during the Term payable by the owner or occupier of or otherwise due in respect of the Property including but not limited to taxes or rates on buildings, land or turnover and VAT payable on invoices to guests or relating to other services, sales or supplies (except any tax assessed on the Landlord in respect of its ownership of, rental income from or any dealing with its freehold interest in the Property).

6.2 The rental hereunder is net to the Landlord throughout the Term. The Landlord is not obligated to pay any costs of operation, maintenance or capital improvements. The Tenant is to pay all Operating Expenses. The term "Operating Expenses" means all costs of management, operation, and maintenance of the Property including without limitation, the following: employment taxes, unemployment insurance, wages, salaries, fringe benefits, and other direct and indirect costs of employees; cleaning,

landscaping, guard, security and other services; gas; electrical, water, waste disposal, telephone and other utilities; heating, ventilation and air conditioning; window washing; materials and supplies; painting, repairs, and other maintenance; parking lot resurfacing and re-striping, as well as cleaning, sweeping, maintenance, repair, replacement, and service of equipment, including without limitation, alarm systems, and other equipment; reserves; costs of independent contractors; management fees and expenses; insurance and insurance deductibles of any kind; real and personal property taxes or assessments; utility charges of any kind; the cost of any repair, renovation, alteration, and improvement required to be made under any governmental law, rule or regulation; supplying directional signs, other markers and car stops; and any other expense or charge which is a cost of management, operation, and maintenance of the Property.

- 6.3 The Tenant shall not use the Property otherwise than for the Permitted Use and for no other purpose without the prior consent of the Landlord. The Tenant shall not allow use of the Property in a manner which would increase insurance premiums, or for any illegal purpose. The Tenant shall not allow the presence, use, storage discharge or disposal of any hazardous or toxic waste or materials on the Property at any time other than in full compliance with all applicable laws, rules, and regulations.
- 6.4 The Tenant acknowledges that the Churches shall only be used for purposes of worship and religious ceremonies (including weddings) associated with and only in conjunction with the relevant church authorities and for no other purpose save with the approval of the relevant church authorities.
- 6.5 The Landlord and Tenant agree that the Property shall be known as The **Aman at Sveti Stefan** and such name and no other name for the Property shall be used in all sales and marketing campaigns, programmes and promotions throughout the Term. Notwithstanding the above the Landlord shall have no right to use the name "Aman" or "Amanresorts".

7. REPAIR AND DECORATION

7.1 The Tenant shall

7.1.1 keep the Property in good and substantial repair and condition and to a standard of repair which is at all times consistent with the Permitted Use and Aman Standards;

7.1.2 Repair the and/or replace and/or add to the FF&E to a standard consistent with the Aman Standards and the Permitted Use;

7.1.3 keep any Plant forming part of, or installed in and exclusively serving, the Property in good working order and condition;

7.1.4 clean the Property regularly and maintain it at all times in a clean and tidy condition;

7.1.5 clean the exterior and interior of all windows regularly;

7.1.6 decorate and keep the exterior of the Property decorated to a standard consistent and in accordance with Aman Standards and the Permitted Use

7.1.7 decorate and keep the interior of the Property decorated to a standard consistent and in accordance with Aman Standards and the Permitted Use

7.2 If the Tenant has committed a breach of the obligations contained in clause 7.1 which adversely affects the value of the Landlord's freehold interest or the amount of the Turnover Rent payable under this Lease then the Landlord may serve notice expressed to be under this Clause on the Tenant specifying:

7.2.1 the breach complained of;

7.2.2 the steps reasonably required to remedy the Tenant's breach (the Remedial Works);

- 7.2.3 the damage that will be caused to the Landlord's freehold interest or the amount of Turnover Rent payable under this Lease if the Remedial Works are not carried out; and
- 7.2.4 the reasonable time in which the Remedial Works should reasonably be completed.
- 7.3 In the event the Tenant disputes that a breach of this Lease has occurred requiring Remedial Works the Tenant may within two weeks of receipt of such notice serve a Notice of Dispute on the Landlord in accordance with Clause 37 and thereafter the provisions of PART ELEVEN of this Lease shall apply but if no Notice of Dispute is served on the Landlord within the said two week period then the provisions of sub-clauses 7.4-7.7 shall apply.
- 7.4 Subject to Clause 7.3, within two months of receipt of such notice (or as soon as possible if the circumstances require urgent action) the Tenant must commence and thereafter diligently carry out the Remedial Works.
- 7.5 If the Tenant fails to comply with that notice the Landlord may (but is under no obligation to) enter the Property and carry out and complete all or any of the Remedial Works (the Relevant Works).
- 7.6 If the Landlord enters the Property under this Clause the Tenant must on written demand pay to the Landlord all reasonable costs reasonably and properly incurred by the Landlord in carrying out the Relevant Works, such costs to be recoverable as a debt.
- 7.7 If the Landlord enters the Property then he must:
- 7.7.1 carry out the Relevant Works in a good and workmanlike manner to a reasonable standard and within a reasonable time;
- 7.7.2 keep the Tenant advised of, and allow the Tenant to inspect the progress of, the Relevant Works;

7.7.3 cause as little inconvenience as practicable to the Tenant's use and occupation of the Property and any business carried on at the Property; and

7.7.4 make good all damage caused as soon as reasonably practicable to the reasonable satisfaction of the Tenant.

7.8 Notwithstanding the foregoing provisions of this clause 7 the Tenant shall, with the assistance of the Landlord, make suitable arrangements with the relevant church authorities for the maintenance of the Churches.

8 ALTERATIONS

8.1 After the Certificate Date the Tenant shall not:

8.1.1 alter or interfere with any part of the Property;

8.1.2 make any addition or alteration to the Property unless permitted by this Clause.

8.2 The Landlord's consent shall not be required for the carrying out of an Internal Alteration (as defined in the next sub-clause) provided that it:

8.2.1 is carried out in a manner consistent with the other relevant provisions of this Lease;

8.2.2 complies with the Legal Obligations;

8.2.3 complies with the requirements of the fire authorities and the Landlord's insurers and provided that within 3 months after the completion of the Internal Alteration the Tenant supplies the Landlord with 3 sets of plans showing such alterations.

8.3 Internal Alteration means:

8.3.1 an alteration to the interior of the Property which does not affect any load bearing part of the Property (it being agreed that alterations shall not be treated as affecting any loadbearing part of the Property merely because they are affixed thereto provided they do not otherwise alter or adversely affect any loadbearing part of the Property); or

8.3.2 the installation of or an alteration to a Conduit or Plant forming part of the Property

8.4 Notwithstanding the foregoing the Landlord's consent shall be required for the carrying out of an Internal Alteration to the Churches provided that such consent will not be withheld if the consent of the relevant church authority is obtained.

8.5 The Tenant may with the prior consent of the Landlord which shall not be unreasonably withheld install plant, equipment and telecommunications apparatus (serving the Tenant and its operation of an hotel from the Property but not otherwise) on the roof of the Property with all necessary connections thereto but subject to compliance with all other relevant provisions of this Lease.

8.6 The Tenant may without the consent of the Landlord repair or replace any item of FF&E PROVIDED THAT any such replacement is of similar or better quality than the item being replaced, complies with the Aman Standards and is consistent with the Permitted Use.

9 USER

9.1 The Tenant shall not use the Property otherwise than for the Permitted Use nor in a manner which may be or cause a nuisance, injury or damage to the Landlord or any other person.

10 RESTRICTIONS ON ASSIGNMENT, SUB-LEASING AND MANAGEMENT CONTRACTS

10.1 The Tenant acknowledges and accepts that the Property is owned by the Landlord together with all capital investments relating to the Works and the Tenant shall have only the right to manage and possess the Property in accordance with the terms and conditions of this Lease.

10.2 Unless otherwise permitted under this Clause the Tenant shall not:

10.2.1 part with possession of the Property;

10.2.2 share possession of the Property with another person;

10.2.3 allow anyone other than the Tenant, any lawful subtenant or their respective officers and employees to occupy the Property

PROVIDED THAT, for the avoidance of doubt, the occupation of guest rooms by hotel guests in accordance with the Permitted Use shall not be a breach of this Clause 10.

10.3 Assignment

The Tenant shall not assign his leasehold rights in the whole or any part of the Property.

10.4 Underlettings

10.4.1 The Tenant shall not underlet the Property as a whole or any part of the Property other than a Permitted Underletting

10.4.2 The Tenant shall not underlet a Permitted Underletting of the Property unless:

- (a) the intended undertenant enters into a covenant by deed with the Landlord in such form as the Landlord reasonably requires to observe and perform the tenant's covenants contained in the underlease and not to do permit or suffer to be done any act or thing in relation to the property underlet inconsistent with or in breach of the provisions of this Lease;
- (b) (where the proposed undertenant is a corporate body and the Landlord reasonably so requires) without first procuring a covenant by deed with the Landlord from two individuals who are, or a company which is, acceptable to the Landlord as surety for the undertenant; nor
- (c) except by way of a permitted underlease; nor
- (d) without the prior written consent of the Landlord (which will not be unreasonably withheld).

10.4.3 A permitted underlease is an underlease which:

- (a) is for a term not exceeding the residue of the term of this Lease
- (b) reserves a rent which is not less than the best rent which the Tenant ought reasonably to obtain in the open market upon the grant of such underlease

taking into account the specific use which has been designated for that part of the Property proposed to be underlet;

- (c) contains a covenant by the sub-tenant with the Tenant not to assign, charge, underlet, part with or share possession or occupation of the part of the Property underlet or any part thereof.
- (d) is in a form approved by the Landlord such approval not to be unreasonably withheld.

10.4.4 The Tenant must incorporate the rents receivable under any such permitted underlease within each Half Yearly Turnover Statement and the Turnover Certificate for the relevant Half Yearly Period or the relevant Accounting Period (as the case may be) in which such rents become due.

10.5 Management Agreement

10.5.1 The Tenant acknowledges that, in accordance with Clause 44, this Lease will not become effective and in force until the Management Agreement (i) has been executed by the Tenant and Aman and (ii) has itself become effective and (iii) a legally certified copy of it has been delivered to the Landlord.

10.5.2 The Tenant will not alter or amend the Management Agreement without the prior written approval of the Landlord which approval shall not be unreasonably withheld.

10.5.3 The Tenant will not terminate, transfer or assign the Management Agreement without the prior written approval of the Landlord which approval shall, for the avoidance of doubt, be given or not given entirely at the discretion of the Landlord save that the Management Agreement may be transferred or assigned to a Group Company of Aman without the approval of the Landlord.

10.6 Concession Agreements

10.6.1 The Tenant or Aman may enter into Concession Agreements in respect of any of the Facilities Provided that and the Tenant covenants with the Landlord that:

- (a) no Concession Agreement may authorise a use other than as permitted by the terms of this Lease;
- (b) a Concession Agreement relating to a Turnover Facility contains an obligation on the part of the concessionaire to the Tenant and the Landlord to supply details of Turnover and Permitted Deductions together with Account Records in accordance with Schedule 6, or, in the event that the Concession Agreement expires before the end of the relevant Accounting Period, within 30 days of expiry of the Concession Agreement;
- (c) the Tenant shall provide the Landlord with a certified copy of any Concession Agreement within 28 days of its grant;
- (d) no relationship of landlord and tenant is created between the Tenant and the concessionaire;
- (e) before entering into a Concession Agreement relating to a Turnover Facility, the Tenant first obtains the Landlord's written consent which is not to be unreasonably withheld or delayed; and
- (f) the Tenant shall enforce the covenants and obligations of the concessionaire under a Concession Agreement relating to a Turnover Facility and will incorporate the concessionaire's figures for Turnover and Permitted Deductions within its Half Yearly Turnover Statement for the relevant Half Yearly Period and within its Turnover Certificate for the relevant Accounting Period;
- (g) within 28 days of the date each Concession Agreement not relating to a Turnover Facility is entered into the Tenant shall give to the Landlord details of such Concession Agreement entered into including details of the concession fee and all other payments payable to the Tenant under the Concession Agreement and also details of the concessionaire. The Tenant shall also include in every Half Yearly Turnover Statement and every Turnover Certificate details of the concession fee and/or other amounts paid by the concessionaire in respect of each Concession Agreement not relating to a Turnover Facility.

10.7 Notification

The Tenant shall within 28 days of any underlease give notice to the Landlord and produce for registration a certified copy of the document effecting or evidencing such devolution.

11. LEGAL OBLIGATIONS

11.1 The Tenant shall observe and comply with all Legal Obligations.

11.2 Without prejudice to the generality of this Clause, the Tenant shall in particular observe and comply with all Legal Obligations of any appropriate Local or Governmental Authority relating to health, safety, means of escape in case of fire, and the protection and preservation of life and property, carrying out such works of modification and improvement to the Property as may from time to time be required by such Legal Obligations

11.3 The Tenant shall not knowingly do or omit to do in relation to the Property or the FF&E or Plant or their use or occupation anything in breach of a Legal Obligation relating to the Property by reason of which the Landlord may incur any liability whether for costs, a penalty, damages, compensation or otherwise.

11.4 If the Tenant does not comply with a Legal Obligation, or does not abate a nuisance as aforesaid, the Landlord may do what it reasonably considers necessary to comply with the Legal Obligation or to abate the nuisance, subject to compliance with clause 14.

12 HOTEL COVENANTS

The Tenant shall;

12.1 keep the Property open for business 11 calendar months per year provided that the Tenant shall be entitled to close any Facility if it is reasonably necessary to carry out repairs, replacement or major capital improvements to such Facility in order to maintain it to the Aman Standards and the standards required by this Lease.

- 12.2 Not reduce the number of operating guest rooms available for letting to the public below 75% of the number of guest rooms in the Property as described in Schedule 4 or, if the number of guest rooms increases or decreases throughout the Term in accordance with the terms of this Lease, 75% of the number of such increased or decreased guest rooms (as the case may be).
- 12.3 provide such services for guests and maintain the Property to the standards required under the Permitted Use.
- 12.4 to maintain and operate the Property including the Facilities and the FF&E to the standards required under the Aman Standards.
- 12.5 apply for all necessary licenses and/or permits required under the laws of Montenegro to operate the Property as a hotel and its related facilities to the standards envisaged by the Permitted Use in such a form required by the laws of Montenegro and the relevant competent authorities in Montenegro.
- 12.6 not to change the name of the Property without the prior written approval of the Landlord.
- 12.7 ensure that Aman manages the Property in accordance with the terms of the Management Agreement and to the Aman Standards.
- 12.8 Save where closure is required for repair or maintenance or for replacement of FF&E or to carry out any obligation under this Lease, to keep open for business all the operating guest rooms and those Facilities comprising the spa (if any at the Property), fitness centres and such food and beverage Facilities as are consistent with maintaining Aman Standards all times that the Property is open for business pursuant to Clause 12.1.

13. OBLIGATIONS TO THE EMPLOYEES

- 13.1 The Tenant undertakes that labour contracts of the Employees shall be transferred to the Tenant on the Effective Date in accordance with relevant Montenegrin legislation

and it undertakes to employ the 186 Employees transferred details of whom (including name, job description, salary and benefits and length of service) have been supplied to the Tenant on or before the date of this Lease and thereby provide continuity of employment and service years.

- 13.2 Failure by the Tenant to takeover and employ the Employees pursuant to clause 13.1 shall be deemed to be a breach of a covenant under this Lease entitling the Landlord to terminate this Lease in accordance with and subject to the terms of clause 28.2 save that the Tenant shall be entitled to terminate an Employee's contract of employment if the labour law of the Republic of Montenegro and/or other relevant regulations allow or otherwise by mutual agreement between the Tenant and the Employee.
- 13.3 The labour law of the Republic of Montenegro and the statutory requirements in the field of employment relations, employee rights and responsibilities shall apply with respect to the rights of the Employees, their wages, salaries, rewards and other incomes, the responsibility of the Employees and protection of the rights of the Employees unless otherwise agreed by the Tenant and the Employee, the general collective agreement, branch collective agreement for tourism and hospitality, the collective agreement of HTP Budvanska Rivijera and other regulations shall also apply with respect to the rights of the Employees, their wages, salaries, rewards and other incomes, the responsibility of the Employees and protection of the rights of the Employees.
- 13.4 Failure by the Tenant to pay the then – payable wages, salaries and other receivables of the Employees for two consecutive months and thus interrupt the monthly continuity of salaries and service years of the Employees shall be deemed to be a breach of covenant under this Lease entitling the Landlord to terminate this Lease in accordance with and subject to the terms of clause 28.2.
- 13.5 The amount of wages, salaries and other benefits of the Employees with regard to any specific job description may not be lower than, for the month for which the payment is performed, the average amount either (i) of the wages, salaries and other benefits of employees engaged in the tourism and hospitality sector in the Republic of Montenegro in the same specific job descriptions or (ii) of the wages, salaries and

other benefits of the employees working for HTP Budvanska Rivijera in the same specific job descriptions.

- 13.6 For the period of five years the Tenant may not make any of the Employees redundant nor terminate the contracts of employment of any of the Employees on the grounds of redundancy save that the Tenant shall be entitled to terminate an Employee's contract of employment if the labour law of the Republic of Montenegro and/or other laws or regulations allow or otherwise by mutual agreement between the Tenant and the Employee.
- 13.7 The Tenant undertakes, at its own expense, to train the Hotel Employees to ensure the level of service required by Aman Standards.
- 13.8 The Tenant shall indemnify the Landlord against each and every cost, claim, liability, expense or demand arising from;
- 13.8.1 Any claim or allegation by an Employee that as from the date of this Lease there has been or will be a substantial change in such Employee's working conditions to his detriment; and
- 13.8.2 Any act or omission of the Tenant in relation to an Employee occurring after the date of this Lease and against any claim for redundancy payments or protective awards and any liability for wrongful dismissal or otherwise in connection with the transfer of the employment of the Employees to the Tenant.

14 LANDLORD'S RIGHTS

The Tenant shall permit the Landlord and its representatives to exercise the right to enter the Property at all reasonable times after not less than seven days' notice (except in emergency when as much notice as reasonably possible shall be given) with tools and equipment (if appropriate):

- 14.1 to inspect the Property to ascertain whether the Tenant is complying with the Lease, or to view its state and condition, or to make surveys;

- 14.2 to execute works following the Tenant's failure to comply with a notice served under Clause 7 (without prejudice to any other remedy available to the Landlord);
- 14.3 to abate a nuisance if the Tenant does not do so;
- 14.4 to comply with a Legal Obligation if the Tenant does not do so;

15 COSTS

The Tenant shall pay the Landlord all reasonable and proper fees, charges and expenses connected with:

- 15.1 an application by the Tenant for the Landlord's consent (whether or not the consent is given or the application is withdrawn) where the Landlord is under an obligation not to unreasonably withhold such consent;
- 15.2 a Schedule of dilapidations during the Term or within three months after the End of the Term;
- 15.3 the recovery of arrears of Rents or other sums payable under the Lease;
- 15.4 the enforcement of any covenant or obligation of the Tenant under the Lease;
- 15.5 abating a nuisance which the Tenant fails to abate; and
- 15.6 complying with a Legal Obligation if the Tenant does not do so.

16 INTEREST

Without prejudice to any other right or remedy of the Landlord, the Tenant shall pay to the Landlord Interest on the Preliminary Rent, Guaranteed Rent or Turnover Rent which is not paid to the Landlord on the date it is due (whether payment is formally demanded or not) and Interest on any other sum which is not paid to the Landlord by the later of the date it is due and the date twenty one days after a demand for payment is made.

17 YIELDING UP

At the End of the Term the Tenant shall if so reasonably required and where the Lease is not being renewed:

- 17.1 remove all signs belonging to the Tenant making good any damage to the Property so caused;
- 17.2 remove any alterations or additions to the Property (other than alterations or additions relating to the Works or subsequent alterations or additions approved by the Landlord and in respect of which the Landlord has confirmed in writing that reinstatement would not be required) if and to the extent requested by the Landlord making good any damage to the Property so caused; and
- 17.3 yield up the Property in a state and condition consistent with due compliance by the Tenant with its covenants and obligations under the Lease.
- 17.4 transfer the business being carried on at the Property to the Landlord or (at the option of the Landlord) to its nominee and in this connection the parties shall enter in to an agreement substantially in the form of the draft agreement set out in Schedule 8 such agreement to be executed on or before the End of the Term.

PART FOUR : INSURANCE

18 DEFINITIONS

Where in this part the following words in bold type commence with capital letters they have the following meanings unless the context otherwise requires:

- 18.1 **Insurance** means insurance effected in such insurance office of repute, or with such underwriters, and through such agency as the Landlord may decide, and subject to such excesses reasonably negotiated with or imposed by an insurer and such exclusions, limitations and conditions as the insurer may properly require or the Landlord may properly negotiate on normal commercial terms for the luxury hotel market and covering:
 - 18.1.1 the Property (excluding the FF&E) including all means of access against the Insured Risks for a sum sufficient to cover the cost of reinstatement assuming total loss, including ancillary costs (such as site clearance and professional fees) and an appropriate allowance for inflation;

18.1.2 Business Interruption Insurance;

18.1.3 third party and public liability at the Property for such sum as the Landlord may from time to time reasonably consider prudent;

18.2 **Insured Risks** means risks of loss or damage by fire, storm, tempest, flood, lightning, explosion, aircraft, articles dropped from aircraft, riot, civil commotion, malicious damage, impact, bursting and overflowing of water tanks, apparatus and pipes, earthquake, subsidence, landslip, heave and terrorism (but excluding such risks as cannot be insured against in the luxury hotel market at a reasonable rate) and risks of loss or damage by such other perils against which the Landlord may reasonably insure or the Tenant may reasonably request;

18.3 **Business Interruption Insurance** means the loss of Rents to the Landlord and the loss of business and profits to the Tenant for a period of not less than three years as the Landlord may from time to time reasonably consider sufficient to complete reinstatement of the Property following a total loss.

19 LANDLORD'S INSURANCE COVENANTS

The Landlord covenants with the Tenant that the Landlord will from and including the Certificate Date:

19.1 promptly and diligently pursue any claim available to it in respect of any policies of insurance;

19.2 effect and maintain Insurance (but in respect of the Property only so far as it is not avoided by any act, neglect or default of the Tenant, anyone deriving title through the Tenant or anyone at the Property with the express or implied authority of either of them);

19.3 within 14 days of reasonable request from time to time (but not more than once a year) produce to the Tenant a copy or full details of the policies of Insurance and evidence that they are in force;

19.4 in the event of any loss or damage against which it has covenanted to effect Insurance the Landlord will:

19.4.1 place all monies received from the insurer (other than in relation to the Business Interruption Insurance) and from the Tenant pursuant to Clause 22.9 in an account in the joint names of the Landlord and the Tenant at a bank designated by the Landlord and which monies must subsequently be released to the Tenant from that account by instalments, against architects' certificates or other evidence acceptable to the Landlord, whose acceptance may not be unreasonably withheld, of expenditure actually incurred by the Tenant in making good such loss or damage in accordance with Clause 22.11.

19.4.2 to the extent that such monies are insufficient as a result of the Landlord's act, neglect or default make up such insufficiency out of its own resources;

19.4.3 to pay to the Tenant that part of the monies received from the insurer in connection with the Business Interruption Insurance which relates to the Tenant's loss of business and/or loss of profit but not that part which relates to loss of Rents.

19.5 use its reasonable endeavours to procure Insurance in the joint names of the Landlord and Tenant but not Insurance that would include any conditions which would prejudice any charging of its freehold interest and if for any reason Insurance is not effected in joint names to procure that the interest of the Tenant is noted on any policy of Insurance.

20 ABATEMENT OF RENTS

If the Property is destroyed or damaged by an Insured Risk so that the Property is wholly or partially unfit for occupation and use and Insurance has not been avoided nor any payment refused by reason of some act, neglect or default of the Tenant, someone deriving title through the Tenant, or some person with the express or implied authority of either of them, then the Rents, or a fair proportion of them according to the nature and extent of the damage sustained, shall cease to be payable until the Property is again fit for occupation and use or, if earlier, until the expiry of the period against which the Landlord has maintained Business Interruption Insurance.

21 BREAKS ON FAILURE TO REINSTATE

21.1 If the Property is destroyed or so damaged by an Insured Risk that the Property is wholly or partially unfit for occupational use and Insurance has not been avoided nor any payment refused by reason of some act, neglect or default of the Tenant, someone deriving title through the Tenant, or some person with the express or implied authority of either of them and either:

21.1.1 re-construction of the Property has not been commenced within three years of the date of destruction or damage, or

21.1.2 the Property has not been substantially reinstated within thirty months from the date of commencement of re-construction pursuant to sub-clause 21.1.1

then either party may at any time until the Property has been reinstated so that it is again fit for occupation and use terminate this Lease by giving to the other party not less than 3 months prior written notice.

21.2 For the purposes of clause:

reconstruction means having obtained all necessary consents and also the material and substantial commencement of the works of reinstatement, and

reinstatement means the rebuilding and refitting of the Property to the standard and design at the Certificate Date subject only to such matters as would normally be contained in a builder's snagging list.

21.3 Termination of the Lease pursuant to clause 21.1 shall be without prejudice to any claim in respect of prior obligation under this Lease.

21.4 Any monies payable under any policy of Insurance shall belong to the Landlord save for such element of Business Interruption Insurance which relates to the Tenant's loss of business or loss of profit.

22 TENANT'S INSURANCE COVENANTS

The Tenant covenants with the Landlord that the Tenant will:

- 22.1 Subject to Clause 2.3, reimburse the Landlord for all costs of the Insurance premiums (Insurance Rent) concluded with the relevant insurer;
- 22.2 promptly and diligently pursue any claim available to it in respect of any policies of insurance;
- 22.3 effect and maintain insurance for the FF&E for a sum, covering such risks and with such insurer as the Landlord shall approve (not to be unreasonably withheld);
- 22.4 in the event of any loss or damage to the FF&E caused by a risk against which the Tenant has insured, or should have insured pursuant to clause 22.3, to apply the proceeds of any policy of insurance to reinstate the FF&E as soon as reasonably practicable following such damage or destruction and to make good any shortfall;
- 22.5 pay to the Landlord upon demand the Insurance Rent
- 22.6 comply with the insurers' requirements and recommendations in relation to the Property and not do or omit to do anything which may make any policy of Insurance void or voidable in whole or in part or increase the premium for any policy, but if as a result of a breach of this covenant a premium is increased then the Tenant will forthwith upon demand pay to the Landlord the whole of such increase;
- 22.7 provide and maintain such fire fighting equipment on the Property as the insurer may require;
- 22.8 as soon as practicable notify the Landlord of any loss, damage or destruction of or relating to the Property and of any other event which comes to the attention of the Tenant and which may affect, or give rise to a claim under, a policy of Insurance;
- 22.9 forthwith upon demand pay to the Landlord an amount equal to all monies which the Landlord is unable to recover under a policy of Insurance by reason of an act, default or omission of the Tenant;
- 22.10 not effect any insurance equivalent to the Insurance, but if in breach of this covenant it does so, it shall pay to the Landlord all monies received under such insurance

- 22.11 if and whenever during the Term the Property is damaged or destroyed by one or more of the Insured Risks the Tenant must with all convenient speed obtain all necessary consents, permissions and approvals as are required under the municipal and national laws of Montenegro and, as soon as they have been obtained, rebuild and reinstate the Property or that part of the Property so damaged or destroyed in accordance with such consents, permissions and/or approvals, making up out of his own money any difference between the cost of rebuilding and reinstatement and the money received from the insurance policy save to the extent that the Landlord is required to make up such insufficiency pursuant to sub-clause 19.4.2. The Landlord shall give to the Tenants all reasonable assistance in obtaining any such consents, permissions and approvals required under this sub-clause.
- 22.12 For the period between the Effective Date and the commencement of the Works the Tenant shall maintain at its own expense adequate insurance covering the Property for such sums as may be approved by the Landlord (such approval not to be unreasonably withheld or delayed).

PART FIVE : LANDLORD'S COVENANTS

23. LANDLORD'S COVENANTS

The Landlord covenants with the Tenant:

23.1 Quiet Enjoyment

that it will, as from the Effective Date, permit the Tenant peaceably and quietly to hold and enjoy the Property without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord or by any third party claiming a legal interest in any part of the Property.

23.2 Development of Adjoining Land

not to build, alter, extend or develop any adjoining site or any building on any adjoining site owned by the Landlord and where such building, alteration, extension or development would involve construction or building works within [10] metres of the Property without the prior written approval of the Tenant which approval shall not be unreasonably withheld.

23.3 No Subjections

save as specified in Schedule 3 the Property is not subject to any other agreements, charges or incumbrances that would adversely interfere with the operation of the Property in accordance with the Permitted Use.

23.4 Church Authorities

that it will use reasonable endeavours to procure that the relevant church authorities (i) will discuss and agree with the Tenant the extent of and the restrictions in relation to the use of the Churches by the relevant church authorities and the public it being understood that such use shall not materially affect the operation of the Property in accordance with the Permitted Use and (ii) will not make any additions to, alter or carry out any construction works to the Churches or either of them without the prior written consent of the Tenant (such consent not to be unreasonably withheld).

23.5 Utility Lines

That it will procure at its own expense, that all utility lines including but not limited to electricity, water and sewer lines are brought to a point on the boundary of the Property and, if requested by the Tenant during the Term, will assist the Tenant in procuring that the utilities are supplied by the relevant utility supplier throughout the Term (but subject to an event of Force Majeure).

23.6 Employees

- (a) that the salaries, wages and other benefits (including pensions) of the Employees have been paid up to the Effective Date and the Landlord shall indemnify the Tenant against each and every cost, claim, liability, expense or demand arising from any act or omission of the Landlord in relation to an Employee occurring before the Effective Date; and
- (b) that the details of the Employees given to the Tenant on or before the date of this Lease and referred to in Clause 13.1 are accurate.

23.7 Remedial Work to the Island

- (a) That it will, as a condition to the effectiveness of the Lease, review the Tenant's analysis of the soundness and safety of the structure of the Island and, in cooperation with the Tenant's surveyors and the insurer's consultants, perform its own detailed studies and investigations of the same. If, as a result of these activities and considering the proposed use of the Island for a luxury hotel for the Term, the Landlord concludes (and the Hotel's insurer does not disagree) that the Island structure and safety warrant no remediation, then no further action shall be required. If, on the other hand, either or both of the Landlord and the Hotel's insurer conclude that certain remedial measures are warranted, then the Landlord shall undertake and complete such remediation in consultation with the Tenant either before or during the period of redevelopment of the Property in a manner which causes as little disruption to the redevelopment and operation of the Property in accordance with the Permitted Use as is reasonably practicable. With regard to its obligations under this sub-clause the Landlord agrees to carry out or to procure the carrying out of the remedial works referred to in a letter dated 24 October from Professor Pejovic to the Landlord in accordance with a timetable to be agreed with the Tenant. The Landlord further agrees (if required) to consult with the insurers appointed in accordance with PART FOUR of this Lease and also with the Tenant's technical advisors prior to the carrying out of such remedial works and to make any adjustments, additions or revisions to such proposed remedial works as may be agreed upon.
- (b) For the purposes of this sub-clause:
- "Potential Defects" means the alleged defects in the structure of the Island and referred to in a survey report dated 26 August 2006 carried out on behalf of the Tenant";
 - "Untreated Potential Defects" means those Potential Defects in respect of which no remedial work has been carried out by the Landlord pursuant to this sub-clause".

In the event (i) no remedial works are carried out by the Landlord to the Island pursuant to this clause or (ii) remedial works are carried out to only part of the Potential Defects the Landlord shall indemnify the Tenant against each and every cost, claim, liability, expense or demand arising from damage to the Island and/or injury to persons directly caused by the Untreated Potential Defects to the extent that such cost, claim, liability, expense or demand is not covered by the insurance maintained in accordance with PART FOUR of this Lease. The Tenant shall give the Landlord prompt notice of any claim made against the Tenant which would result in indemnification by a Landlord under this sub-clause and the Landlord shall have the right to compromise or participate in the defence of such claim to the extent of its own interest.

23.8 Beaches

That it will procure Morsko Dobro either transfers to the Tenant or enters into an agreement with the Tenant (the Beach Licence Agreement) allowing the Tenant use and enjoyment of the beaches coloured yellow on the Plan (and also the beach to be used by the Tenant under the Queens Beach Lease) for a period of 30 years (or thereabouts) from the Effective Date at a rental or licence fee initially of no more than Euros 65,000 per year plus VAT (which rental or licence fee is consistent with the rental or licence fee paid by third parties to Morsko Dobro for beaches of this quality and scale) subject to a percentage increase every three years equivalent to the percentage increase in the Harmonised Index of Consumer Prices referred to in Schedule 5.

PART SIX : MISCELLANEOUS PROVISIONS

24 EXERCISE OF RIGHTS OF ENTRY

A person exercising any right of entry granted or reserved under the Lease in order to carry out works must:

- 24.1 give reasonable prior notice to the Tenant (except in emergency);
- 24.2 exercise the right in a manner which causes as little damage and inconvenience as is practicable in the circumstances; and

- 24.3 use reasonable endeavours to cause as little disruption to the operation of the Property in accordance with its Permitted Use as is reasonably practicable; and
- 24.4 make good any physical damage caused as soon as is reasonably practicable

25 LIABILITY

- 25.1 The Landlord is not responsible to the Tenant or to anyone in the Property with the Tenant's express or implied authority for any accident, injury, damage or loss.
- 25.2 The Tenant shall not be liable to pay any VAT on Preliminary Rent, Guaranteed Rent or Turnover Rent which shall be the responsibility of the Landlord.

26 NOTICES

- 26.1 Any notice by one party (the **sender**) to another (the **recipient**) must be in writing.
- 26.2 A notice is duly served if given by any means from time to time authorised by law including:
 - 26.2.1 if delivered to the recipient by hand or by an internationally recognised and reputable courier company;
 - 26.2.2 if sent by first class registered or recorded delivery post addressed to the recipient;
 - 26.2.3 if sent by fax to the recipient in each case at an authorised address.
- 26.3 Any notice so served shall be deemed to have been received as follows:
 - 26.3.1 if delivered by hand or by courier company - on the day of delivery if delivered at least two hours before the close of business hours on a business day and in any other case on the next business day;
 - 26.3.2 if sent by national post (otherwise than at a time when the sender is or ought reasonably to be aware of a disruption of the relevant postal service) three business days after posting, exclusive of the day of posting;

26.3.3 if sent by airmail or international post (otherwise at a time when the sender is or ought reasonably to be aware of a disruption of the relevant postal service) – 6 business days after posting, exclusive of the day of posting,

26.3.4 if sent by fax (unless the sender knows or ought reasonably to know that the transmission has failed or is incomplete) - at the time of transmission, if received at least two hours before the close of business hours on a business day, and in any other case on the next business day.

26.4 For the purposes of this clause:

26.4.1 an authorised address means any of the following:

- (a) in the case of a company its registered office;
- (b) in the case of an individual his address as stated in this deed or other address last known to the sender; or
- (c) to such other address as may be notified in writing by one party to the other at any time throughout the Term.

26.4.2 a business day means any day except Saturday, Sunday or a Bank or Public holiday in the Republic of Montenegro;

26.4.3 business hours means the hours of 9.30am to 5.30pm on a business day

27. **FORCE MAJEURE**

27.1 If the Tenant's failure to comply with or perform any covenant, undertaking, stipulation or other obligation under this Lease is caused by an event of Force Majeure such failure shall not constitute, for the purposes of clause 28.2, a breach of covenant or stipulation under this Lease and such failure shall be excused for as long as the failure is caused by an event of Force Majeure provided however an event of Force Majeure shall not excuse failure to pay any of the Rents or other payments due to the Landlord in accordance with the terms of this Lease. In order to claim the benefit of this clause the Tenant must notify the Landlord within 10 days after the event of Force Majeure first affects its performance.

PART SEVEN : RIGHTS OF TERMINATION

28. LANDLORD'S RIGHT TO TERMINATE

The Landlord may terminate this Lease to take effect immediately upon notice in writing to the Tenant if;

- 28.1 any Rents remain unpaid 15 days after service of a notice in writing by the Landlord to the Tenant stating that a required payment of Rent is overdue; or
- 28.2 the Tenant is in breach of any covenant or stipulation in the Lease which is to be performed or observed by the Tenant and fails to remedy such breach within 30 days after service of a notice in writing by the Landlord stating the breach complained of and requiring it to be corrected; or
- 28.3 the circumstances entitling the Landlord to re-enter the Property pursuant to paragraph 8 of Schedule 4 arise;
- 28.4 the Tenant or the Guarantor becomes Insolvent (as defined in the next Clause);
- 28.5 the Queen's Beach Lease is terminated for reasons due to the default of the Tenant or Aman or a Group Company of either the Tenant or Aman in whole or in part;
- 28.6 the Tenant fails to satisfy any of the conditions referred to in Clause 44 by the Effective Date.
- 28.7 the Tenant fails to submit applications for the necessary approvals by the Approval Submission Date in accordance with paragraph 2.1.1 of Schedule 4.
- 28.8 The Management Agreement is terminated, transferred, assigned or expires without the prior written approval of the Landlord save that the Landlord's right of termination shall not apply under this sub-clause if the Management Agreement is renewed on or before the expiry of the original (and, if applicable, the renewal) term of the Management Agreement.

The parties acknowledge that if the Landlord terminates this Lease pursuant to this Clause then the FF&E shall belong to the Landlord save for Aman Proprietary Assets.

29 **INSOLVENCY**

Insolvent means for the purposes of this part of the Lease in the case of a company:

- 29.1 the appointment of a receiver, administrative receiver, liquidator or administrator save where such receiver, administrative receiver, liquidator or administrator is dismissed within 30 days of appointment;
- 29.2 the making of a voluntary arrangement with its creditors with regard to the satisfaction or part satisfaction of its debts;
- 29.3 any other analogous event from time to time under the laws of Montenegro or any other applicable jurisdiction;

but excluding a voluntary liquidation for the purpose of amalgamation

30 **TENANT'S RIGHT OF TERMINATION**

The Tenant may terminate this Lease to take effect immediately upon notice in writing to the Landlord if the circumstances entitling the Tenant to terminate pursuant to paragraph 3.2 of Schedule 4 arise.

31. **BOTH PARTIES RIGHT OF TERMINATION**

Either party may terminate this Lease to take effect immediately upon notice in writing to the other party if the circumstances entitling either party to terminate pursuant to paragraph 3.3 of Schedule 4 arise. Either party may also terminate this Lease pursuant to the provisions of Clause 21.1.

PART EIGHT: GUARANTEES

32. **GUARANTOR'S OBLIGATIONS**

- 32.1 The Guarantor covenants with the Landlord that during the Term the Tenant shall punctually pay the Rents and observe and perform the covenants and other provisions of the Lease, and in case of default the Guarantor will pay the Rents and observe and perform the covenants and provisions in respect of which the Tenant is in default and make good to the Landlord on demand, and indemnify the Landlord against, all losses, damages, costs and expenses thereby arising or incurred by the Landlord.
- 32.2 The liability of the Guarantor shall not be affected in any way by:
- 32.2.1 any neglect or forbearance of the Landlord in enforcing payment of Rents or observance or performance of the covenants and provisions of the Lease;
- 32.2.2 any time or indulgence given to the Tenant by the Landlord;
- 32.2.3 any refusal by the Landlord to accept Rents from the Tenant following a breach of covenant by the Tenant;
- 32.2.4 any agreement with the Tenant, any license or consent granted to the Tenant, or any variation in the terms of the Lease;
- 32.2.5 a surrender of part of the Property, except that the Guarantor will have no liability in relation to the surrendered part in respect of any period following the date of surrender;
- 32.2.6 any other act, matter or thing, or the release of any person, apart from the express release in writing of the Guarantor.
- 32.3 If the Tenant is dissolved, or if the liquidator of the Tenant disclaims the Lease, the Guarantor shall upon written notice from the Landlord given within six months after the date of dissolution or disclaimer accept a new lease of the Property:
- 32.3.1 for a term commencing on the date of dissolution or disclaimer and continuing for the residue then remaining unexpired of the Term at the Rents then payable under the Lease;
- 32.3.2 subject to and with the benefit of the Lease if still subsisting;

32.3.3 subject to the same covenants and provisions as in the Lease (without however requiring any other person to act as guarantor);

such new lease to take effect from the date of dissolution or disclaimer and to be granted at the cost of the Guarantor who shall execute and deliver to the Landlord a counterpart of it.

33. LANDLORD GUARANTOR'S OBLIGATIONS

The Landlord Guarantor guarantees with the Tenant:

33.1 to enter into an agreement with or to procure that another government agency or department enters into an agreement with the Tenant's principal lender ("the Principal Lender") whereby in consideration of the loan from the Principal Lender to the Tenant for the purpose of carrying out the Works certain rights and/or security is given to the Principal Lender by the Landlord Guarantor in terms reasonably satisfactory to the Principal Lender.

33.2 the performance by the Landlord of its covenants contained in clauses 23.1 and 23.5.

PART NINE : MANAGEMENT AGREEMENT

34. Management Agreement

34.1 On or before the Effective Date Aman and the Tenant agree to execute a Management Agreement in the form set out in Schedule 9 and shall deliver a copy of the executed Management Agreement and any other related agreement to the Landlord within 10 days of their execution.

PART TEN : PERFORMANCE BOND

35. Performance Bond

35.1 On or before the commencement of the Works the Tenant shall procure that a performance bond is entered into with an international reputable bank ("the Bank") in the form or substantially in the form set out in Schedule 10 which performance bond includes provisions requiring the Bank to pay to the Landlord on the Landlord's first demand the sum stated by the Landlord up to the amount of the bond being a sum of Euros 20 million (but subject to the aggregate minimum amount of the Performance Bond and the Performance Bond under the Q.B. Lease being Euros 40 million) if the Landlord re-enters or re-possesses the Property in accordance with paragraph 8 of Schedule 4.

PART ELEVEN: ARBITRATION AND JURISDICTION

36 Disputes

Any dispute ('Dispute') between any of the parties arising out of or in connection with this Lease must be resolved in accordance with the terms of PART ELEVEN of this Lease.

37 Notice of Dispute

A dispute will be deemed to have arisen upon service by one party on the other parties of a notice (a 'Notice of Dispute') stating that a Dispute has arisen and giving a brief description and a summary of the relief claimed.

38 Negotiations

The parties must, in the first instance, attempt to resolve amicably by agreement any Dispute within 30 (thirty days) of service of a Notice of Dispute.

39 Arbitration

39.1 Any Dispute that has not been resolved by agreement within 30 (thirty) days of service of a Notice of Dispute must be resolved by arbitration in accordance with the London Court of International Arbitration Rules of Arbitration ('the LCIA Rules') as amended by this clause

- 39.2 The 'Arbitration Tribunal' will consist of three arbitrators to be appointed in accordance with the LCIA Rules as amended by this clause.
- 39.3 The seat of arbitration will be London
- 39.4 The language of the arbitration will be English. Any party that serves a document in a language other than English, on which it wishes to rely, must also serve with that document an English translation of the material parts.
- 39.5 The Arbitration Tribunal will conduct the proceedings in accordance with the LCIA Rules of Arbitration as amended by this clause and will have the power, subject to the terms of this clause to make whatever provisions it deems appropriate taking into account that the proceedings may relate to more than one Dispute
- 39.6 In accordance with the LCIA Rules, the arbitral proceedings will be commenced when one party ('the Claimant') sends its "Request for Arbitration" to the Registrar of the LCIA Court. When submitting its Request for Arbitration to the LCIA the Claimant must send simultaneously a copy of the Request for Arbitration to the other parties

40. APPOINTMENT OF THE ARBITRATION TRIBUNAL

- 40.1 Within 28 days after the date of the Request for Arbitration, all the parties must attempt to agree on the nomination of the two arbitrators.
- 40.2 If the parties agree on the nomination of the two arbitrators, such arbitrators will within 14 days of their appointment by the LCIA nominate the third arbitrator who shall act as chairman.
- 40.3 If the parties are unable to agree on the nomination of two arbitrators within the 28 day period referred to in clause 40.1 above, the appointment of all three arbitrators must be made by the LCIA

40.4 If the two arbitrators nominated by the parties cannot agree upon the nomination of the third arbitrator within 14 (fourteen) days of their appointment, the third arbitrator, acting as a chairman, shall be appointed by the LCIA.

40.5 The parties agree that if a Dispute arises after an Arbitration Tribunal has been appointed pursuant to this clause ('a Subsequent Dispute') then, subject to the agreement of the Arbitration Tribunal, the same Arbitration Tribunal will be appointed in respect of the Subsequent Dispute or Disputes. If the Arbitration Tribunal does not agree to be appointed in respect of a subsequent Dispute, new arbitrators will be appointed in respect of the subsequent Dispute in the manner set out in sub clauses 40.1.-40.4 of this Lease.

41. THE AWARD

41.1 Each party agrees to be bound by all and any awards or decisions of any Arbitration Tribunal appointed pursuant to this clause whether or not it took part in the arbitral proceedings provided that it was given notice of such proceedings in accordance with the provisions of this clause.

41.2 The parties waive any rights of application or appeal to any court or tribunal of competent jurisdiction to the fullest extent permitted by law in connection with any question of law arising in the course of an arbitration or with respect to any award rendered in accordance with this clause except for actions relating to enforcement of the provisions of this clause or an arbitral award made by any Arbitration Tribunal and except for any action seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

42 JURISDICTION

This Lease will in all respects be governed by and construed in accordance with the laws of the Republic of Montenegro.

PART TWELVE: BID BOND AND BANK GUARANTEE

43 BID BOND AND GUARANTEE

- 43.1 The bid bond for Euros 250,000 in favour of the Landlord currently in force shall continue in effect until the bank guarantee referred to in Clause 43.2 below is issued and in effect.
- 43.2 On or before the Effective Date the Tenant shall procure that an irrevocable and unconditional bank guarantee shall be given by an international reputable bank in favour of the Landlord and in a form reasonably approved by the Landlord for a sum of Euros 500,000 and which will include an undertaking by the bank to pay to the Landlord on demand an amount up to a sum of Euros 500,000 provided that the demand contains a statement that the Tenant is in material default for non-payment of the Preliminary Rent and/or the performance of the covenants and conditions contained in this Lease and shall contain a provision permitting the Landlord to claim the whole of the guaranteed amount if the Landlord has terminated this Lease pursuant to Clause 28 or the Tenant surrenders or otherwise abandons this Lease. Such bank guarantee shall expire (i) when the performance bond referred to in Clause 35 is issued and in effect or (ii) if the Lease is terminated under Clauses 30 or 31 save where such termination under such clauses is due to the default of the Tenant.

PART THIRTEEN: CONDITIONS PRECEDENT

44. EFFECTIVENESS OF LEASE

44.1 This Lease shall become effective on January ³¹ 15 2007 (the Effective Date) by which date all the following conditions must have been fulfilled:

44.1.1 the Management Agreement and related agreements (i) have been executed by the Tenant and Aman and (ii) have themselves become effective and in force and (iii) legally certified copies of them have been delivered to the Landlord all in accordance with Clause 34.1; and

44.1.2 the bank guarantee referred to in Clause 43.2 has been delivered to the Landlord in a form satisfactory to the Landlord and is in effect; and

44.1.3 The Queens Beach Lease has been executed

44.2 On the Effective Date the Tenant shall, subject to the conditions of this Lease, enter and possess the Property and shall take over the labour contracts of the Employees in accordance with Clause 13.

44.3 If all the conditions referred to in sub-clauses 44.1.1, 44.1.2 and 44.1.3 have not been fulfilled by the Effective Date then the Landlord may terminate this Lease with immediate effect by giving written notice to the Tenant.

PART FOURTEEN: EXISTING FF&E AT DATE OF LEASE

45. EXISTING FF&E

45.1 The Tenant acknowledges that the FF&E installed at the Property at the date of this Lease ("Existing FF&E") belongs to the Landlord and that the Landlord shall be entitled to remove the Existing FF&E within 20 days of the Effective Date. The Landlord shall consult with the Tenant prior to the removal of any items of Existing FF&E which occurs after the Effective Date.

THIS LEASE HAS BEEN EXECUTED IN TRIPLICATE ON THE DATE INDICATED AT THE BEGINNING OF THIS LEASE.



SCHEDULE 1

Description of the Property

All that land shown edged red on the Plan and comprising title numbers 61, 346, 529, 539, 583, 742, 750, 801, 803, 804, 806 and 810 in the Land Registry of the Republic of Montenegro.

SCHEDULE 2

Exceptions and Reservations

1. The right at reasonable times on reasonable prior notice (except in an emergency) to enter the Property as often as may be permitted or as maybe necessary under this Lease for all the purposes for which the Tenant covenants in this Lease to permit entry
2. The right to construct and inspect, maintain, repair and renew and to make connections to and use the Conduits in, on or under the Property at any time during the Term for the benefit of any adjoining property provided that such right shall be exercised by the Landlord in a manner that does not interfere with the operation of the Property as a hotel in accordance with the Permitted Use and provided further that the Landlord will make good any damage caused

SCHEDULE 3

The Subjections

- The right of the public to use the public footpath traversing the Property and for the relevant government or municipal authority to enter the Property for the purposes of maintaining the said footpath;
- The rights for the relevant Church authorities and the public, subject to Clause 23.4, to have access to and to use the Churches;
- The right of the public (with or without vehicles) to use the public road running through the Property to Sveti Stefan village and for the relevant government or municipal authority to enter the Property for the purposes of maintaining the said public road;
- The right of any utility service provider to enter the Property for the purpose of maintaining any utility installation or equipment owned by such utility service provider and which is installed on over or under the Property as at the date of this Lease.
- Any other rights in favour of third parties, easements, exceptions, reservations or other incumbrances registered against the Property at the Land Registry in the Republic of Montenegro.

SCHEDULE 4

Provisions Relating to the Works

1 Definitions and interpretations

For all purposes of this Schedule, the terms defined in this paragraph 1.1 have the meanings specified.

1.1 'Approvals'

References to 'approvals' are references to the approvals, consents, permissions and licences of any local or other competent authority that are from time to time necessary to enable the Tenant to begin the Works and to carry them, and each and every stage or phase of them, out lawfully and if they are destroyed or damaged to reinstate them. References to approvals are to be construed as referring to them as varied, relaxed or waived in accordance with paragraph 3.2 of this Schedule.

1.2 'Approval Submission Date'

'Approval Submission Date' means, for the purposes of paragraph 2.1.1 of this Schedule, 30 June 2007.

1.3 'The Architect'

'The Architect' means the firm of Denniston International Architects, Planners and Interior Designers or subject to paragraph 4.3.1 of this Schedule such other person or firm, being a qualified architect or firm of architects, as the Tenant may from time to time appoint to perform the functions of the Architect under this Schedule.

1.4 'The Building Contract'

'The Building Contract' means a contract between the Tenant and an internationally recognised and reputable contractor for the carrying out of the Works.

1.5 'A delaying factor'

Reference to a 'delaying factor' are references to any circumstances beyond the control of the Tenant that causes a delay in the carrying out of the Works and that was not reasonably foreseeable at the date of this Lease.

1.6 'A permitted variation'

References to 'a permitted variation' are references to:

1.6.1 any variation, not being an unacceptable variation, that is required by any local or other competent authority either as a condition of the grant or continuance in force of any approvals by that local or other competent authority or in consequence of any variation, relaxation or waiver of any approvals, or

1.6.2 any other variation, not being an unacceptable variation, that is proposed by the Architect and approved in writing by the Landlord, whose approval may not be unreasonably withheld.

1.7 'An unacceptable variation'

Reference to 'an unacceptable variation' or references to any variation that would substantially alter the design, layout, nature, capacity or standard of construction of the Property as provided for in the Building Documents or prejudice the use of the Property or any part of the Property for the Permitted Use.

1.8 'A variation'

References to 'a variation' are references to an amendment to or departure from the details of the Works contained in the Building Documents, whether by way of alterations, addition or omission.

1.9 'Building Documents'

'Building Documents' means the plans, drawings, specifications and other documents relating to the Works..

2 Carrying out of the Works

2.1 Grant of approvals

The Tenant must:

2.1.1 submit applications for all necessary approvals required to carry out the Works by the Approval Submission Date; and

2.1.2 diligently pursue the grant of any necessary approvals in accordance with paragraph 3 of this Schedule and the Landlord shall give to the Tenant all reasonable assistance in this connection.

2.2 Manner of Work

The Tenant must as soon as all necessary approvals have been obtained begin and diligently carry out and complete the Works:

2.2.1 in a good and workmanlike manner and with good quality materials

2.2.2 in accordance with the terms of all approvals and in compliance with the requirements of all governmental and local authority laws and regulations including the requirements of the Historical Monuments Commission.

2.2.3 in accordance with the terms of all consents

2.2.4 in accordance with Aman Standards

2.2.5 in accordance with the Building Documents

2.2.6 in accordance with the provisions of this Schedule

2.3 Timing

Subject to the provisions of paragraph 2.4 of this Schedule the Tenant must use all reasonable endeavours to carry out and substantially complete the Works not later than the Estimated Completion Date.

2.4 Delays and extensions

On any occasion that the carrying out of the Works is delayed and the delay is, in the Architect's reasonable opinion attributable to a delaying factor, the Tenant is to be allowed an extension of time for carrying out the Works determined in accordance with paragraph 2.5 of this Schedule and the date by which the Tenant is required to have carried out and completed the Works as provided in paragraph 2.3 of this Schedule and the Termination Date referred to in paragraph 8.1 of this Schedule is to be postponed accordingly.

2.5 Calculation of extension period

The period of each extension under paragraph 2.4 of this Schedule is to be the period of any that is certified as being reasonable by the Architect.

2.6 Completion Certificate

As soon as the Works have been carried out and substantially completed in accordance with the provisions of this Schedule, the Architect shall issue a certificate to that effect and supply a copy of it to the Landlord. The date of this Completion Certificate shall be known as the Certificate Date.

2.7 Outstanding Matters

The issue by the Architect of a certificate in accordance with paragraph 2.6 of this Schedule is not in any way to lessen or affect the obligations of the Tenant under this Schedule, and the Tenant must;

2.7.1 as soon as practicable after the Certificate Date carry out and complete in accordance with the provisions of this Schedule any of the Works that have not been so completed on the Certificate Date, and

2.7.2 on completion of the Works ensure that all rubbish, building and other materials, and equipment are removed from the Property.

2.8 'As built' plans

Within 25 days after the Certificate Date the Tenant supply to the Landlord a complete set of 'as built' plans and drawings in relation to the Works.

3 Approvals

3.1 Obtaining approvals

the Tenant must:

3.1.1 use all reasonable endeavours to obtain any necessary approvals as soon as reasonably practicable after the date of this Lease,

3.1.2 supply to the Landlord a copy of every application for an approval, with a copy of all accompanying drawings and other documents, and a copy of each approval obtained.

3.1.3 use all reasonable endeavours to ensure that no approval is revoked and that all approvals continue in full force and effect.

The Tenant must pay, and indemnify the Landlord against, all fees, costs and expenses of and incidental to the above matters.

3.2 Rejection of Approvals

If any approval is rejected or not granted by the relevant authority or is granted subject to a condition or conditions and such rejection or failure to grant such approval or such conditions imposed on such approval does, in the Tenant's reasonable opinion, materially and adversely alter or modify the specification in relation to the Works or is likely to materially and adversely affect the operation of the Property in accordance with the Permitted Use then the Tenant shall give notice to the Landlord (the Approval Notice) which notice shall give details of the rejected approval or the conditions imposed on such approval as the case may be and its anticipated affect on the Works and/or on the operation of the Property (the Approval Problem) and the Landlord and the Tenant shall thereafter use all their reasonable endeavours to resolve the Approval Problem to enable the Works to proceed and for the Property to be used and operated in the manner envisaged by this Lease. If, however, the Approval Problem is not resolved within 45 days of the date the Approval Notice was served on the Landlord, the Tenant may terminate this Lease in accordance with Clause 30 provided, however, if there is a disagreement between the Landlord and the Tenant as to whether the Approval Problem materially and adversely alters or modifies the specification in relation to the Works and/is likely to materially and adversely affect the operation of the Property in accordance with the Permitted Use either party may, prior to the expiry of the 45 day notice, refer the dispute to arbitration in accordance with PART ELEVEN of this Lease in which case the Tenant may not terminate this Lease pursuant to this paragraph unless or until the Arbitration Tribunal has determined that the Approval Problem does materially and adversely alter or modify the specification in relation to the Works and/or is likely to materially and adversely affect the

operation of the Property in accordance with the Permitted Use. In the event the Arbitration Tribunal determines that the Approval Problem does not materially and adversely alter or modify the specification in relation to the Works and/or is unlikely to materially and adversely affect the operation of the Property in accordance with the Permitted Use then some or all of the delay caused by the hearing of the Arbitration Tribunal may be considered a delaying factor as determined by the Architect in accordance with paragraph 2.4.

3.3 Failure to Obtain Approvals

If the Tenant fails to obtain such necessary approvals as are required to commence the Works by the Deadline Date then either party may terminate this Lease in accordance with the provisions of Clause 31.

3.4 Variation of approvals

The Tenant must not apply for or agree to any variation, relaxation or waiver of any approval or of any condition attached to any approval without the consent of the Landlord which shall not be unreasonably withheld.

3.5 Notifying a variation

The Tenant must promptly notify the Landlord of any variation required by a local or other competent authority either as a condition of the grant or continuance in force of any of the approvals or in consequence of any variation, relaxation or waiver of any of the approvals.

4. The Building Contract and Related Matters

4.1 The Building Contract

4.1.1 Entry into the Building Contract

the Tenant must enter into the Building Contract and appoint the Architect to perform the functions of the architect under it as soon as reasonably practicable after the date of this Lease. The Tenant agrees to consult with the Landlord regarding the appointment

of a building contractor and the terms of the Building Contract prior to the execution of the Building Contract.

4.1.2 Modification of the Building Contract

the Tenant must not vary or modify the terms and conditions of the Building Contract without first consulting the Landlord and attending any meetings the Landlord may reasonably request to discuss such variation or modification.

4.1.3 Compliance with Obligations

the Tenant must comply with his obligations under the building contract at all times and use all reasonable endeavours to ensure that the contractor appointed complies with his obligations under the Building Contract at all times.

4.1.4 Notifying non-compliance by the building contractor

the Tenant must promptly notify the Landlord of any failure by the contractor to comply with his obligations under the Building Contract and of any circumstances likely to give rise to such failure.

4.1.5 Termination of the Building Contract

the Tenant must not exercise or seek to exercise any right that may be or become available to him to determine the Building Contract or to treat it as determined without first consulting the Landlord and attending any meetings the Landlord may reasonably request to discuss such termination of the Building Contract.

4.2 Replacement of the Building Contract

4.2.1 Approval of New Building Contract

if the Building Contract is terminated, the Tenant must not enter into another Building Contract with any person for the carrying out of the Works without first consulting the Landlord and attending any meetings that the Landlord may reasonably request to discuss the new Building Contract.

4.3 The Architect

4.3.1 Replacement of the Architect

the Tenant must not appoint any person other than the Architect to perform the functions of the architect under the Building Contract or appoint any person to perform any equivalent functions under any new Building Contract unless that person had first been approved by the Landlord whose approval may not be unreasonably withheld.

5 Review of the Works

5.1 Landlord's right to inspect

The Landlord may at any reasonable time enter the Property to view the state and progress of the Works and suitable representatives of the Tenant shall attend any meetings reasonably requested by the Landlord to discuss the state and progress of the Works.

5.2 Defects

5.2.1 Notice of Defects

If the Architect considers that any of the Works have not been or are not being carried out in accordance with this Schedule he may serve on the Tenant at any time before the Certificate Date a notice ('a defects notice') specifying the relevant defects in the Works.

5.2.2 Unless the Architect notifies the Tenant that he has withdrawn a defects notice within 7 days after service of it then, at the end of that period, the Tenant must immediately take all the measures necessary to remedy the defects specified in that notice ('the Remedial Measures')

5.2.3 Landlord's power of default

If the Remedial Measures are not started within 10 days after service of the defects notice concerned, or if the Tenant otherwise fails diligently to carry out and complete them, then, without prejudice to any other right or remedy of his in

respect of such failure, the Landlord may himself carry out and complete the Remedial Measures, or cause them to be carried out and completed. All costs and expenses incurred by the Landlord in doing so must be repaid to the Landlord by the Tenant on demand, with interest from the date of payment by the Landlord, or of demand if later, until the date of repayment by the Tenant.

5.3 Tenant's obligations unaffected by failure to serve Defects Notice etc.

The obligations of the Tenant under this Schedule are not to be affected or lessened in any way by:

- 5.3.1 the failure or omission by the Architect to serve a defects notice if any of the Works have not been or are not being carried out in accordance with this Schedule, or
- 5.3.2 approval by the Landlord of the Building Documents or any variation, or any other matter or thing referred to in this Schedule.

5.4 The Tenant's compliance with Clause 4

- 5.4.1 The Landlord shall be entitled, at its own expense, at any time between the Effective Date and the Certificate Date upon reasonable notice to the Tenant, to review and inspect the books and records of the Tenant which relate to the cost of the Works and the Tenant shall promptly respond to any reasonable enquiry the Landlord may raise as a result of its inspection of such books and records.
- 5.4.2 Prior to the issue of the Completion Certificate pursuant to paragraph 2.6 of this Schedule the Tenant shall submit a statement certified by an independent chartered accountant certifying the total cost of the Works such statement to itemize the cost of each principal component of the Works.

6. General

6.1 Maintenance of the Works

During the progress of the Works the Tenant must maintain the Property and the Works in good order and condition and take all necessary measures and precautions to protect them from damage by fire, and must keep the Property secure against trespassers.

6.2 Indemnity

The Tenant must pay, and indemnify the Landlord against, all fees, charges and other payments whatever that may at any time be payable to a local or other competent authority in respect of the Works, and be answerable for, and indemnify the Landlord against, all actions, costs, claims, demands and liability whatever relating to any failure by the Tenant to comply with his obligations to complete the Works in accordance with the necessary approvals and the requirement of all statutes.

6.3 Notices Received

The Tenant must promptly notify the Landlord of any notices received by him relating in any way to the Works, whether from a local or other competent authority and must supply a copy of every such notice to the Landlord within 10 days after receipt of it.

6.4 Unpaid Suppliers

The Tenant must indemnify the Landlord against all claims by unpaid suppliers in respect of any goods or materials from time to time on the Property

7 Insurance of the Works and the Property

7.1 Covenant to insure the Works

Until the Certificate Date, the Tenant must insure the Works and the Property in the joint names of the Landlord and the Tenant, against loss or damage by any of the Insured Risks, in an amount equal to the full cost of reinstating the Works, or such part of them as has from time to time been carried out, in the event of their total destruction together with the cost of demolition, site clearance, architects' and other professional fees.

7.2 Third Party Liability

The Tenant must immediately effect and subsequently maintain such insurances and in such amounts as the Landlord from time to time reasonably requires in respect of the liability of the Tenant under, and any liability of the Landlord in relation to third party liability.

7.3 Approved insurers

All insurances referred to in this paragraph must be effected with insurers previously approved in writing by the Landlord, whose approval may not be unreasonably withheld.

7.4 Premiums and Policy

The Tenant must pay all premiums and other money necessary to effect and maintain the insurance referred to in this paragraph, and must produce the policy of insurance and the receipt for the then current year's premium to the Landlord on demand.

7.5 Landlord's rights in default

If the Tenant fails to insure in accordance with this paragraph 7, then the Landlord may himself effect and maintain the insurance – without prejudice to any other right or remedy of the Landlord in respect of such failure. All premiums and other money paid by the Landlord for that purpose must be repaid to him by the Tenant on demand, with Interest from the date of payment by the Landlord until the date of repayment by the Tenant.

7.6 Insurers requirements

The Tenant must comply with all requirements of the insurers, and must ensure that the contractor under the Building Contract, the Architect and all persons acting for or under the control of the Tenant comply with them. Neither the Landlord or the Tenant may do, or permit to be done, on the Property or in relation to the Works anything that might render any insurance policy effected in accordance with the provisions of this paragraph void or void able or as a result of which payment of the policy money might be wholly or partly withheld

7.7 Damage and reinstatement

The Tenant must notify the Landlord immediately of any damage to or destruction of the Works, whether or not caused by any of the insured risks, and in any such case

must, subject to all consents and the approvals that are necessary being obtained, promptly reinstate the Works, in accordance with the provisions of this Schedule.

7.8 Treatment of insurance money

All money received under any insurance policy effected in accordance with this paragraph 7 must be placed in a bank account in the joint names of the Landlord and the Tenant, and must subsequently be released to the Tenant from the account by installments against certificates issued by the Architect of expenditure actually incurred by the Tenant in reinstating the Works. If the Landlord re-enters the Property of any part of it in accordance with paragraph 8 of this Schedule then all money then standing to the credit of the account must immediately be released to the Landlord and is to belong to the Landlord absolutely.

8 Re - entry before Certificate Date

If -

- 8.1 for any reason, the Works have not being carried out and substantially completed to the reasonable satisfaction of the Architect in accordance with paragraph 2.3 - as to which a written statement to that effect by the Architect is to be conclusive and binding on the parties - by the Termination Date, time being of the essence, or
- 8.2 at any time before the Certificate Date and for any reason either the carrying out of the Works is wholly or substantially suspended or the Works are otherwise not proceeded with regularly and diligently, and in such case the default continues for or is not remedied within 30 days after service on the Tenant by the Landlord of a notice specifying the default and invoking the provisions of this paragraph, time being of the essence provided that a notice may not be served in circumstances where an extension of time has been granted in accordance with paragraph 2.4.
- 8.3 the Remedial Measures required under a defects notice served in accordance with paragraph 5.2.2 have not been started within 30 days after service of that defects notice, time being of the essence, or
- 8.4 at any time before the Certificate Date there is for any reason any other material non-compliance with any of the Tenant's obligations under this Schedule and that default

continues for or is not remedied to the reasonable satisfaction of the Landlord within 25 days after service on the Tenant by the Landlord of a notice specifying the default and invoking the provisions of this paragraph, time being of the essence, or

8.5 at any time before the Certificate Date the Landlord terminates this Lease pursuant to Clause 28.

then the Landlord may immediately or at any time subsequently – and even if any previous right or re-entry under this paragraph has been waived – re-enter the Property, or any part of it in the name of the whole, and take and retain possession of it, with all the completed or partly completed Works on it and any building and other materials and plant and equipment on it belonging to the Tenant, which are to be forfeited and become the property of the Landlord without the Landlord being liable to make any compensation or allowance to the Tenant in respect of them. On such re-entry the Term is to cease absolutely, but without prejudice to any rights or remedies that may have accrued to the Landlord against the Tenant or the Guarantor or to the Tenant against the Landlord in respect of any breach of covenant or other term of this Lease, including the breach in respect of which the re-entry is made.

SCHEDULE 5

Guaranteed Rent

1 Definitions

Where words in this Schedule start with capital letters they have the following meaning:

Current Index means the figure for the Index last published before the Relevant Review Date;

Index means the Harmonised Index of Consumer Prices published by Eurostat, (the statistical office of the European Union), or any substitute index agreed or determined in accordance with this Schedule;

Indexed Rent means the sum calculated in accordance with the following formula

$$I = R \times P$$

Where:

I means the Indexed Rent,

R means the initial Guaranteed Rent of Euros 1.6 million

P means the product of the Current Index divided by the base figure for the Index last published before the date of the Lease, such base figure being 102.6

Review Dates means the third, sixth, ninth, twelfth, fifteenth, eighteenth, twenty first, twenty fourth and, if it occurs prior to the expiry of the Term, the twenty seventh anniversary of the Rent Commencement Date

Relevant Review Date means the Review Date by reference to which the Guaranteed Rent is being reviewed;

Statement means the statement to be prepared by the Landlord as soon as practicable after each Review Date showing;

(a) the then Current Index

(b) the Landlord's calculation of the Indexed Rent; and

(c) the further rent (if any) due from the Tenant from the Relevant Review Date up to the next payment date

2 **Review of Rent**

As from each Review Date the Guaranteed Rent shall be increased to whichever is the higher of the Guaranteed Rent payable immediately before such Review Date or the Indexed Rent.

3 **Procedure**

3.1 As soon as practicable after the Current Index is published the Landlord must submit to the Tenant the Statement.

3.2 The Statement shall be final and binding on the parties unless it contains a manifest error.

3.3 On the next day when the Guaranteed Rent is payable, the Tenant must pay to the Landlord the amount, if any, by which the Indexed Rent exceeds the Guaranteed Rent paid for the period from the Relevant Review Date to that date.

4. **Arbitration of problems**

If it becomes impossible to calculate the Indexed Rent for any Review Period by reference to the Index because of any change in the methods used to compile the Index after the date of this Lease or for any other reason whatever, or if any dispute or question whatever arises between the parties as to the amount of the Indexed Rent for any Review Period or the construction or effect of this Schedule then the Indexed Rent for that Review Period or the disputed matter is to be determined by arbitration in accordance with PART ELEVEN.

**SCHEDULE 6
PART 1**

Turnover Rent

1 **DEFINITIONS**

Where in this Schedule the following words in bold type commence with capital letters they have the following meanings:

1.1 **Account Records** means full records of all sums received and paid in respect of the Tenant's trade and business at and from the Property including all books and other documents or records (including computer tapes, discs and other storage systems, cash registers, tapes, bank statements) which are or ought in the reasonable opinion of the Landlord to be kept by the Tenant for the purpose of ascertaining and verifying the Turnover and the Turnover Rent or which are or may in the reasonable opinion of the Landlord be relevant for such purpose;

1.2 **Affiliate** means any individual, company or other legal entity which owns or controls at least 15% of the issued share capital of the Tenant or Aman or a Group Company of the Tenant or Aman and shall include (i) General Hotel Management Limited (which

company will be entering into a management agreement with the Tenant under the Queens Beach Lease) or a Group Company of General Hotel Management Limited and (ii) a Group Company of the Tenant or Aman.

1.3 **GAAP** means generally accepted accounting principles in effect in the European Community.

1.4 **Permitted Deductions** means in respect of each Accounting Period the following deductions from Turnover:

- (a) allowances reasonably and properly made to customers in respect of defective or unsatisfactory goods or services;
- (b) debts declared as being bad debts in the accounts of the Tenant in accordance with GAAP;
- (c) sales or other similar taxes actually paid
- (d) any gratuities or service charges added to customers' bills to the extent that they are passed on to the Tenant's employees in addition to their contractual remuneration;
- (e) reasonable discounts properly allowed in the normal course of business (to the extent that the full price paid by the customer for the discounted goods or services has been included in the calculation of Turnover);
- (f) any sum repaid or deducted from guests bills as a result of a billing error;
- (g) receipts from the financing, sale or other disposition of capital assets and income derived from securities and other property acquired and held for investment;
- (h) the proceeds of any financing;
- (i) the initial operating funds and working capital loans and any other funds provided by the Tenant or a Group Company of the Tenant;

- (j) the value of any complimentary rooms, goods or services; and
- (k) any consideration received at the Hotel for hotel accommodation, goods and services to be provided at other hotels and not retained by the Tenant.

1.5 **Shortfall** means the amount (if any), in any Half Yearly Period by which the QB Guaranteed Rent exceeds the QB Turnover Percentage (as hereinafter defined).

1.6 **Turnover** means in respect of each Accounting Period all sums of money and monetary value of all other consideration received or receivable by the Tenant or an Affiliate (whether actually paid or payable to the Tenant or to a third party) in respect of the business carried on by the Tenant at the Property for that period, determined in accordance with GAAP and the Uniform System including but without limitation all gross sums generated from:

- (a) the operation of all banqueting, catering and room service functions at the Property;
- (b) the operation of any Facility;
- (c) rentals or other payments from Permitted Underlettings;
- (d) gains on foreign exchange conversion for guests;
- (e) loss of rent insurance;
- (f) damages received as a result of any claims for loss of rent;
- (g) any sum received in respect of a debt previously declared as bad;
- (h) all sums from the use and operation at the Property of any machinery and equipment placed in the Property;
- (i) all sums for services provided by the Tenant from facilities at the Property but which are performed at venues outside the Property (e.g. off-site catering).

irrespective of the place where any contract is made by the Tenant but for the avoidance of doubt, Turnover cannot include any receipts relating to the sale of the Tenant's business of any part thereof;

1.7 **Turnover Certificate** means a certificate signed by an independent chartered or certified accountant appointed by the Tenant certifying for the relevant Accounting Period:

- (a) the Turnover Income;
- (b) the amount of Turnover;
- (c) (where appropriate) Permitted Deductions;

1.8 **Turnover Income** means in any Accounting Period the Turnover less the Permitted Deductions;

1.9 **'Turnover Percentage'** means for each Accounting Period shall be 10% of the Turnover Income for the relevant Accounting Period.

1.10 **'Turnover Rent'** means the amount (if any) by which the Turnover Percentage exceeds the Guaranteed Rent as shown either in the Half Yearly Turnover Statement or in the Turnover Certificate (where applicable).

1.11 **'Uniform System'** means the latest addition of the Uniform System of accounts for the hotel industry (published by and revised from time to time by the Hotel Association of New York City Inc. or any of its successors);

2. **THE HALF YEARLY TURNOVER STATEMENT**

2.1 On each Half Yearly Day the Tenant shall submit to the Landlord a statement ("the Half Yearly Turnover Statement") showing:

- (a) The amount of Turnover Income for the Half Yearly Period just ended (the Previous Half Year); and
 - (b) The Guaranteed Rent for the Previous Half Year; and
 - (c) The Turnover Rent (if any) being the amount by which the Turnover Rent exceeds the Guaranteed Rent for the Previous Half Year.
- 2.2 The Half Yearly Turnover Statement shall be calculated on the basis of the monthly reports prepared by Aman in accordance with the terms of the Management Agreement and will include the amount of Turnover, Permitted Deductions and the Turnover Income for the Previous Half Year and will itemise all categories of Turnover and Permitted Deductions and shall be in a form reasonably satisfactory to the Landlord.

3. CALCULATION OF TURNOVER AND TURNOVER INCOME

3.1 In calculating the amount of Turnover:

(a) where any sum is payable in respect of more than one Accounting Period it shall be apportioned between the two periods in accordance with GAAP;

(b) an item of Turnover counted under one head is not to be counted to that extent under another head.

3.2 In calculating Turnover Income the only deductions to be made shall be the Permitted Deductions

3.3 The calculation of Turnover shall include the turnover of any Facility irrespective of whether it is operated by the Tenant or Aman or a third party save that (i) if any Permitted Underletting has been entered into by the Tenant (other than a Permitted Underletting entered into by an Affiliate) then only the rent and other payments due under the underlease from the underlessee shall form part of Turnover and (ii) if any Concession Agreement has been entered into by the Tenant which does not relate to a Turnover Facility (other than any such Concession Agreement entered into by an

Affiliate) then only the concession fee and other payments due under such Concession Agreement from the concessionaire shall form part of Turnover.

3.4 If during the Term the Tenant intends (subject to the Landlord's approval if required by the terms of this Lease) to install a new Facility or operate a new activity from the Property or from any of the beaches coloured yellow on the Plan the Landlord and the Tenant shall, on or before such Facility or activity becomes open to the public, agree whether or not such Facility or activity shall be deemed to be a Turnover Facility for the purposes of the calculation of Turnover and Turnover Income, failing which, either the Landlord or the Tenant may apply to the London office of the firm Pannell Kerr Forster Associates ("the Expert") to decide the matter. In making his decision, the Expert shall be guided by the principles of GAAP and the Uniform System. The costs of the Expert and the proceedings shall be paid for as directed by the Expert. In the event the firm of Pannell Kerr Forster Associates ceases to exist during the Term then the Expert shall become the firm of BDO Stoy Hayward unless the Landlord and Tenant decide upon another firm.

4. **TURNOVER CERTIFICATE**

4.1 Within 60 days after the end of each Accounting Period the Tenant shall deliver to the Landlord:

(a) the Turnover Certificate;

(b) the Tenant's calculation of the Turnover Rent for that Accounting Period in accordance with this Schedule;

4.2 The Tenant covenants with the Landlord that the Tenant will procure that each Turnover Certificate will state accurately the Turnover Income, the amount of the Turnover and (where appropriate) Permitted Deductions.

4.3 In the absence of manifest error (but subject to the Landlord's right to challenge following an audit or inspection in accordance with paragraph 6) the Turnover Certificate shall be final.

5. ACCOUNTS

- 5.1 The Tenant must keep the Account Records
- 5.2 The Tenant shall keep safely at the Property or in such other place reasonably accessible for inspection as the Landlord shall approve (such approval not to be unreasonably withheld) the Account Records from time to time relating to the then current Accounting Period and the three immediately preceding Accounting Periods and shall permit the Landlord and its accountants and employees to inspect them and take copies no more than twice a year.
- 5.3 The Landlord may at its discretion require the Account Records to be audited by a chartered accountant or certified accountant appointed by the Landlord and if it is established by such audit that the Turnover for any year of the Term has been understated by more than 3% or the Permitted Deductions overstated by more than 3% then the cost of the audit shall be borne by the Tenant and paid by the Tenant to the Landlord within 21 days of demand
- 5.4 If it appears from any such inspection or audit or from any other circumstance that any further Turnover Rent is payable or that any Turnover Rent should be refunded to the Tenant then such Turnover Rent shall be paid by the Tenant to the Landlord or such Turnover Rent shall be refunded by the Landlord to the Tenant (as the case may be) within 21 days of demand together with Interest.

6. DETERMINATION OF DISPUTES

- 6.1 If any dispute shall arise between the Landlord and the Tenant as to the amount of Turnover Income such dispute shall be determined on the application of either party by a chartered accountant acting as an arbitrator to be nominated in default of agreement by the President or other chief officer or acting chief officer for the time being of the Institute of Chartered Accountants in England and the following provisions shall apply:

6.2 The arbitrator shall within three months of his appointment or within such extended period as the Landlord may agree give to the Landlord and the Tenant written notice of the amount of his award as determined by him but if he does not or if for any reason it becomes apparent that he will not be able to complete his duties in accordance with his appointment the Landlord and the Tenant may agree upon or either of them may apply for the appointment of another arbitrator (which procedure may be repeated as often as necessary) pursuant to the provisions of this paragraph.

7. LATE ASCERTAINMENT OF TURNOVER RENT

7.1 If the Turnover Rent is not calculated and tendered within 90 days after the end of each Accounting Period in accordance with paragraph 5 of this Schedule then the Tenant must pay to the Landlord a sum equal to the Turnover Rent for the previous Accounting Period on account.

7.2 Within 21 days of the Tenant complying with its obligations in paragraph 4 of this Schedule and ascertaining the Turnover Rent actually due for the Accounting Period:

- (a) the Tenant shall pay to the Landlord any underpayment, or
- (b) the Landlord shall pay to the Tenant any overpayment

PART 2

Aggregation Statement and Aggregation Certificate

8. EXCESS RENT

8.1 On each Half Yearly Day the Tenant shall submit to the Landlord a statement ('the Aggregation Statement') showing, in respect of such Half Yearly Period, the following:

- (a) The Aggregated Guaranteed Rent;

- (b) The Aggregated Percentage Turnover;
- (c) The maximum aggregated rent payable under both Leases in accordance with Clause 2.4;
- (d) The total of the Guaranteed Rent, Turnover Rent and QB Guaranteed Rent actually paid for such Half Yearly Period.

8.2 The amount (if any) by which the total of the rent actually paid and described in (d) above exceeds the maximum aggregated rents payable under (c) above shall be the Excess Rent. The Landlord and the Tenant acknowledge that Excess Rent can only arise when, for any Half Yearly Period, a Turnover Rent is paid under this Lease and there is a Shortfall under the Queens Beach Lease. An example of the calculation of Excess Rent pursuant to this paragraph is attached as an Exhibit to this Schedule.

8.3 The Aggregation Statement for the second of the Half Yearly Periods ending 31 December shall also reflect the rents and Aggregated Percentage Turnover referred to in 8.1 (a) – (d) above for the whole of the Accounting Period in which the second Half Yearly Period occurs and shall also take into account any Excess Rent paid in the earlier Half Yearly Period of such Accounting Period.

8.4.1 Within 60 days after the end of each Accounting Period an independent chartered or certified accountant appointed by the Tenant shall prepare a certificate (“the Aggregation Certificate”) showing, in respect of such Accounting Period, the following:

- (a) The Aggregated Guaranteed Rent;
- (b) The Aggregated Percentage Turnover;
- (c) The maximum aggregated rent payable under both Leases in accordance with Clause 2.4;

(d) The total of the Guaranteed Rent, Turnover Rent and QB Guaranteed Rent actually paid for such Accounting Period.

8.4.2 The Tenant covenants with the Landlord that the Tenant will procure that each Aggregation Certificate will state accurately the Aggregated Guaranteed Rent and the Aggregated Percentage Turnover for such Accounting Period.

8.4.3 In the absence of manifest error (but subject of the Landlord's right to challenge following an audit or inspection in accordance with paragraph 6 of this Schedule) the Aggregation Certificate shall be final.

9. END OF TENANCY

The provisions of this Schedule will survive the End of the Term in respect of the period up to the End of the Term.

EXHIBIT TO SCHEDULE 6

EXAMPLE OF CALCULATION OF EXCESS RENT

Revenue	Sveti Stefan	Queens Beach	Aggregated / Total
	13,000,000	7,000,000	20,000,000
Guaranteed Rent	1,600,000	500,000	2,100,000
Percentage Turnover Rent	1,300,000	700,000	2,000,000
Initially Paid Rent	1,600,000	700,000	2,300,000
Maximum Aggregated Rent (to be paid in toto)			2,100,000
Excess to be Offset			200,000

(a) Aggregated Guaranteed Rent 2,100,000

(b) Aggregated Percentage
Turnover 2,000,000

(c) Maximum Aggregated Rent
(greater of (a) and (b)) 2,100,000

(d) Total of (1) Queens Guaranteed
Rent or Turnover Rent (which-
ever paid) and (2) Sveti Stefan
Guaranteed Rent 2,300,000

(e) EXCESS RENT – Excess of
Total Guaranteed Rent (d) over
Maximum Aggregated Rent (c) 200,000

(payable by HTP Milocer to the
Tenant under the QB Lease)

SCHEDULE 7

Description of the Works

The works described in the technical sections of the bid documentation submitted by the Contractor to the Agency of Montenegro for Economic Restructuring and Foreign Investment dated 5th August 2005 including but not limited to the following:

- INVESTMENT PROGRAMME & BUSINESS PLAN
- TECHNICAL DESCRIPTION OF THE PLUMBING AND SEWAGE TREATMENT SYSTEMS
- TECHNICAL DESCRIPTION OF THE AIR CONDITIONING SYSTEM
- ELECTRICAL SUPPLY DESIGN PLAN

and also the following documentation prepared by Denniston International Architects and Planners Ltd and all dated 5th August 2005 and which also formed part of the bid documentation:

- CONSTRUCTION DOCUMENTATION (TWO VOLUMES)
- SANITARYWARE SCHEDULE
- CONCEPT DESIGN
- PRESENTATION DRAWINGS INDICATING DESIGN INTENT
- CONCEPT DESIGN - MECHANICAL AND ELECTRICAL

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SCHEDULE 8

Business Sale Agreement

Dated

20[]

[.....]

and

Agreement
relating to the sale of the business carried on at
[*Insert relevant hotel*]

Handwritten signature or initials

Contents

- 1 Definitions and Interpretations
- 2 Sale and Purchase
- 3 Purchase Price
- 4 Stock
- 5 Completion
- 6 Debtors and Creditors
- 7 Contracts
- 8 Employees
- 9 Apportionments
- 10 Transfer of Licences / Permits
- 11 Conduct of Claims
- 12 Interest
- 13 Warranties
- 14 Miscellaneous

Schedule 1 – The Employees

Schedule 2 – The Contracts and Hire Agreements

Schedule 3 - The Accounts

Schedule 4 – Rates and Other Outgoings

	“Aman” or “Aman Resorts” name and logo or other proprietary software, operating and other manuals which are proprietary to Aman, [personal guest history, records and the like that are associated with hotel operations by Aman];
Apportionments	means the total of all the adjustments to be made as between the Vendor and the Purchaser pursuant to clause 9 thereof;
Assets	means the Goodwill, the benefit of the Contracts, the Stock and the Cash Floats;
the Business	means the business of an hotelier carried on under the Business Name in the Property at Completion.
the Business Name	means the <i>[Insert relevant hotel]</i> ;
Business Records	means all books and records including, without limitation, documents and other material (including all forms of computer or machine readable material), containing or relating to the Business save for Aman Proprietary Assets;
Cash Floats	means the cash floats at the Property on Completion which are to be paid for by the Purchaser in accordance with clause 5.2,
Completion	means actual completion of the sale and purchase of the Assets whether or not the same occurs on the date specified in the definition of the Completion Date which appears below;
Completion Date	means 12 noon on the ● day of ● 20[];
Contracts	means (i) those contracts listed or described in Schedule 2 and (ii) contracts relating to bookings and reservations by guests and other third parties in respect of accommodation, conference, banqueting and other facilities available at the Property (including Advance Bookings)

over the Business as a going concern in every case free from all liens charges and encumbrances as at and with effect from Completion.

2.2 For the avoidance of doubt it is hereby agreed and acknowledged by the parties that there shall be specifically excluded and excepted from the sale and purchase hereby agreed:-

2.2.1 all cash in hand (other than the Cash Floats) at the bank or in transit thereto in connection with the Business;

2.2.2 all Debts (including the Guest Ledger Balances) up to and including the actual day of Completion;

2.2.3 all Liabilities to Creditors in relation to the Business up to and including the actual day of Completion;

2.2.4 any amounts recoverable by the Vendor in respect of any taxation paid or payable by it in connection with matters or events occurring on or before Completion;

2.2.5 the benefit of any insurance claims against the insurers of the Vendor in respect of all matters occurring or arising prior to Completion except where and so far as such claim's relate to damage to the Property or damage to or loss of any item of FF&E to be purchased by the Purchaser in accordance with Clause 4.5 which has not been rectified prior to Completion;

2.2.6 all Guest and Third Party Property and the property of suppliers of gas water electricity and telephone;

2.2.7 the FF&E save for such items of FF&E purchased in accordance with Clause 4.5; [*Note: The FF&E save for the Aman Proprietary Assets will be transferred to the Purchaser at no cost if the Lease is terminated in accordance with Clause 27.*]

3 Purchase Price

3.1 The total consideration payable by the Purchaser hereunder (other than in respect of the Cash Floats, Stock and the Apportionments) shall be the sum of 2€ and which is apportioned as to:-

The benefit and burden of the Contracts	€1.00
The Goodwill:	<u>€1.00</u>
Total	€2.00

4 Stock

4.1 On Completion the Vendor will sell and the Purchaser will purchase the Stock on the basis of the lower of (i) its net realisable value and (ii) its cost to the Vendor such value to be agreed between the parties or in default of agreement as set out in clause 9 below.

- 4.2 For the avoidance of doubt Stock shall not include any stock that has perished or is out of date or is otherwise unusable.
- 4.3 Completion shall not be delayed on the ground that the valuation of the Stock has not been agreed or determined.
- 4.4 Payment for the Stock shall be made in accordance with clause 5.2 below.
- 4.5 On Completion the Purchaser will have the option to purchase all or any part of the FF&E (save for those items of FF&E which form part of Aman's Proprietary Assets) at a price equivalent to the lower of (i) the book value of such items of FF&E and (ii) the price paid for such items of FF&E by the Vendor such option to be exercisable on or before the Completion Date and if not exercised by the Completion Date such option shall be deemed to have lapsed. *Note: The FF&E save for the Aman Proprietary Assets will be transferred to the Purchaser at no cost if the Lease is terminated in accordance with Clause 27.]*

5 Completion

- 5.1 The sale and purchase of the Assets shall be completed at the office of the Vendor's Lawyers at 12 noon on the Completion Date when all the following matters of this clause shall be effected.
- 5.2 The Purchaser shall pay to the Vendor's Lawyers by way in cash or other means previously approved in writing by the Vendor's Lawyers the Purchase Price plus the Cash Floats and the value of the Stock as determined pursuant to clause 4.1 and, if applicable, the value of those items of FF&E purchased or to be purchased by the Purchaser in accordance with clause 4.5 and the other Apportionments unless agreement has not been reached as to the value thereof when the Purchaser shall pay the sum of [€] on account of the purchase price of the Stock, the items of FF&E to be purchased and other Apportionments such sum to be held by the Vendor's Lawyers pending settlement of the price for the Stock, the items of FF&E to be purchased and the other Apportionments and (if applicable) the balance of the purchase price of the Stock, the items of FF&E to be purchased and other Apportionments shall be paid to the Vendor's Lawyers within 7 days of agreement being reached or the Independent Valuer's decision being notified to the parties or (if appropriate) a refund shall be made by the Vendor's Lawyers to the Purchaser within such period. *Note: The FF&E save for the Aman Proprietary Assets will be transferred to the Purchaser at no cost if the Lease is terminated in accordance with Clause 27.]*
- 5.3 At completion the Vendor shall deliver or cause to be delivered to the Purchaser or the Purchaser's Lawyers
- 5.3.1 [the FF&E]

- 5.3.2 all social security, contracts of employment and other employment records relating to all Employees duly completed and up to date;
- 5.3.3 such executed documents as shall be necessary or appropriate to complete the sale and purchase of the Business and vest title in the Purchaser including, if required by the Purchaser, a transfer of the Goodwill;
- 5.3.4 the Business Records; and
- 5.3.5 a list of Advanced Bookings
- 5.4 Save as expressly set out in this Agreement nothing in this Agreement shall make the Purchaser liable in respect of anything done or omitted to be done before Completion in the course of or in connection with the Business, and the Vendor shall indemnify the Purchaser in respect of anything so done or omitted to be done.
- 5.5 Save as expressly set out in this Agreement nothing in this Agreement shall make the Vendor liable in respect of anything done or omitted to be done after Completion in the course of or in connection with the Business, and the Purchaser shall indemnify the Vendor in respect of anything so done or omitted to be done.

6 Debtors and Creditors

- 6.1 The Vendor or its duly authorised agent shall be entitled to collect for its own account the Debts and discharge the Liability to Creditors and all other liabilities and obligations owed by the Vendor as at Completion and without limitation to the foregoing shall pay, satisfy and discharge all (if any) debts payable by and claims outstanding against it in respect of wages (including accrued holiday pay) and to indemnify the Purchaser at all times from and against any and all claims, actions, proceedings, demands, liabilities, costs and expenses reasonably incurred by the Purchaser in connection with any Liability to Creditors and/or such other liabilities and obligations owed by the Vendor.
- 6.2 The Purchaser shall promptly upon receipt account to the Vendor for any sums received at the Property in payment for any Debt and shall permit the Vendor or its authorised agent or its accountant to inspect the sales ledgers of the Business at any reasonable time for up to 12 months after Completion for the purpose of checking the receipt of any such payments where there is a dispute relating to a Debt. If the Purchaser shall receive any Debts such monies shall be paid promptly to the Vendor or its authorised nominee and until such monies are so paid they shall be kept separate from the Purchaser's own monies and held in trust for the Vendor.
- 6.3 The Vendor shall account to the Purchaser for all advance payments made in respect of any orders bookings or other matters which shall occur or relate to the period after Completion and supply details of the same to the Purchaser on or prior to Completion and the Purchaser shall use its reasonable endeavours to honour such orders bookings or other matters.

7 **Contracts**

- 7.1 The Vendor warrants and confirms to the Purchaser that there are no material Contracts or Hire Agreements entered by the Vendor relating to the supply of services or goods or the rental or maintenance of the FF&E or plant and machinery or relating to any other matter in connection with the operation of the Business which are for the benefit of the Business which have not been made known to the Purchaser prior to Completion or which are not listed in Schedule 2.
- 7.2 Subject to clause 7.4.1, after Completion the Purchaser shall perform the obligations and discharge the liabilities of the Vendor under the Contracts and Hire Agreements except to the extent that such liability or obligation is attributable to a default or breach by the Vendor prior to Completion.
- 7.3 The Vendor shall indemnify and keep indemnified the Purchaser against any liability arising out of, or as a consequence of the performance of the Vendor's obligations under each Contract or Hire Agreement to the extent that such liability is attributable to any event, act, default or omission of the Vendor prior to Completion.
- 7.4 If any of the Contracts or Hire Agreements cannot be transferred to the Purchaser except by an assignment made with the consent of another party, then the following provisions shall apply:-
- 7.4.1 this agreement shall not constitute an assignment or an attempted assignment of the Contract or Hire Agreement if the assignment or attempted assignment would constitute a breach of the Contract or Hire Agreement;
- 7.4.2 both before and after Completion the parties shall use their respective reasonable endeavours to obtain the consent of the other party to the assignment, of the Contract or Hire Agreement;
- 7.4.3 until the consent is obtained, the Vendor shall at the sole cost and risk of the Purchaser do all such acts and things as the Purchaser may reasonably require to enable due performance of the Contract or Hire Agreement and to provide for the Purchaser the benefits of the Contract or Hire Agreement (including enforcement at the cost and for the account of the Purchaser of any right of the Vendor against the other party to the Contract or Hire Agreement arising out of its termination by the other party or otherwise).
- 7.5 The Vendor will, if reasonably requested by the Purchaser, take all such steps as the Purchaser shall reasonably require to enforce any claim and cost against any third party concerned in respect of a breach or default by such third party in relation to any aspect of the Business or to any of the Contracts or Hire Agreements.
- 7.6 The Purchaser shall fulfill all outstanding requirements under the Contracts (including the Advance Bookings) as at the date of Completion and shall keep the Vendor fully and effectually indemnified against all liability directly or indirectly with or arising in connection therewith.

8 Employees

- 8.1 The Vendor shall use reasonable endeavours to retain the services of each of the Employees to the intent that their respective contracts of employment shall be continued until Completion and then be transferred to the Purchaser in accordance with the regulations and laws of Montenegro.
- 8.2 All wages salaries and other emoluments and benefits relating to the Employees shall be borne by the Vendor up to the Completion Date and all necessary apportionments shall be made in accordance with clause 9.2.2.
- 8.3 The Purchaser shall indemnify the Vendor against each and every cost claim liability expense or demand arising from:-
- 8.3.1 any claim or allegation by an Employee that following the sale of the Business to the Purchaser there has been or will be a substantial change in such Employee's working conditions to his detriment; and
- 8.3.2 any act of omission of the Purchaser in relation to an Employee occurring after Completion and against any claim for redundancy payments or protective awards and any liability for wrongful dismissal or otherwise in connection with the transfer of the employment of the Employees to the Purchaser.
- 8.4 The Vendor shall indemnify the Purchaser against each and every cost claim liability expense or demand which relates to or arises out of any act or omission by the Vendor or any other event or occurrence prior to the date of Completion and which the Purchaser may incur in relation to any contract of employment concerning the Employees pursuant to the regulations and laws of Montenegro including without limitation any such matter relating to or arising out of:
- 8.4.1 the Vendor's rights powers duties and/or liabilities under or in connection with any such contract of employment (which rights powers duties and/or liabilities are or will be transferred to the Purchaser);
- 8.4.2 anything done or omitted before the date of Completion by or in relation to the Vendor in respect of any contract of employment or any person employed in the Business which is deemed to have been done or omitted by or in relation to the Purchaser;
- 8.4.3 the Vendor's failure to pay any Employee any sums due in respect of the period prior to Completion to the extent that the sum has not been accounted for in the Apportionments.
- 8.5 The Vendor shall discharge and indemnify the Purchaser against all costs claims liabilities expenses and demands arising from all dismissals by the Vendor of any person previously employed by the Vendor in the business whose contracts of employment are terminated prior to the date of Completion whether for redundancy or otherwise.

9 **Apportionments**

- 9.1 The Vendor shall use reasonable endeavours to procure that on or immediately prior to Completion readings are taken of the gas electricity and where relevant water meters at the Property and that the Cash Floats are counted in the presence of a representative of the Purchaser who attends at the Property for this purpose and that the relevant gas water electricity and telephone companies and local authorities are informed of the change of ownership of the Property and are requested to produce bills in respect of the period ending on the Completion Date or as appropriate in accordance with the meter readings taken;
- 9.2 On Completion the Vendor and the Purchaser shall endeavour to agree the following and shall make financial adjustment accordingly for:-
- 9.2.1 The Prepayments and Accruals;
- 9.2.2 any apportionments in respect of wages and salaries and other emoluments and benefits of the Employees;
- 9.2.3 the Cash Floats (to be bought at par by the Purchaser);
- 9.2.4 the value of the Stock in accordance with clause 4.1;
- 9.2.5 the cost (to be borne by the Vendor) of laundering linen used prior to Completion; and
- 9.2.6 any deposits paid in relation to Advanced Bookings.
- 9.2.7 the value of the items of FF&E to be purchased by the Purchaser;
- 9.3 In relation to unpaid Guest Ledger Balances:-
- 9.3.1 the Purchaser shall deliver an account to the guest in the ordinary course of business and shall within 30 days of the Completion Date pay to the Vendor an amount equal to the aggregate of those Guest Ledger Balances in respect of which an account has been rendered and has been paid the remaining Guest Ledger Balances (if any) will be paid by the Purchaser to the Vendor within seven days of receipt by the Purchaser of payment from the relevant guest.
- 9.4 In relation to the valuation of Apportionments:-
- 9.4.1 if the parties hereto cannot agree upon the valuation of the Apportionments on Completion then the provisions of clause 9.4.2 shall apply; and
- 9.4.2 a valuation of such of the Apportionments as cannot be agreed between the parties shall be made by the Independent Valuer within 7 days of his appointment or within such further reasonable time as may be required to complete the said valuation and shall be made at the joint expense of the parties (unless the Independent Valuer shall otherwise direct).

10 Transfer of Licence/Permits

[include provisions relating to the transfer of any licences/permits(e.g. hotel or restaurant licences, licences to serve alcohol etc) required under the laws of Montenegro]

11 Conduct of Claims

If any claim is received by or comes to the notice of the Purchaser or the Vendor (the **Indemnified Party**) (including notice of circumstances likely to give rise to a claim) for which the other party to this Agreement (the **Indemnifier**) may be liable hereunder the Indemnified Party shall:

- (a) as soon as reasonably practicable give written notice of each such matter to the Indemnifier;
- (b) not make any admission of liability or compromise with any person body or authority in relation thereto without prior agreement of the Indemnifier (such agreement not to be unreasonably withheld, conditioned or delayed);
- (c) give the Indemnifier and their professional advisers reasonable access to the premises and personnel of the Indemnified Party and to any relevant accounts documents and records within its power, possession or control to enable the Indemnifier and its professional advisers to examine such claim accounts documents and records and to take copies thereof at their own expense;
- (d) take such action as the Indemnifier may reasonably request to assist or pursue or defend such claim or to compromise the same and permit the Indemnifier either in its own name or in the name of the other Indemnified Party or in both names to conduct or defend any proceedings brought against the Indemnified Party PROVIDED THAT the Indemnifier shall indemnify and secure the Indemnified Party to its reasonable satisfaction against any liability, costs, damage or expenses which may be incurred thereby.

12 Interest

In the event that any sum due by any one party to this agreement (the **Payer**) to another party (the **Payee**) shall not be received in cleared funds within 30 days after the date such sum became due interest shall be payable by the Payer to the Payee at the rate of the Eurolibor for the time being in force calculated for the period commencing on the due date for payment and ending on the date the sum (and the interest) is received in cleared funds.



13 Warranties

The Vendor represents warrants and undertakes to and with the Purchaser and its successors in title that:

- 13.1 information contained in the accounts set out in or referred to in Schedule 3 fairly represents the state of the affairs of the Business as at the relevant dates;
- 13.2 that there are no rates or taxes, charges or other outgoings assessed, charged or imposed upon the Property at the date of this Agreement other than those set out in Schedule 4 and utility services.

14 Miscellaneous

- 14.1 Each of the parties hereto hereby appoints its respective solicitors as its agents to accept service of any documents required to be served upon it for the purpose of this Agreement as well as during any proceedings.
- 14.2 Any notice pursuant to this Agreement shall be in writing signed by some person duly authorised by the party giving it and may be served by delivering it to a responsible person (who gives a receipt for the same) at or sending it by prepaid recorded delivery or registered post to the respective solicitors of the parties hereto or to their respective registered offices. Any notice so served by post shall be deemed to have been served 72 hours from the date of posting (unless the contrary is proved) and in proving such service it shall be sufficient to prove that the notice was properly addressed and posted as aforesaid.
- 14.3 The terms of this Agreement shall remain in full force and effect notwithstanding Completion.
- 14.4 The transaction contained in this Agreement shall be completed as a whole and not in part only.
- 14.5 It is not intended that any third party shall in any way benefit from or acquire any rights under this Agreement.

14.6 The Vendor shall not be required to transfer the Assets to any party other than the Purchaser.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

Schedule 1- The Employees

Name of Employee							
Sex							
Salary							
Number of Average Weekly Hours							
Position							
Date of Commencement of Employment							
Benefits (such as life assurance, healthcare, accident protection, bonus arrangements etc.)							

Name of Employee							
Sex							
Salary							
Number of Average Weekly Hours							
Position							
Date of Commencement of Employment							
Benefits (such as life assurance, healthcare, accident protection, bonus arrangements etc.)							

Name of Employee							
Sex							
Salary							
Number of Average Weekly Hours							
Position							

L. D. R. 5

Date of Commencement of Employment							
Benefits (such as life assurance, healthcare, accident protection, bonus arrangements etc.)							

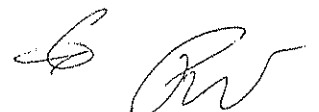
Name of Employee							
Sex							
Salary							
Number of Average Weekly Hours							
Position							
Date of Commencement of Employment							
Benefits (such as life assurance, healthcare, accident protection, bonus arrangements etc.)							

Name of Employee							
Sex							
Salary							
Number of Average Weekly Hours							
Position							
Date of Commencement of Employment							
Benefits (such as life assurance, healthcare, accident protection, bonus arrangements etc.)							

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[Handwritten signature]


SCHEDULE 2 – The Contracts and Hire Agreements



SCHEDULE 3 - The Accounts

G. D. W.

SCHEDULE 4 – RATES AND OTHER OUTGOINGS

A handwritten signature in black ink, appearing to be 'G. M.' or similar, located in the bottom right corner of the page.

Signed on behalf of)
The Vendor)
by a duly authorised signatory)

Signed on behalf of)
The Purchaser)
by a duly authorised signatory)



SCHEDULE 9

(As Amended)

The Form of Management Agreement

DATED this [] day of [], 2006

Between

[]

And

AMANRESORTS MANAGEMENT B.V.

MANAGEMENT AGREEMENT

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Handwritten signature

THIS AGREEMENT is made the [] day of [], 2006 ("Effective Date") between [], a limited liability company incorporated under the laws of [], with its registered office at [] (the "Owner") of the one part and AMANRESORTS MANAGEMENT B.V., a company incorporated under the laws of the Netherlands with its registered office at Strawinskyiaan 1725, Tower B, 17th Floor, 1077XX Amsterdam, The Netherlands (the "Operator") of the other part.

WHEREAS:

(A) The Owner is the Tenant under a lease agreement dated [] (the "Lease") with respect to Sveti Stefan and the Hotel Milocer in Sveti Stefan, Montenegro and related Facilities (as such term is defined in the Lease) (the "Properties").

(B) The Owner is planning to redevelop the Properties at its own cost and expense into a luxury hotel and related Facilities (the "Hotel").

(B) The Operator has experience in the management and operation of luxury hotels, and is willing to render assistance in relation to the management and operation of the Hotel.

(C) The Operator, being a member of the Amanresorts Group of companies, is able to procure for the Hotel a license to use the name "Aman" and "Amanresorts", and has agreed so to do.

(D) The Owner desires to avail itself of the hotel management experience and know-how of the Operator, and the Operator is willing to render its expertise and assistance in the management and operation of hotels upon the terms and conditions hereinafter appearing.

NOW THEREFORE the parties hereto AGREE AND COVENANT as follows:

ARTICLE I
Nomination

1. The Owner hereby appoints and engages the Operator to supervise, direct and control the operation of the Hotel and to perform the services provided for in this Agreement. The Operator accepts such appointment and engagement and agrees to operate the Hotel and perform such services in accordance with the terms and conditions of this Agreement.

2. The Owner warrants to the best of its knowledge, information and belief having made all reasonable enquiries that there are, and on the date when the Hotel is available for use by guests there will be, no covenants or restrictions which would prohibit or restrict the Operator from carrying on upon the Hotel the businesses and services in accordance with the Standards. The Owner undertakes to obtain all Licenses required for the operation of the Hotel as a deluxe international hotel before the commencement of its operations and agrees upon request by the Operator to sign promptly and without charge any applications for Licenses, including renewals thereof, which the Operator may reasonably request be signed.

ARTICLE II
Construction, Furnishing and Equipping of the Hotel

1. The Owner shall construct with reasonable diligence, at the Owner's own expense and in accordance with the final plans, specifications and schedule agreed between the Owner and the Operator, a building designed as a deluxe international hotel in accordance with the

Standards. In the event this Agreement is terminated by Owner or Operator prior to commencement of construction, Operator shall exclusively own the rights in and to the plans and specifications of the project developed to that point.

2. The Hotel shall consist of the Building & Appurtenances in which the Owner shall provide and install:

2.1 Furnishings & Equipment;

2.2 Operating Equipment;

2.3 Operating Supplies; and

2.4 full and adequate initial inventories of food and beverages and other consumable items necessary for the Hotel to be managed and operated in accordance with the Standards.

ARTICLE III

Operating Term and Extension Thereof

1. "Operating Term" shall mean the period during which the Operator shall manage and operate the Hotel, commencing on the official opening of the Hotel as described in Article VI and, unless sooner terminated as provided in Article XIX, expiring on the 31st of December of the twentieth (20th) full calendar year following its commencement and any extension thereof as provided in Section 2.

2. The Operator shall be entitled at its discretion to extend the Operating Term for a further period of ten (10) years from the date of its expiration upon the same terms and conditions as are contained in this Agreement but without the inclusion of this Section PROVIDED ALWAYS THAT the Operator shall have given notice to the Owner on or before the 30th day of June of the nineteenth (19th) calendar year of the Operating Term of its intention to so extend the same.

3. The Parties acknowledge and agree that upon the termination or expiration of the Lease, Marketing Services Agreement and/or the License Agreement, this Agreement, without further action by either Party, shall similarly and automatically terminate without payment of a termination fee or other liquidated damages.

ARTICLE IV

Working Capital

The Owner shall provide sufficient Working Capital for the management and operation of the Hotel throughout the Operating Term. The Owner and the Operator agree that an amount equivalent to the next ninety (90) days of Working Capital shall constitute sufficient Working Capital. The Owner and the Operator shall agree upon the amount of initial Working Capital required, which the Owner agrees to pay into the Hotel account(s) to be operated by the Operator

under Article X by such installment(s) and at such time(s) as the Operator reasonably determines necessary (but in any event upon at least thirty (30) days prior written notice to Owner).

ARTICLE V
Training and Pre-Opening Program

1. The Operator shall, on behalf of the Owner, recruit and employ the initial staff of the Hotel and provide such training programs as it shall consider necessary and appropriate in order to ensure management of the Hotel in accordance with this Agreement, the Standards, and all applicable laws. The Operator shall also carry out the pre-opening program, including promotion of the Hotel, and opening activities and celebrations.

2. Subject to a Pre-Opening Budget to be mutually agreed, the Owner shall provide all monies as may be reasonably required to pay for the training and pre-opening program referred to in Section 1, including but not limited to the cost and expense of salaries, wages and benefits of staff recruited during the pre-opening period, the cost of recruitment and training for staff, organization, advertising, promotion, travel and business entertainment, and opening celebrations and ceremonies, all whether incurred prior to or concurrently with the beginning of full management and operation of the Hotel. Subject to the Pre-Opening Budget, the Owner shall pay such amounts into the Hotel account(s) to be operated by the Operator under Article X by such installment(s) and at such time(s) as the Operator shall reasonably require.

ARTICLE VI
Official Opening of the Hotel

1. The Hotel shall be considered ready to be opened for full management and operation when it is substantially completed and the Furnishings & Equipment, Operating Equipment and Operating Supplies shall have been substantially installed therein, all Licenses shall have been obtained, full and adequate inventories of food and beverages have been provided and the Hotel shall be ready to receive and render services to guests in accordance with the Standards.

2. The official opening of the Hotel shall be on a date that the Owner and the Operator shall reasonably agree subject to the Hotel being considered ready to be opened for full management and operation as provided in Section 1. Agreement by the Operator of the said date and the official opening of the Hotel shall not relieve the Owner of its obligation to cure any deficiency regarding the Hotel as to which notices shall have been or shall be given by the Operator before or after opening.

3. It is agreed that, to the extent contemplated in the agreed upon Pre-Opening Budget, prior to the date for the official opening of the Hotel, the Operator may conduct partial management and operations of the Hotel for the purposes of further staff training and operational and promotional development the cost and expense of which, shall be a pre-opening operational expense, as provided for in Article V.

4. Within six (6) months after the official opening of the Hotel, the Owner shall deliver to the Operator an inventory of all Furnishings & Equipment and Operating Equipment.

ARTICLE VII
Operation of the Hotel

1. During the term of this Agreement, the Operator shall have the sole and exclusive right and responsibility to direct, supervise and control the management and operation of the Hotel in accordance with the Standards, each approved Annual Plan and the terms and conditions of this Agreement. Throughout the term of this Agreement, the Operator shall ensure management of the Hotel in accordance with this Agreement, the Standards, and all applicable laws.

Subject as may otherwise be provided in this Agreement and without in any way hindering or affecting the Owner's right to grant a mortgage in connection with any Hotel financing, the Owner shall ensure that the Operator is free from interruption and disturbance in directing, supervising and controlling the management and operation of the Hotel, and the Owner shall, at its own cost and expense, undertake and prosecute any appropriate action, judicial or otherwise, to assure such freedom to the Operator, subject always as may otherwise be required by Law. In taking any action pursuant to this Agreement, the Operator will be acting only as the appointed representative of the Owner, and nothing in this Agreement shall be construed as creating a tenancy, partnership, joint venture or any other relationship between the parties hereto.

2. Without limiting the generality of the foregoing, and unless otherwise expressly provided, the Operator shall perform the following for and on behalf of the Hotel, all in accordance with the Standards and the terms and conditions of this Agreement, the cost and expense of which shall be Operating Expenses:

2.1 At least two (2) months before the beginning of each Fiscal Year of the Hotel, submit to the Owner for review, recommendations and approval an Annual Plan for the ensuing Fiscal Year which shall be on a monthly basis and shall consist of:

- (a) an estimated profit and loss statement for the ensuing Fiscal Year including a schedule of Hotel room rates and all other sources of the Hotel's revenue;
- (b) a budget estimate for all Operating Expenses including Reimbursable Expenses;
- (c) a schedule showing proposed replacement of furniture, fixture, fittings, furnishings and equipment and any other expenditure proposed;
- (d) a schedule showing the proposed cash reserve for replacement of furniture, fixture, fittings, furnishings and equipment;
- (e) an estimated cash flow statement for such year;



- (f) a marketing plan;
- (g) a staffing and wage plan; and
- (h) a summary of insurance charges.

The Owner shall indicate to the Operator its recommendations and objections, if any, to the Annual Plan before the commencement of the period covered by the Annual Plan and the Operator and the Owner shall consult with each other to finalize the Annual Plan for the year. The Operator shall, subject to the Owner's recommendations and objections, prepare the Annual Plan as necessary in order to both comply with the Standards and all Laws as well as to maximize Gross Operating Profit over the medium and long term. As and when necessary and from time to time in any Fiscal Year, the Operator may submit to the Owner, for its further review and approval supplementary budgets to the Annual Plan. If the Operator and the Owner cannot agree on an Annual Plan, then, until such agreement is reached, the Annual Plan from the previous year shall be used with respect to the disputed items, with adjustments to reflect inflation since that previous year, and with respect to those items not in dispute by the parties, the corresponding line items in the proposed Annual Plan shall be used. If the Owner and the Operator, despite their good faith efforts, are unable to reach final agreement on the proposed Annual Plan for a Fiscal Year by the first day of such Fiscal Year, then either the Owner or the Operator may, by delivering written notice to the other by the fifteenth (15th) day of such Fiscal Year (each such notice of Expert resolution, an "Expert Resolution Request"), require that the matter(s) in dispute be submitted to an Expert for resolution. The Expert shall resolve the particular dispute regarding the proposed Annual Plan in favor of the party advocating the position with respect to the particular item in dispute that both (i) permits the Hotel to be operated in accordance with the Standards, and (ii) is most likely to maximize Gross Operating Profit over the medium and long term.

The Operator shall act reasonably and exercise prudent business judgment in preparing each proposed Annual Plan and any revisions thereto. The Operator recognizes that the budgeting process is a key aspect of the relationship between the Owner and the Operator. Except as the Operator may reasonably deem necessary in order to avoid emergency threats to person or property, the Operator, shall use best efforts to (A) strictly adhere to the Annual Plan on an aggregate and line-item basis and (B) request, in advance, the Owner's consent (which shall not be unreasonably withheld) to make any controllable expenditures that are likely to deviate from the Annual Plan.

2.2 Use its best efforts and diligence in the renting of rooms and facilities of the Hotel to guests and tenants at such rates and on such terms as may be fixed from time to time by the Operator in its sole discretion.

2.3 Identify, on behalf of the Owner, a suitable General Manager for the Hotel and negotiate and finalize the terms and conditions of his employment and cause the Owner to employ such person as General Manager.

2.4 Supervise and direct the General Manager in all matters relating to the operation of the Hotel and satisfy the proper operation of the Hotel by the General Manager in keeping with the Standards, directions, and instructions provided by the Operator. The right to supervise and direct the General Manager shall include the right to promote and discharge the General Manager and to extend or terminate his services in such manner and on such terms as the Operator considers appropriate. The Owner recognizes that the Operator has expertise and experience in the matter of selection, supervision and other matters relating to the efficient performance of the General Manager and agrees to promptly abide by the decisions and recommendations of the Operator and to take such acts as may be necessary to speedily comply with the decisions and recommendations of the Operator in this regard.

2.5 On behalf of the Owner, select and hire the executive staff and other employees required for the operation of the Hotel and carry out all tasks relating to the training, fixation of payroll, promotion and discharge of the executive staff and employees and supervise and direct their work at all times. All executive staff and employees shall be employees of the Owner and shall be employed by the Owner based on the recommendations and selections of the Operator on such terms and conditions, including compensation, as the Operator shall determine. The Owner shall require all executive staff and employees to work under the direction and supervision of the Operator who shall normally carry out such direction and supervision through the General Manager. The Owner recognizes that the Operator has expertise and experience in the matter of selection, supervision and other matters relating to the efficient performance of the executive staff and employees engaged for the operation of the Hotel and agrees to promptly abide by the decisions and recommendations of the Operator and to take such acts as may be necessary to speedily comply with the decisions and recommendations of the Operator in this regard.

Subject to availability, the Operator shall be permitted to provide a reasonable number of hotel guest-rooms for the use of the General Manager and other management employees, if Operator considers it necessary or expedient.

2.6 Establish and supervise an accounting department, with appropriate hotel accounting and cost control systems and personnel, to be maintained at and in relation to the Hotel. The Operator shall establish and supervise all bookkeeping, accounting, control and clerical services, including the maintenance of payroll records incidental to the efficient operation and maintenance of the Hotel and shall have the accounts audited by the Auditor.

2.7 Arrange to conduct periodic internal audits of the operations of the Hotel, including its systems and procedures and for this purpose to retain, if necessary, the services of an Independent Certified Accountant.

2.8 Operate, direct and supervise the operation of the Hotel utilizing its expertise and experience in the operation and management of hotels internationally and make available such expertise and experience in operation and management activities, including, without limitation, its engineering, maintenance, accounting, cost control, taxation, food and beverage control, labor relations and safety departments and for this purpose to engage the services of any of its affiliates or associates on such terms as are reasonable.

2.9 Receive, consider and handle with due decorum and courtesy the complaints of all tenants, guests or users of any of the services or facilities of the Hotel.

2.10 Enter into arms-length, market-rate contracts in the name of the Owner in order to procure for and on account of the Hotel electricity, gas, water, telephone, cleaning (including window cleaning), housekeeping, pest control, maintenance services for boiler, air conditioning and all other equipment and other necessary utilities, services, materials and supplies and enter into such other contracts as may be necessary for the efficient management and operation of the Hotel. All such contracts shall (i) have a term no longer than one (1) year, or (ii) be terminable upon sixty (60) days' notice without penalty or termination fee, or (iii) be approved in writing in advance by the Owner, such approval not to be unreasonably withheld or delayed.

2.11 Maintain the Hotel in good repair and condition and in so doing make or cause to be made such routine repairs and maintenance and minor alterations as it deems necessary.

2.12 Operate the Hotel in compliance with applicable laws and regulations; for this purpose, apply for and obtain or cause Owner to apply for and obtain all necessary approvals and registrations for and in relation to the operations of the Hotel.

2.13 Institute any necessary legal actions or proceedings to collect charges, rent or other income due to the Hotel or to oust or dispossess guests, tenants or other persons in possession, or to cancel or terminate any tenancy for the breach thereof or default thereunder by the tenant or to obtain specific performance of any contracts which the Hotel may have entered into or to defend or protect any one or more of the Hotel, the Operator, and the Owner from any action, litigation, claims, etc. made against any of these entities in relation to the operations of the Hotel; provided, however, that the Operator shall notify the Owner in writing of any legal actions or proceedings in excess of US\$10,000 and the Owner shall have the right to direct and control any and all legal actions or proceedings (other than for trade debts, over which the Operator shall retain control) involving claims in excess of US\$25,000.

2.14 Participate, wherever considered directly beneficial to the Hotel by the Operator, in any joint advertising or business promotion activities being undertaken for other hotels operated by the Operator or other hotels operating as a part of the Amanresorts Group; in such cases, the Hotel shall bear an equitable pro rata share of the actual cost of such advertising and promotion activities. If the Hotel is the sole subject of any advertising, then the Hotel shall bear the full actual cost of such advertising.

2.15 Operate the Hotel and comply with the Owner's covenants and obligations as the Tenant under the Lease insofar as such covenants and obligations relate or are associated with the services to be supplied by the Operator and the Operator's obligations under this Agreement.

3. The Operator agrees that, in the event that the Operator (pursuant to the terms and conditions of this Agreement) intends to enter into a contract for the provision of goods or services to the Hotel, and such contract is with an affiliate of the Operator, the Operator shall provide the Owner with thirty (30) days' advance notice before entering into any such contract and the Owner shall have the right to review and approve such contract prior to its execution. The Owner's approval of such affiliate contract shall not be unreasonably withheld, conditioned or delayed, so long as the terms and conditions thereof are competitive with the arms-length terms and conditions otherwise obtainable with a third party in the marketplace for equivalent goods and services. In any event, all such contracts shall (i) have a term no longer than one (1) year, or (ii) be terminable upon sixty (60) days' notice without penalty or termination fee, or (iii) be approved in writing by the Owner prior to execution thereof, such approval not to be unreasonably withheld or delayed.

ARTICLE VIII Insurance

1. The Owner shall procure and maintain where appropriate with the Operator's assistance all fire, public liability, indemnity, fidelity, property and other types of insurance which are necessary or appropriate for the operation of the Hotel, including (but without limiting the generality of the foregoing):

1.1 During the period of construction, furnishing and equipping of the Hotel, full and adequate public liability and indemnity and property damage insurance (if available) protecting the Owner and the Operator against loss or damage arising by reason of all activities in connection with the development, construction, furnishing, equipping, management, operation and maintenance of the Hotel.

1.2 Use and occupancy insurance against loss or damage by fire and other hazards included in an extended coverage endorsement (including business interruption insurance).

1.3 If the Operator shall consider it appropriate, insurance against loss of income for the Hotel due to riot, civil commotion and insurrections.

1.4 Insurance against such other operating risks against which it is now or hereafter may be customary to insure in the operation of similar hotels.

2. As part of the Annual Plan and continuing annually thereafter, the Operator shall furnish the Owner with a schedule setting forth the kinds and amounts of insurances proposed to be obtained or continued, including the insurances required in the foregoing sections, and such other kinds and amounts of insurances as the Operator shall deem necessary or advisable for the protection of the interest of the Owner and the Operator. Promptly thereafter, except as to the insurances required in the foregoing sections, the parties shall agree as to the kind, amount and form of additional insurance to be obtained. If the Owner fails to obtain any required insurances,

the Operator shall thereupon forthwith apply for and obtain on the Owner's behalf, if obtainable, all such insurances.

3. Policies of insurance shall name the Owner, and where appropriate, jointly name the Operator in accordance with their respective interests. The originals of all policies of insurance and certificates of insurance thereof shall be kept and maintained by the Operator, and copies of certificates of insurance shall be forwarded to the Owner.

4. Any insurance of the character described in this Article, including business interruption insurance, may be effected by policy or policies of blanket insurance which may cover other properties or locations owned or managed by the Operator, its parent company or its other subsidiaries or associated companies, or companies within the Amanresorts Group of companies, in which event the premiums for and costs and expenses associated therewith shall be fairly allocated by the Operator among the several hotels covered by the said policy or policies. Any such blanket insurance policies shall be competitively bid and the Operator shall provide the Owner with a full written disclosure of such allocation. After reviewing such disclosure, the Owner shall have the right to opt out of any blanket insurance policy provided by the Operator and replace such policy with coverage by the insurer of the Owner's choice.

5. Neither the Owner nor the Operator shall assert against the other and each of them do hereby waive with respect to one another, any claims for any losses, damages, liability or expenses (including legal fees) incurred or sustained by either of them to the extent that the same are covered by insurances as aforesaid, on account of damage or injury to person or property arising out of the ownership, management, operation or maintenance of the Hotel.

ARTICLE IX

Rates, Assessments, Property Taxes and Other Similar Payments

1. All rates, assessments, property taxes and other similar payments in respect of the Hotel shall be paid by the Owner promptly as and when the same shall become due. In the event that the Owner fails to do so, the Operator may pay the same from the Hotel Account(s) in which case the Owner shall forthwith upon demand by the Operator reimburse to the Hotel Account(s) the amount thereof in full. If the Owner wishes to protest any of these payments, the Operator will cooperate with the Owner in doing so (including forbearing from paying the same if necessary), provided that in the reasonable opinion of the Operator, there is no adverse affect on the operations of the Hotel.

2. The Owner shall, as and when requested by the Operator, at reasonable times furnish to the Operator copies of the official bills and receipts relating to such payments.

ARTICLE X

Bank Accounts and Disbursements

1. All monies received by the Operator in the course of operating the Hotel, including the Working Capital, shall be deposited in a special account or accounts in the name of

decided by the Auditor whose decision shall be final and binding. The cost and expense of audits pursuant to this section shall be Operating Expenses.

7. If no objections are made by either the Owner or the Operator to the said Financial Statements within thirty (30) days after delivery of the same, the audited Financial Statements shall be deemed to be correct and conclusive for all purposes. The Owner and the Operator shall endeavor, in good faith, to resolve any objections or differences that may be raised in relation to the Financial Statements; in any case all objections and differences in relation to the Financial Statements shall be resolved within 60 days of communication of the objections or differences together with the reasons therefore. "Financial Statements" shall include the profit and loss statement, balance sheet and cash flow statement, and application of funds statement.

ARTICLE XII

Management Fees and Reimbursements

1. In consideration of the management services provided by the Operator under this Agreement, for each Fiscal Year during the Operating Term (and proportionately for a fraction of a Fiscal Year), the Operator shall be entitled to withdraw from the Hotel account(s) as its management fees, the Basic Fee and the Incentive Fee.

2. The Basic Fee and the Incentive Fee shall be payable on the twentieth (20th) day of each calendar month with respect to Gross Revenues and Gross Operating Profit, respectively, for the previous calendar month. The Incentive Fee shall be determined in relation to the Gross Operating Profit for each Fiscal Year only. Any losses or surpluses of any Fiscal Year shall not be carried forward for set-off against profits or losses of subsequent years.

3. The Basic Fee and the Incentive Fee payable for any given calendar month shall be the Basic Fee percentage or Incentive Fee percentage of the cumulative Fiscal Year-to-date total Gross Revenues or total Gross Operating Profit, as the case may be, less the amount of the payments on account of the Basic Fee or Incentive Fee, as the case may be, previously paid to the Operator during such Fiscal Year.

4. At the end of each Fiscal Year and following the receipt by the Owner of the annual audited accounts for the Hotel, an adjustment shall be made on the basis of the said audited accounts, if necessary, so that the Operator shall receive its proper Basic Fee and Incentive Fee for the said Fiscal Year and (i) the Operator will promptly reimburse the Owner for any overpayments in either or both of the Basic Fee and/or the Incentive Fee (as applicable), revealed by the annual audit, or (ii) the Owner will promptly reimburse the Operator for any underpayment revealed by the annual audit.

5. In addition to the payment of the management fees set out in this Article, the Owner shall further reimburse the Operator for all costs and expenses incurred by the Operator directly in connection with rendering services under this Agreement, whether by the Operator's own officers and employees or by officers and employees of other Amanresorts Group entities or

at other Amanresorts Group hotels who may be specifically requested to assist on matters directly relating to the operation of the Hotel, or by specialists not regularly employed by the Operator if such costs and expenses are incurred directly in connection with the Hotel.

6. Any delay in payment of the fees payable to the Operator, occasioned by non-availability of funds or any restrictions placed or inaction by Owner shall cause interest to be payable to Operator for the period of delay. Such interest shall be payable at the rate of 12% per annum for the period of the delay.

7. The Operator may also charge to the Hotel its Reimbursable Expenses. The Operator may offer complimentary or discounted rooms, food, beverages and/or other facilities and services of the Hotel to any person if, in the reasonable business judgment of the Operator, such action will promote the Hotel and/or increase the Gross Operating Profit to Owner, but in all cases subject to Operator's complimentary room and amenities policy as the same may be amended from time to time.

8. The costs and expenses so charged pursuant to Sections 5, 6 and 7 shall be Operating Expenses.

ARTICLE XIII Payments to the Owner

During each Fiscal Year, the Operator shall make monthly payments to the Owner on a rolling basis of such sums in the Hotel operating accounts in excess of the amount of Working Capital required pursuant to Article IV above. Such monthly payments shall be made no more than 30 days after the end of each month; and no such payment shall be made for the first six (6) months of the Operating Term.

ARTICLE XIV Set-Off, Counterclaims, Withholding Taxes, Etc.

To the extent permitted by Law, all sums payable to the Operator under this Agreement shall be paid by the Owner in full, free of any restriction or condition, without set-off or counterclaim and free and clear of and without any deduction or withholding for or on account of any tax. If the Owner or any other person is required by Law to make any deduction or withholding from any payment for the account of the Operator, the Owner shall together with such payment pay an additional amount so that the Operator receives free and clear of any tax the full amount which it would have received if no such deduction or withholding had been required. The Owner shall promptly forward to the Operator copies of official receipts or other evidence showing that the full amount of any such deduction or withholding has been paid over to the relevant taxation or other authority.

ARTICLE XV Repairs and Maintenance and Capital Improvements

1. Subject to the performance by the Owner of its obligations under this Agreement, the Operator agrees to maintain the Hotel in good repair and condition (ordinary wear and tear

excepted). Repairs and maintenance shall be authorized by the Operator in its sole discretion and expenses for the same shall be Operating Expenses.

2. If expressly included in the Annual Plan or with the prior written approval of the Owner (which the Owner may grant or deny in its sole and absolute discretion), the Operator may make such alterations, additions and improvements to the buildings and facilities of the Hotel as are necessary in order to maintain the Hotel in accordance with the Standards. The cost of such alternations, additions or improvements shall be treated in accordance with the Uniform System (or, in the event the Uniform System is silent on the subject, then in accordance with Generally Accepted Accounting Principles).

ARTICLE XVI
Reserve for Capital Replacements

During the Operating Term, a reserve for capital replacements equal to three percent (3%) of the Adjusted Gross Revenue for that Fiscal Year shall be created and shall be funded on a monthly basis into a bank account with an institution selected by the Operator and approved by the Owner. Such fund shall be recorded on the books of account maintained for the Hotel as "Reserve for Capital Replacements". The fund shall be used solely for replacements, renewals or additions to the Furnishings & Equipment, at the discretion of the Operator. Any such expenditures may be made by the Operator without the consent of the Owner up to the amount of such fund (including unused accumulations thereof from earlier Fiscal Years), and any such expenditures shall be paid from such fund. To the extent that such expenditures in any Fiscal Year are less than the fund for such year, the excess shall be carried forward and added to the next or any subsequent fund until fully used. Capital Replacement requirements over and above the Reserve fund shall be subject to the Owner's approval in its sole and absolute discretion. The balance in such Reserve at the termination or expiry of the Term (including extensions or renewals thereof) shall be handed over to the Owner.

ARTICLE XVII
Name of the Hotel

1. The Operator and the Owner agree that during the Operating Term, the Hotel shall at all times be known and designated by such name as the parties may from time to time agree in writing.

2. It is expressly acknowledged and agreed by the parties hereto that the words "Aman" and "Amanresorts", as well as the name of the Hotel itself, shall be the exclusive property of the Amanresorts Group of companies. Further, it is expressly acknowledged and agreed by the parties hereto that no legal right or remedy of the Owner of any kind or nature whatsoever, nor any provision of this Agreement or any other agreement shall confer upon the Owner or any of the successor or successors the right to use the words "Aman", "Amanresorts" or the name of the Hotel either alone or in conjunction with some word or words except as the trade name of the Hotel under the provisions of this Agreement and the License Agreement. Without prejudice to any other legal right or remedy of the Operator, this covenant shall be enforceable, by injunction or otherwise, by the Operator and by the Amanresorts Group of

companies or any company within its group and shall be deemed to survive any termination of this Agreement, and shall in case of conflict prevail over all other provisions of this Agreement.

3. The license to the use of the names "Aman", "Amanresorts" and the name of the Hotel shall be terminated at the expiration or earlier termination of the Operating Term and such names shall not be used for the Hotel in its name or in any other way.

4. All costs and expenses relating to any registration of the business of the Hotel as are required by law (including legal fees) and renewals of such registration shall be Operating Expenses. Costs and expenses relating to any registration of the entity of the Owner shall be the Owner's sole expense.

ARTICLE XVIII Indemnification

1. Subject to clause 4, below, the Operator shall not in the performance of this Agreement, be liable to the Owner or to any other person or entity, for any act or omission, negligent or otherwise, of the Operator or any officer, agent or employee of Operator.

2. The Owner shall at all times indemnify and keep harmless the Operator and its officers, agents and employees against all losses, costs (including reasonable legal costs and fees), claims, damages and expenses incurred or sustained by the Operator or for which the Operator may become liable with respect to any claim involving or arising out of the performance by the Operator of its obligations under this Agreement.

3. If any claim is asserted or any legal proceedings are commenced against the Operator, the Owner will, at the Operator's request, assume the defense of any such proceeding brought by any third party to establish any such liability.

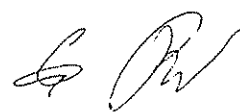
4. Clauses 1, 2 and 3 above shall not apply if the claims or legal proceedings were brought about by the Operator's gross negligence, criminal negligence, fraud, or willful misconduct in the management of the Hotel.

5. The Operator shall indemnify and hold harmless the Owner and its officers, agents and employees from and against all losses, costs (including reasonable legal costs and fees), claims, damages and expense which the Owner or its officers, agents and employees may sustain or incur by reason of any claim by any person or entity involving or arising out of the gross negligence, willful misconduct, fraud or criminal negligence on the part of the Operator.

6. The provisions of this Article shall survive any expiration or termination of this Agreement and shall remain enforceable notwithstanding such expiration or termination.

7. Notwithstanding any provision hereof to the contrary, the Owner and Operator each agree for the benefit of the other to look first to the appropriate insurance coverages in effect under this Agreement in the event of any claim or liability, regardless of the cause thereof.

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ARTICLE XIX
Termination

1. This Agreement may at any time during the Operating Term be terminated in accordance with the following provisions:

1.1 At the option of the Owner:

1.1.1 By notice in writing to the Operator, in the event of abandonment of the Hotel by the Operator PROVIDED ALWAYS that the exercise by the Owner of its option to terminate under this subsection shall be without prejudice to any right of action which the Owner may have against the Operator for any antecedent breach by the Operator of this Agreement;

1.1.2 By giving thirty (30) days notice in writing to the Operator, if the Operator shall fail to observe or perform any of the material provisions of this Agreement, despite the Owner having given written notice of such default to the Operator and such default shall not have been remedied within thirty (30) days after such notice PROVIDED ALWAYS that the exercise by the Owner of its option to terminate under this subsection shall be without prejudice to any right of action which the Owner may have against the Operator for any antecedent breach by the Operator of this Agreement;

1.1.3 By giving notice in writing to the Operator, in the event that the entire or a substantial portion of the Hotel or its services being, by law, acquired, condemned, or closed;

1.1.4 By giving notice in writing to the Operator, in the event that the Operator files for bankruptcy, is adjudicated a bankrupt, enters into liquidation whether voluntarily or compulsorily or compounds with its creditors generally or has a receiver appointed of all or any substantial portion of its assets or takes or suffers any similar action in consequence of its debts; PROVIDED ALWAYS, that the exercise by the Owner of its option to terminate under this subsection shall be without prejudice to any right of action which the Owner may have against the Operator for any antecedent breach by the Operator of this Agreement;

1.1.5 By giving sixty (60) days' notice in writing to the Operator in the event that the Operator fails to achieve a Gross Operating Profit in three successive years (but not including any of the first three full Fiscal Years of the Operating Term and not including any period of time during which an event of force majeure applies or any period during which the Hotel undertakes a major renovation or where the business shortfall is a result of an event of default by the Owner), provided that any such notice shall be of no effect if, during such notice period, the Operator pays to the Owner the amount of the Gross Operating Loss for the third of such years by way of interest-free loan, which loan shall be repaid by the Owner to the Operator out of any Gross Operating Profits of each subsequent Fiscal Year. Should the Operator fail to achieve a Gross Operating Profit in the fourth successive year, then this provision shall apply again so that the Owner may terminate this Agreement by notice unless the Operator pays to the

Owner as an interest-free loan the amount of the Gross Operating Loss in such fourth year. If the Operator fails to achieve a Gross Operating Profit in the fifth successive year, then the Owner may terminate this Agreement by sixty (60) days notice in writing to the Operator and a full repayment of any loans outstanding from the Operator hereunder (and the Operator shall have no ability to avoid the effect of such termination notice by making a further payment to the Owner); or

1.1.6 By giving notice to the Operator if for any reason the Lease is terminated.

1.2 At the option of the Operator:

1.2.1 By giving thirty (30) days notice in writing to the Owner, in the event that the Owner shall fail to observe or perform any of the material provisions of this Agreement, despite the Operator having given written notice of such default to the Owner and such default shall not have been remedied within thirty (30) days after such notice PROVIDED ALWAYS that the exercise by the Operator of its option to terminate under this subsection shall be without prejudice to any right of action which the Operator may have against the Owner for any antecedent breach by the Owner of this Agreement;

1.2.2 By giving notice in writing to the Owner, in the event of the entire or a substantial portion of the Hotel or its services being, by Law, acquired, condemned, or closed;

1.2.3 By giving notice in writing to the Owner, in the event the Owner files for bankruptcy, is adjudicated a bankrupt, enters into liquidation whether voluntarily or compulsorily or by law or compounds with its creditors generally or has a receiver appointed of all or any substantial portion of its assets or takes or suffers any similar action in consequence of its debts; PROVIDED ALWAYS, that the exercise by the Operator of its option to terminate under this subsection shall be without prejudice to any right of action which the Operator may have against the Owner for any antecedent breach by the Owner of this Agreement; or

1.2.4 By giving notice in writing to the Owner, in the event of the failure of any of the conditions of Article XXVIII.

ARTICLE XX Procedure Upon Termination

1. In the event of termination of this Agreement, whether by passage of time or otherwise, the following steps shall be taken, in the following order:

1.1 The Auditor shall conduct a final accounting and audit of the books and records of the Hotel and shall produce and deliver to the Owner and the Operator final audited accounts to the date of the termination, such audit and finalization of accounts to be completed within 45 days of the date of termination.

1.2 Within 15 days from the date on which the audited accounts are received, all fees, reimbursements and other amounts determined as due to the Operator up to the date of termination shall be paid from the Hotel account(s) to the Operator and if the balances in the Hotel account(s) are insufficient for this purpose then the Owner shall effect such payment to the Operator. Similarly, any sums recoverable from the Operator shall become immediately payable by the Operator and shall be remitted to the account of the Hotel within 15 days of receipt of the audited accounts.

1.3 All other amounts and the remaining assets of the Hotel shall be paid to or retained by the Owner provided that the Owner shall forthwith cease to use any current assets that carry the "Aman" or "Amanresorts" name and logo and that the Operator shall be entitled to remove any proprietary software, operating and other manuals, personal guest history records and the like that are associated with Hotel operations by the Operator.

ARTICLE XXI
Partial Invalidity

In the event that one or more of the phrases, sentences, clauses or paragraphs contained in this Agreement shall be declared invalid by the final and unappealable order, decree or judgment of a court of competent jurisdiction, the remainder of this Agreement shall not be affected by the court's determination. In such event the Owner and the Operator agree to promptly negotiate an amendment to this Agreement in good faith so as to effectuate, as closely as possible, the original intent of the Owner and the Operator in a manner permissible by Law.

ARTICLE XXII
Force Majeure

In the event that the performance by any party to this Agreement of its obligations hereunder is prevented by force majeure, including, but not limited to: acts of God, flood, typhoon, earthquake, tidal wave, landslide, fire, plague, epidemic, quarantine restriction, perils of the sea; war or serious threat of the same, civil commotion, blockade, arrest or restraint of government, rulers or people; strike, lockout, sabotage, other labor dispute; acts of terrorism; or any other causes or circumstances whatsoever beyond the party's reasonable control, including the issuance of an adverse travel advisory, then, such party shall not be liable for loss or damage, or failure or delay in performing its obligations under this Agreement.

ARTICLE XXIII
Damage, Destruction, Compulsory Taking

1. Subject to Clause 2 below, if the Hotel or any portion thereof shall be damaged or destroyed at any time during the Operating Term by fire, casualty or any other cause, the Owner shall, so long as sufficient insurance proceeds therefore are available, at its own expense and with due diligence, repair or replace the Hotel so that the Hotel shall be substantially the same as that prior to such damage or destruction. If the Owner shall fail:

1.1 to commence such work within sixty (60) days of the later to occur of (a) receipt of insurance proceeds or confirmation by the insurance carrier that such proceeds will be made available to cover actual costs of repair or replacement, whichever is earlier, and (b) the obtainment of all governmental approvals and permits with respect to all work to be completed; or

1.2 to complete such work diligently,

then the Operator may, at its option, either:

1.3 terminate this Agreement by written notice to the Owner; or

1.4 undertake or complete such work for the account of the Owner to the extent of such available insurance proceeds, in which case the Operator shall be entitled to be repaid therefor from such insurance proceeds.

2. If the Hotel is damaged or destroyed by fire or other insurable cause to such an extent that the cost of repair or replacement as reasonably estimated by the Owner exceeds one third of the original cost of the Hotel, then:

2.1 the Owner may determine not to repair or replace the Hotel, in which event the Owner may provisionally terminate the Operator's services by notice to the Operator unless the Operator, in its reasonable opinion, determines that it can operate the remainder of the Hotel as an Aman resort in accordance with the Standards.

3. If thereafter at any time during the three (3) year period following such termination, the Owner repairs, rebuilds or replaces the Hotel, the Operator may within sixty (60) days of the commencement of such repair or replacement or on receipt of written notice from the Owner of its intention to repair or replace the Hotel, reinstate such services by written notice to the Owner (such services to be reinstated on terms and conditions substantially similar to those set forth herein).

4. If the whole or a major portion of the Hotel shall be taken in any expropriation, condemnation or similar proceedings such that in the Operator's opinion it becomes unreasonable to operate the remainder of the Hotel as a hotel of the type and class as existed prior to such taking, then any award or compensation for such taking shall be equitably apportioned between the Owner and the Operator after recoupment by the Owner or its constituent partners of their investments in the Hotel.

5. If only a part of the Hotel shall be so taken and the taking of such part does not make it unreasonable, in the Operator's reasonable opinion, to operate the remainder of the Hotel as a hotel of the type and class preceding such taking, so much of any award or compensation received by the Owner shall be made available as shall be reasonably necessary for making alterations or modifications to the Hotel so as to make it a satisfactory architectural unit as a hotel of similar type and class as prior to the taking. The balance of the award or compensation

shall be equitably apportioned between the Owner and the Operator having regard to their respective interests in the Hotel.

ARTICLE XXIV
Successors and Assigns; Sale of Hotel

1. The Owner shall not in any manner sell, assign, transfer, lease or otherwise alienate its interest in the Hotel or its rights or obligations under this Agreement, without the prior written consent of the Operator, which consent shall not be unreasonably withheld.
2. The Operator shall not assign or transfer to any third party its obligations or rights under this Agreement, save with the prior written consent or approval of the Owner, which consent shall not be unreasonably withheld; provided, however, (a) the Operator acknowledges that the Landlord under the Lease must also give its approval to any such assignment or transfer and the Owner's approval shall not be deemed to be unreasonably withheld if it is withheld as a result of the Landlord itself withholding approval and (b) that the Operator may assign or transfer any of its rights or obligations under this Agreement to any member of the Amanresorts Group of Companies without notice to or consent or approval of the Owner.
3. It is understood and agreed that any consent or approval granted by either the Owner or the Operator to any such assignment shall not be deemed a waiver of the provisions herein contained against assignment, transfer or alienation in relation to any subsequent sale, assignment, transfer or alienation or purporting so to do.
4. Subject to the provisions of this Article XXIV, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors in title and the assigns of the Owner and of the Operator.
5. The Owner shall not be entitled to sell the Hotel to any third party without first giving Operator the first right of refusal to buy the Hotel. For this purpose, the Owner shall give the Operator notice in writing of its intention to sell the Hotel at a price and other terms specified in such notice and offer the Hotel to the Operator on the same price and terms. The Operator shall be entitled to exercise its right to buy the Hotel, either directly or together with or through an Affiliate or other third party, by giving notice in writing to the Owner within 30 days of receipt of the offer; the Operator shall be bound to complete the purchase within 60 days of communicating acceptance of the Owner's offer. If the Operator does not communicate its intention to buy the Hotel within the said 30 days or communicates that the Operator is not interested in purchasing the Hotel, then the Owner shall be entitled to sell the Hotel to any other Party within a period of 120 days, provided that the price and other terms and conditions of such sale are not more beneficial than those at which the Hotel was offered to the Operator. If a sale is not made on such basis within the said period of 120 days, then the Operator shall be entitled to receive a fresh offer and exercise a fresh right of refusal to buy the Hotel.
6. For the avoidance of doubt, Owner agrees not to sell or otherwise transfer its interest in the Hotel to any third party unless such party agrees to assume Owner's rights and obligations under this Agreement.

ARTICLE XXV

Notices

Any notice required to be given under this Agreement shall be in writing and shall be deemed to have been effectively given (i) when personally delivered, (ii) three (3) working days after dispatch by reputable international courier service, or (iii) when sent by facsimile, in each such case addressed as follows or to such other address as either the Owner or the Operator may subsequently designate by notice to the other party:

To the Owner, at both:

AND

To the Operator, at both:

#05-01 Tourism Court
One Orchard Spring Lane
Singapore 247729

Attention: Chairman
Fax No.: 65-6883-2431

AND

Amanresorts Legal
3864 Foothill Road
Santa Barbara, California 93110
USA

Attention: Mark Silverstein
Fax No.: 805-569-5448

ARTICLE XXVI

Applicable Law; Arbitration

1. This Agreement shall be construed and interpreted in accordance with the laws of England.



2. All disputes and differences that may arise between the Parties hereto in regard to the carrying out of the terms and conditions hereunder and/or the interpretation thereof in any way whatsoever or as to the construction, meaning, validity or effects of this Agreement or any clause, matter or thing herein contained or the rights and liabilities of the Parties hereunder, or any breach hereof, which cannot be settled by friendly negotiations, shall be referred to arbitration. The arbitration panel shall consist of three arbitrators, one to be nominated by the Owner and the second to be nominated by the Operator. The two arbitrators shall jointly select the third arbitrator. The decision of the arbitration panel shall be final and binding upon the Parties. The arbitration shall be held in London, England and shall be conducted in the English language and shall be conducted in accordance with the International Chamber of Commerce Rules of Arbitration as in effect on the date hereof. The enforcement of the award may be entered in any court of competent jurisdiction.

ARTICLE XXVII

Definitions

As used in this Agreement:

1. [reserved]
2. The term "Amanresorts Group of companies" or "Amanresorts Group" shall mean the group of companies whose shares are held or beneficially owned, in whole or in part and whether directly or indirectly, by Silverlink Holdings Limited or any subsidiary (whether or not wholly owned) thereof.
3. The term "Annual Plan" means such statements, estimates and schedules as are mentioned in Section 2.1 of Article VII, as amended from time to time.
4. The term "Auditor" shall mean such third-party auditor chosen by the Owner to perform the audits contemplated by this Agreement.
5. The term "Basic Fee" shall mean an amount equal to four per cent (4%) of the Gross Revenue.
6. The term "Building and Appurtenances" shall mean a building or buildings designed and built for operation as a deluxe international hotel and containing, collectively, about [] guest rooms and restaurants, lobbies, bars and lounges, commercial space, back-of-the-house and parking areas, recreational facilities and other related facilities.
7. The term "the Country" shall mean Montenegro.
8. The term "Expert" shall mean an independent, nationally (i.e., within the United States) or internationally recognized consulting firm or individual qualified to resolve the issue in question and who is appointed in each instance by agreement of the parties, or failing such agreement, by each party selecting one Expert and the two selected Experts then choosing the Expert to resolve the particular matter in dispute.



9. The term "Expert Resolution Request" shall have the meaning ascribed to such term in Article VII, Section 2.1

10. The term "Financial Statement" shall have the meaning ascribed to such term in Article XI, Section 7.

11. The term "Fiscal Year" shall mean the twelve-month period commencing on January 1 and ending on December 31, except that the first Fiscal Year shall mean the period from the opening of the Hotel to the immediately succeeding 31 December. In the event the effective date of this Agreement shall be a date other than January 1st, such partial year ending on December 31 shall be deemed to be the first Fiscal Year.

12. The term "Furnishings & Equipment" shall mean all furniture, furnishings, fixtures, life safety and fire equipment on or required for the management and operation of the Building and Appurtenances, kitchen equipment, computer equipment, swimming pool equipment, and all other personal property related to the operation of the Hotel.

13. The term "Generally Accepted Accounting Principles" shall mean the set of accounting standards known as the same.

14. The term "General Manager" shall mean the general manager of the Hotel.

15. The term "Gross Operating Profit" shall mean the excess, during each Fiscal Year (and proportionately, for any period less than a Fiscal Year) of Gross Revenues over Operating Expenses of the Hotel during the same period.

16. The term "Gross Operating Loss" shall mean the deficit, during each Fiscal Year (and proportionately, for any period less than a Fiscal Year), which may result after deducting Operating Expenses from Gross Revenues during the same period.

17. The term "Gross Revenue" shall mean all income and proceeds of every kind (whether in cash or on credit) resulting from the operation of the Hotel and all of the facilities therein including, without limitation, all income received from tenants, transient guests, lessees, licensees and concessionaires (but not including the gross receipts of such lessees, licensees or concessionaires) and other persons occupying space at the Hotel and/or rendering services to the Hotel guests (but exclusive of all consideration received at the Hotel for hotel accommodations, goods and services to be provided at other hotels, although arranged by, for or on behalf of the Operator), all income from catering operations conducted outside of the Hotel, and the proceeds of business interruption insurance actually received by the Operator or the Owner with respect to the operation of the Hotel less Turnover Taxes which have been added onto the customers' bills and actually received by the Hotel as part of the Hotel's revenue. Notwithstanding the foregoing, however, in no event shall Gross Revenue include any of the following:

17.1 receipts from the financing, sale or other disposition of capital assets and other items not in the ordinary course of the Hotel's operations and income derived from securities and other property acquired and held for investment;

17.2 receipts from awards or sales in connection with any taking, from other transfers in lieu of and under the threat of any taking, and other receipts in connection with any Taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel;

17.3 rebates, discounts, or credits of a similar nature;

17.4 notwithstanding any contrary requirements of generally accepted accounting principles, all gratuities (or service charges in lieu of gratuities) collected for the benefit of and paid to Hotel personnel;

17.5 proceeds of any financing;

17.6 the initial operating funds and working capital loans and any other funds provided by the Owner to the Operator; and/or

17.7 the value of any complimentary rooms, goods or services.

18. The term "Hotel" shall mean the Site, the Building and Appurtenances, Furnishings & Equipment, Operating Equipment and Operating Supplies.

19. The term "Incentive Fee" shall be an amount equal to ten per cent (10%) of the Gross Operating Profit.

20. The term "Independent Certified Accountant" shall mean an independent accountant or firm of accountants other than the Auditor.

21. The term "the Law" shall mean all laws, acts, ordinances, rules, regulations, orders, enactments or determinations in relation to the Hotel and its operations by any governmental municipal or other authority having jurisdiction over the Hotel or its operations.

22. The term "License Agreement" shall mean that certain license agreement to be entered into by and between the Owner and the Operator.

23. The term "Licenses" shall mean all licenses, permits, consents, approvals and authorizations (governmental, municipal or otherwise) required for the occupation, management and operation of the Hotel in accordance with this Agreement including, but not limited to: occupation certificate, operation of boilers and generator sets, storage of gas and fuel, liquor licenses for the sale of alcoholic beverages at all restaurants and bars in the Hotel and to all guest rooms; restaurant and hotel licenses; and all licenses, permits, consents, approvals and authorizations (governmental, municipal or otherwise) required for the procurement and import of Furnishings & Equipment, Operating Equipment, Operating Supplies, foods and beverages for the Hotel to operate as an international deluxe hotel meeting the Standards.

24. The term "Loan Deadline" shall have the meaning ascribed to such term in Article XIX, Section 1.1.6.

25. The term "Marketing Services Agreement" shall mean that certain marketing services agreement to be entered into by and between the Owner and the Operator relating to the marketing, promotion and other services with respect to the Hotel.

26. The term "Net Profit" shall mean the resulting balance after deducting from the Gross Operating Profit for a Fiscal Year (and proportionately, for any period less than a Fiscal Year) any or all of the following charges as they occur in accordance with the Uniform System:

26.1 real estate and personal property taxes;

26.2 Turnover Taxes;

26.3 premiums for insurance policies for the Hotel and the costs and expenses associated therewith including without limitation the policies referred to in Article VIII;

26.4 interest, lease and other financing costs;

26.5 reserve for capital replacements pursuant to Article XVI;

26.6 additional working capital as may be required for the efficient management and operation of the Hotel;

26.7 the cost and expense of any matter or thing to be done at the Owner's sole cost and expense under this Agreement or otherwise done at the request of the Owner;

26.8 management fees payable to the Operator; and

26.9 technical services fees payable for technical services rendered to Hotel.

27. The term "Operating Expenses" shall mean the entire costs and expenses of maintaining, conducting, and supervising the operation of the Hotel (but shall not include, except as otherwise provided in this Agreement (a) principal of and interest on the Owner's indebtedness and any rent payable by the Owner (b) contributions to and amounts paid from the Reserve for Capital Replacements, (c) depreciation and amortization including amortization of pre-opening expenses or any rental, interest, or insurance premiums payments classified under Fixed Charges of the Uniform System, (d) any taxes payable by the Owner, and (e) any items deducted from Gross Operating Profit for the purpose of arriving at Net Profit, as set forth in the definition of Net Profit above) incurred by the Operator as provided in this Agreement, which Operating Expenses are properly attributable to the period under consideration under the Operator's system of accounting, implemented pursuant to Section 2.4 of Article VII, including without limitation:

27.1 The cost of all food and beverages sold or consumed and of all Operating Equipment and Operating Supplies, other than initial inventories of Operating Equipment and Operating Supplies furnished by the Owner.



27.2 Salaries and wages and employee benefits of Hotel personnel, including, without limitation, pension plans, medical insurance, life insurance, travel accident insurance and bonuses, including cost of payroll taxes and employee benefits, severance or other termination benefits and accruals therefor; the cost of moving Hotel personnel (including Expatriates), their families and personal belongings to the Hotel, and their return, and all other expenses not specified or referred to herein which are referred to as "Administrative and General Expenses" in the Uniform System. If the general manager or other executive personnel of the Hotel are on the payroll of the Operator or any member of the Operator's group of companies, the cost of their salaries, bonuses, payroll taxes and employee benefits (including family home leave airfares and allowances) shall be billed by said company to and be reimbursed by the Owner monthly and such amount of reimbursement shall be an Operating Expense. Except as herein otherwise expressly provided, the salaries or wages of other employees or executives of the Operator and all members of the Operator's group of companies shall in no event be Operating Expenses, but reasonable and customary traveling expenses incurred by them in connection with the management of the Hotel, including customary and reasonable living expenses incurred during travel, shall be Operating Expenses. Notwithstanding the foregoing, if it becomes necessary for an employee or executive of any member of the Operator's group of companies to perform temporary services at the Hotel of a nature normally performed by Hotel personnel, his salary (including payroll taxes and employee benefits) as well as his reasonable and customary traveling expenses (including reasonable and customary living expenses) shall be Operating Expenses.

27.3 The cost of all other goods and services obtained by Operator in connection with its operation of the Hotel including, without limitation, heat and utilities, office supplies and services performed by third parties.

27.4 The cost of repair and maintenance of the Hotel.

27.5 All taxes, assessments and other charges (other than income taxes and Turnover Taxes) with respect to the operation of the Hotel, and water and sewage charges but excluding all taxes levied or imposed against the Hotel or its contents, such as real and personal property taxes.

27.6 The costs and expenses (including salaries) incurred after the Hotel has opened of technical consultants and specialized operational experts for specialized services in connection with non-recurring work on operation, functional, decorating, design or construction problems and activities, including the reasonable fees of any member of the Operator's group of companies in connection therewith.

27.7 All expenses for advertising the Hotel and all expenses of sales promotion and public relations activities incurred after the Hotel has opened.

27.8 All out-of-pocket expenses and disbursements reasonably, properly and specifically incurred by any member of the Operator's group of companies pursuant to, in the course of or directly related to, the management and operation of the Hotel. Without limiting the

generality of the foregoing, such charges may include all reasonable travel, telephone, facsimile, telex, telegram, cablegram, radiogram, air express, courier service and other incidental expenses, but except as herein otherwise expressly provided, shall not include any of the regular expenses of the offices maintained by any member of the Operator's group of companies other than offices maintained at the Hotel for the management of the Hotel.

27.9 Bad debts and allowances for uncollectible accounts receivable.

27.10 Legal costs and fees, and fees of any Independent Auditor, for services relating to the obtaining of all necessary approvals of this Management Agreement and of matters relating thereto and in relation to the operation of the Hotel and its facilities.

27.11 All fees payable by the Owner under the Marketing Services Agreement and License Agreement.

27.12 The Reservations Fee.

27.13 Those items not included above but described as Operating Expenses in this Agreement.

28. The term "Pre-Opening Budget" shall mean such budget prepared by Operator and approved by Owner relating to the Hotel during the pre-opening period.

29. The term "Operating Equipment" shall mean all chinaware, glassware, linens, silverware, uniforms, utensils and other items of a similar nature.

30. The term "Operating Supplies" shall mean all inventories of paper supplies, cleaning materials and similar consumable items.

31. The term "Operating Term" shall have the meaning ascribed to such term in Article III.

32. The term "Operator" shall mean Amanresorts Services Limited, a company incorporated under the laws of the British Virgin Islands.

33. The term "Owner" shall mean [].

34. The term "Reserve for Capital Replacements" shall have the meaning ascribed to such term in Article XVI.

35. The term "Reimbursable Expenses" shall mean travel and other out-of-pocket expenses incurred pursuant to and in the course of and directly related to the management and operation of the Hotel.

36. The term "Site" shall mean the parcel of land on which the hotel is sited.

37. The term "Standards" shall mean the highest quality of facilities or operations and services generally consistent with, and expected by, guests at other Aman Resorts, but distinctive and, so far as feasible, representative of the character and traditions of the Country.

38. The term "taxes" include, without limitation, all present or future taxes (of any nature and howsoever termed), levies, fiscal charges, imposts, duties, fees assessments, surcharges, or other charges of whatever nature and however arising, imposed, assessed, charged, levied or demanded by any person at any time, together with all interest thereon and penalties or similar liabilities with respect thereto but does not include any stamp, registration or documentary taxes, duties or similar charges of any kind and Turnover Taxes.

39. The term "Turnover Taxes" shall mean taxes on gross receipts or value added tax or similar turnover taxes and levies and any other direct room or room sales related taxes, fees or levies.

40. The term "Uniform System" shall mean the latest edition of the "Uniform System of Accounts for Hotels", as published by the Hotel Association of New York City, Inc., or any later or revised edition thereof; and as expressly modified by the mutual agreement of the Owner and the Operator.

41. The term "Working Capital" shall mean amounts sufficient to cover anticipated Operating Expenses.

ARTICLE XXVIII Special Conditions

It is further understood and agreed that the obligations of the Operator under this Agreement are (unless waived by the Operator in writing) subject to the following conditions:

1. The Operator shall have obtained, if permitted by applicable law, and with the cooperation and assistance of the Owner, appropriate assurance from the proper authorities as to the right:

1.1 for key personnel needed to establish and operate the Hotel, to be permitted to enter and work in the Country and in some reasonable way to be compensated in the currency of the country of their domicile and to repatriate a reasonable portion of said compensation; and

1.2 to realize, in U.S. currency, the Operator's fees and reimbursement for expenditures made in currency other than the currency of the Country.

2. The Owner, prior to delivery of the Hotel to the Operator, shall procure or obtain a transfer of all necessary consents, licenses and permits under Owner's control to enable the Operator to do business in the Country and to carry out its obligations under this Agreement.

3. The Hotel being fully constructed to the Standards and ready for full management and operation by the Operator by January 1, 2010.

ARTICLE XXIX
Borrowings by Owner

The Owner shall be permitted to create an encumbrance on the Hotel, without the prior written consent of the Operator, for the purpose of securing any loans taken by the Owner for the purpose of construction, furnishing and equipping of the Hotel or for its renovation and upgrade at any time provided that: (a) the amount of such loan shall not exceed 70% of the total project cost for the Hotel; (b) the terms of the loan are such as will not cause early termination of this Agreement other than as permitted under the terms and conditions hereof; (c) the Operator will not be required to meet any debt service obligations in respect of the loan (as such is an obligation of the Owner) otherwise than by payments to the Owner in accordance with Section XIII of this Agreement; (d) the Owner will be responsible for and shall make all payments towards interest and principal by the due dates therefore and (e) the Operator shall not be required to provide any undertaking, guarantee or security of any kind or accept any obligation of any nature whatsoever in respect of the loans taken by the Owner. In the event the Owner fails to pay debt service on the Hotel, the Operator shall have the right to make any such payment out of the Hotel's funds.

ARTICLE XXX
Miscellaneous

1. Any consent or approval required of the Owner or the Operator shall be ineffective unless in writing and signed by a duly authorized officer or agent of the respective parties. Any consent or approval required of the Owner and/or the Operator shall not be unreasonably withheld or be given subject to any conditions.

2. No modification, alteration or amendment of this Agreement nor any waiver of any provision hereof shall be effective unless in writing and signed by the party sought to be charged therewith or by its duly authorized agent.

3. The headings of the Articles and Sections of this Agreement and all of its Appendices are inserted for convenience only and are not intended to affect the meaning of any of the provisions.

4. All Appendices to this Agreement are an integral part of this Agreement and all terms defined in this Agreement and the Appendices shall have the same meaning throughout this Agreement and its Appendices.

5. References in this Agreement to Articles, Sections, subsections and Appendices are to the Articles, Sections, subsections and the Appendices to this Agreement. References to Articles or Sections, except where the context otherwise requires, are references to the relevant Article or Section in this Agreement or Article in which the reference appears. References to

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Subsections are references to the relevant Subsection in the Section in which the reference appears.

6. The Owner hereby represents that in entering into this Agreement the Owner has not relied on any projections of earnings, statements as to the possibility of future success or other similar matter which may have been prepared by the Operator or any member of the Amanresorts Group of companies, and understands that no guarantee is made or implied by the Operator or any member of the Amanresorts Group of companies as to the cost or the future financial success of the Hotel.

7. This Agreement constitutes the entire agreement between the Owner and the Operator relating to the subject matter hereof superseding all prior agreements, oral or written.

8. The failure of any party hereto at any time to require performance by any other party of any provision of this Agreement shall in no way affect the right of such party or parties to require performance of that provision and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision.

9. This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

10. This Agreement is strictly confidential and its contents shall not be disclosed to any person who is not a party hereto or a representative of such party wherever necessary, unless disclosure is required by law, for the purposes of securing loans for the Hotel, to obtain the advice of professionals or consultants, financing for the Hotel from a lender or potential lender, or investors or potential investors in the Hotel or any Party affiliate, in furtherance of a permitted assignment of this Agreement, or in order to satisfy obligations to shareholders or directors in the ordinary course of business (but in which case such professionals and representatives shall be subject to the same confidentiality). The obligations set forth in this Paragraph 10 shall survive any termination or expiration of this Agreement for a period of two years following such termination or expiration. In addition (subject to the exceptions set forth above), the Operator shall not disclose any specific information regarding financial performance of the Hotel (i.e. occupancy, average daily rate, gross operating profit, etc.) to any third party unless approved in writing by the Owner; provided that the Operator may disclose such information without the approval of the Owner to the executives, directors and shareholders of the Amanresorts Group and to the Group's advisors, lenders and potential investors in connection with any financing, sale, public offering or other corporate transaction involving one or more entities in the Group.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be executed the day and year first above mentioned.

JW



AMANRESORTS MANAGEMENT B.V.

By _____
Name:
Title:

[]

By _____
Name:
Title:

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[to be revised]

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SCHEDULE 10

Form of Performance Bond

[Letterhead of [*] Bank]

PERFORMANCE BOND

Beneficiary: HTP Budvanska Rivijera AD of 85310 Budva, TRG Slobode 2, Montenegro

PERFORMANCE BOND No.:

- (a) Whereas on [] the Lease Agreement (the "Lease") was concluded between HTP Budvanska Rivijera AD with its registered office at 85310 Budva, TRG Slobode 2, Montenegro ("the Landlord"); Adriatic Properties D.O.O. with its registered office at Budva, Mediteranska 2, Montenegro ("the Tenant"); Aidway Investments Limited with its registered office at P O Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands ("the Guarantor"). The Ministry of Tourism of Rimski Trg, 81000 Podgorica, Republic of Montenegro SCG ("the Landlord Guarantor") and Amanresorts Management BV with its registered office at (Strawinskylaan 1725, Tower B, 17th Floor, 1077XX Amsterdam, Netherlands, (Aman) "Aman")
- (b) In Clause 35 of the Lease, the Tenant has undertaken to provide the Landlord with a Performance Bond as a guarantee for fulfilment of the Tenant's commitments in respect of the works required to be carried out by the Tenant and described in Schedule 7 of the Lease ("the Works") should the Tenant fail to fulfil its obligations with regard to the execution and completion of the Works as described in the Lease;



1. **THIS BEING STATED**, we, [] (insert the name and other details of the bank), hereby irrevocably and unconditionally undertake to pay to HTP Budvanska Rivijera AD any amount up to:
EUR [20,000,000.00]
(in words: [20] million Euro)

Upon receipt of:

- (a) The Landlord's first written request for payment and its written confirmation that the Tenant has failed to fulfill its obligations in respect of the Works pursuant to the terms of the Lease[; and]
- (b) Written confirmation from the [Landlord's] bank established in the Republic of Montenegro that the signatories on the [request] are authorised to sign on behalf of the Landlord. For the purpose of identification of the Landlord's request for payment and this confirmation, all documents referred to herein shall be presented to us by the Bank as intermediary, confirming that the signatures are legally binding upon the Landlord.
2. Except for the documents herein specified [in section 1 (a) and (b)], no other documents or other action shall be required, notwithstanding any applicable law or regulation.
3. Our liability under this Performance Bond shall be to pay to the Landlord upon the receipt of the documents [referred to in section 1 (a) and (b) above], the amount [indicated in the Landlord's written request or the Maximum Amount whichever is the lower], without being entitled to enquire whether or not such payment is lawfully demanded.
4. No amendment of the Lease, or in the extent or nature of the Tenant's obligations and no allowance of time by the Landlord nor any forbearance or forgiveness in

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or in respect of any matter or thing concerning the Lease on the part of the Landlord shall in any way release us from liability under the above written Performance Bond.

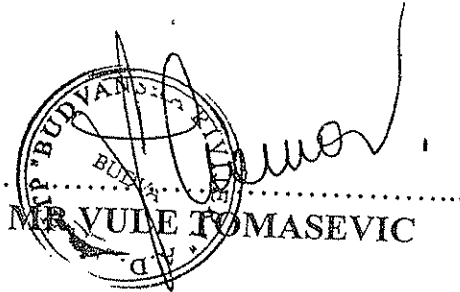
5. This Performance Bond shall remain in effect from the Effective Date in accordance with the Lease until the occurrence of any of the following:
 - (a) the Landlord provides written notification to [us] that the Tenant has completed the Works in full and does not have any outstanding claim under the Lease in connection with the Works; or
 - (b) [the Landlord provides written notification to us that] a new Performance Bond has been issued by this Bank or another bank acceptable to the Landlord in an equal sum and on the same terms as this Performance Bond; or
 - (c) the Expiry Date.
6. This Performance Bond shall expire on a date falling six months after the expiry of the Termination Date [as defined in the Lease i.e. until 31 December 2009 or such later date determined by the Architect pursuant to paragraph 2.4 of Schedule 4 of the Lease] (the 'Expiry Date'). Any claim under this Performance Bond must be made on or before the Expiry Date, after which date this Performance Bond shall automatically become null and void and of no effect whatsoever (save in respect of any [request] made [to the bank] on or prior to such date) whether returned to us or not.
7. This Performance Bond is not assignable.

[8. This Performance Bond shall be governed by the Uniform Rules for Demand Guarantees, Publication No. 458 of the International Chamber of Commerce, Paris, France.]

9. Any dispute arising in connection with this Performance Bond shall be settled by ad hoc arbitration in accordance with the UNCITRAL Arbitration Rules without recourse to the ordinary courts of law.

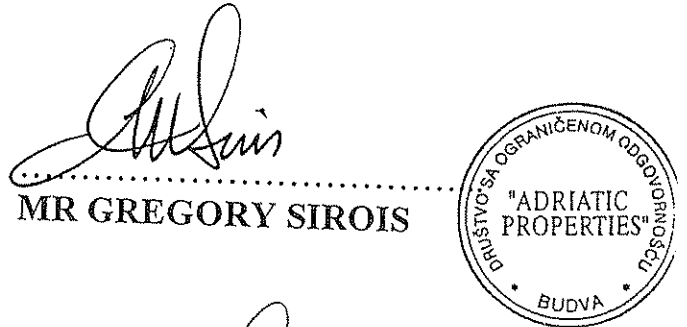
The place of the arbitration shall be [], the language of the arbitration shall be [], the tribunal shall consist of three arbitrators appointed in accordance with the said Arbitration Rules..

Signed by
HTP BUDVANSKA RIVIJERA AD
Acting by its authorised representative
MR VULE TOMASEVIC



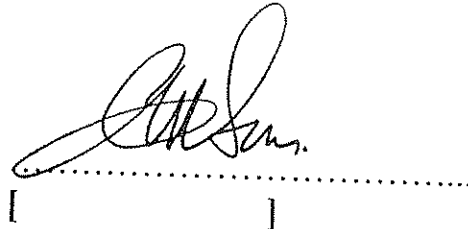
.....
MR VULE TOMASEVIC

Signed by
ADRIATIC PROPERTIES D.O.O.
Acting by its authorised representative
MR GREGORY SIROIS

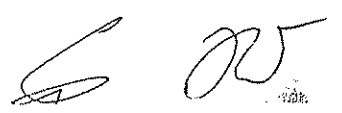


.....
MR GREGORY SIROIS

Signed by
AIDWAY INVESTMENTS LIMITED
Acting by its authorised representative
[*G. Sirois*] Director



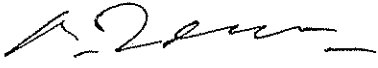
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Signed by
Mr PEDRAG NENEZIC
The Minister of Tourism
on behalf of THE MINISTRY OF TOURISM
of the REPUBLIC OF MONTENEGRO



.....
MR PEDRAG NENEZIC

Signed by 
AMANRESORTS MANAGEMENT BV
Acting by its authorised representative

[]

.....
[]

Broj 01-417/18
Podgorica 04.12.2012 god.

Broj 09/1-9
Budva 05.01.2013 god.

TRANSLATION

D.O.O. "BUDVANSKA RIVIJERA"
482
Budva 17.01.2013 god.

ANNEX 1

To the Lease Contract of Sveti Stefan and Milocer hotels in Budva

This Annex relating to the lease of the Sveti Stefan and Milocer Hotels, Sveti Stefan Montenegro, has been concluded:

AMONG:

- 1) Hotel group „Budvanska Rivijera“ a.d. Joint Stock Company, established in accordance with Montenegrin legislation, registered in the Central Registry of the Commercial Court in Podgorica under the number 40004651, with its registered headquarters at Trg Sunca 2, in Budva (the „Lessor“);
- 2) Adriatic Properties doo, Limited Liability Company, established in accordance with Montenegrin legislation, registered in the Central Registry of the Commercial Court in Podgorica, under the number 50339380, with its headquarters at Kraljicina Plaza Hotel in Milocer, Sveti Stefan (the "Lessee");
- 3) Aidway Investments Limited, a corporation established in accordance with the legislation of the British Virgin Islands, PO Box 957, Road Town, Tortola, the British Virgin Islands, under the identification number 661414 (the "Guarantor");
- 4) Ministry of Sustainable Development and Tourism of Montenegro, IV proleterske brigade no 19, 81000 Podgorica, Crna Gora (the „Lessor's Guarantor“) and
- 5) Amanresorts Management BV, a company established in accordance with Dutch legislation, registered in the Trade Registry, („Aman“)

The Lessor, the Lessee, the Guarantor, the Lessor's Guarantor and the Aman shall be hereinafter jointly referred to as the „Parties“.


WHEREAS:

- A) On January 31, 2007 the Parties concluded the Lease Contract relating to the lease of Sveti Stefan and Milocer Hotels (the „Lease Contract“);
- B) By the Loan Contract („Loan Contract“) dated November 30, 2010, which was concluded between the European Bank for Reconstruction and Development („EBRD“), as the lender (Creditor) and the company „Adriatic Properties“ (as the borrower), the EBRD accepted to participate in funding the project with the amount of thirty seven million Euro (EUR 37.000.000), under the terms and conditions stipulated in the Loan Contract;
- C) The company "Adriatic Properties" doo Budva, as the Lessee of the hotels Sveti Stefan, Milocer and Kraljicina plaza, in its request dated January 2011 and in the amendment to the request dated November 7, 2012 asked for amendments to the Lease Contract due to changed circumstances that could not have been envisaged at the time of the contract signing.

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I, Assistant Registrar, permitted under and authorized for the English language, appointed by the Decision of the Ministry of Justice of Montenegro No. 03-1026/03-1, certify that this translation is the true translation of the original document issued in Montenegro.

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Handwritten signature


THEREFORE, THE PARTIES HAVE AGREED AS FOLLOWS:

1. AMENDMENTS TO THE LEASE CONTRACT

1.1. Article 1.15. shall be amended and read as follows:

„Estimated date of completion of works is *March 31, 2013*”.

1.2. After Article 1.15.1 the new Article 1.15.2 shall be added and read as follows:

„*Deadline for completion of the SPA Centre is May 31, 2013*”.

1.3. In the Chapter "PART ONE: DEFINITIONS AND INTERPRETATIONS", the clause 1.55 "Lease Term", shall be amended and read as follows:

"The Lease Term' means a period starting from the enforcement date of the Lease Contract and expiring after 42 years as of the mentioned date."

1.4. In the Chapter "PART ONE: DEFINITIONS AND INTERPRETATIONS", the Article 1.22. "The Guaranteed Rent", shall be amended and read as follows:

"1.22. The Guaranteed Rent

"The Guaranteed Rent' means an initial amount of 1.120.000 € for each full calculation period and proportionally for the first calculation period and for the part of the calculation period up to the first audit date (as defined in Appendix 5) and afterwards as calculated in accordance with Appendix 5.

1.5. After Article 1.47 the new Article 1.47.1 shall be added and read as follows: "Preliminary rent" after signing of the present Annex shall mean the amount of 1.120.000 Euro per annum (and proportionally for a part of the year) payable starting from January 2013, up to and including the date prior to the Rent start date."

1.6. After Article 2.1 the new Article 2.1.1. shall be added and read as follows:

„ 2.1.1. Upon signing of the present Annex, the preliminary rent, payable in equal quarterly installments amounting to 280.000 Euro in advance, shall be paid in such a manner that the first installment shall due for payment, starting from January 2013 and all the remaining installments on the quarterly dates, except that the last installment of the preliminary rent shall be adjusted so that the real paid preliminary rent for such an installment shall be proportional to annual preliminary rent amounting to 1.120.000 Euro for the period starting from the quarterly date on which the last installment of the preliminary rent was paid up to and including the date prior to the Rent start date. Each pay in excess of the installment of the preliminary rent shall be compensated by the Guaranteed rent until the refund of such excessive payment to the Lessee.


1.7. Articles 6.1. i 6.2., of the Lease Contract shall be amended and read as follows:

"6.1. The Lessee shall pay and compensate to the Lessor all fees, taxes (except the real estate and property taxes), estimates, custom duties, costs and disbursements which are due for payment by the owner or temporary property holder at the moment or in any time during the lease term or which in another manner have been incurred on property, including, but not limited to income tax and VAT payable against invoices for guests or for other services, sale or supply (except all those taxes to be paid by the Lessor in relation to his/her ownership, rental revenue or any other business with his/her property)."

~~~~~

I, Milanka Izgarević, permanent court interpreter/translator for the English language, appointed by the Decision of the Ministry of Justice of Montenegro No. 03-1026/03-1, certify that this translation is the true translation of the original document issued in Montenegro.

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*[Handwritten signature]*  


"6.2. The lease referred to in the present Contract shall be net for the Lessor during the Lease term. The Lessor shall not be held obliged to pay business operation costs, maintenance costs or capital improvement costs. All operational costs shall be paid by the Lessee. The term 'Operational costs' shall imply all management costs, costs related to business and maintenance of the property, including, but not limited to the following: employees' taxes, insurance from unemployment, wages, benefits along with regular salaries and all other direct and indirect costs for the employees; cleaning, greening and spatial arrangements, security and other services; gas, electricity, water, garbage disposal, telephone and other municipal costs; heating, ventilation and air-conditioning; windows washing, materials and stocks; painting, repairs and other maintenance services; repaving and marking of the parking space, so as cleaning, maintenance and repairs, replacement and equipment servicing, including, but not limited to alarm systems and other equipment; reserves; costs of independent contractors, fees and management expenditures, insurance and deductions for insurance of any kind; taxes on personal property or estimates; any kind of utilities, repairing and renovating costs and costs for improvements to be conducted as per any government law, rule or regulation; provision of directions and other signs and means for vehicle stops; and all other costs or payments belonging to management, business and property maintenance related costs."

1.8. Article 10.3. in the Chapter 10 of the Lease Contract ..LIMITATIONS OF ASSIGNMENT, SUBLEASING AND CONTRACT ON MANAGEMENT", shall be amended and read as follows:

**„10.3. Assignment**

*The Parties have agreed that, by the contract, the Lessee shall assign to the EBRD all its present and future rights arising from the Lease Contract, as a security for the EBRD claims toward the Lessee stipulated in the Loan Contract, and all other agreements concluded between the Borrower or any other party with the EBRD, so as notifications, certificates and applications issued by the Borrower or any other party to the EBRD, related to the Loan Contract or transactions envisaged by the Loan Contract."*

1.9. Article 12.1 of the Contract shall be amended and read as follows:

*"12.1. shall hold the property open for business at least 8 calendar months per annum, under the condition that the Lessee shall have the right to close any of its Facilities if deemed necessary to conduct repairs, replacements or major capital investments in the respective Facility thus ensuring Aman standards and the ones required in accordance with the present Contract."*

1.10. In Article 23.8., after the first paragraph, the new paragraph 23.8.1. shall be added and read as follows:

*"23.8.1. In order to provide appropriate access to the bathing resorts for the people who are not guests of the hotel, the Lessee shall be obliged to provide those people with free access to the eastern half of the beach in front of the Milocer Hotel, as well as use of appropriate service of the operator who manages the aforesaid bathing resort."*

1.11. In Appendix 5 of the Lease Contract, the words "R - initial guaranteed rent amounting to 1.600.000 Euro" shall be replaced by words:

**" R - initial guaranteed rent amounting to 1.120.000 Euro"**

1.12. Illustration along with Appendix 6" of the Lease Contract shall be amended in such a way as the amount of the guaranteed rent for the Kraljicina plaza Hotel amounting to 500.000 € has been replaced by the amount of 350.000 €, while the amount of the guaranteed rent for the hotels Sveti Stefan and Milocer of 1.600.000 € shall be replaced by the amount of 1.120.000 €. The amount of "Total guaranteed rent" of

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I, Milanka Izgarević, permanent court interpreter/translator for the English language, appointed by the Decision of the Ministry of Justice of Montenegro No. 03-1026/03-1, certify that this translation is the true translation of the original document issued in Montenegro.

M. I. Zgarević

M. I. Zgarević

2.100.000 € shall be replaced by the amount of 1.470.000 €, and in point d) the amount of "2.300.000" shall be replaced by the amount of "1.670.000 €".

2 MISCELLANEOUS

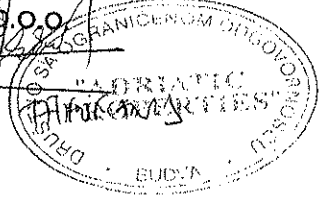
- 2.1. All other provisions of the Lease Contract, which have not been explicitly amended by the present Annex, shall remain in force.
- 2.2. The present Annex shall come into force on the date of publishing the Decision of the Parliament of Montenegro on long term lease, in relation to this Annex, in accordance with the Law on State Property. ("Official Gazette of Montenegro" 21/2009).
- 2.3. Along with signing of the present Annex, Lessor and Lessee will sign a separate Debt Settlement Agreement (hereinafter referred to as: the "Agreement"), which shall stipulate dynamics of the payment of the outstanding lease for Sveti Stefan and Milocer, amounting to 2.420.000,00€, so as real estate tax, amounting to 253.522,22€.
- 2.4. If the Lessee fails to fulfill its obligations defined by the separate Agreement referred to in Article 2.3. of the present Annex, in the manner and within the term envisaged by the Agreement, the Lease Contract shall be terminated without any claims requested by the Lessee.
- 2.5. The present Annex has been made in five (5) identical copies in two languages: English and Montenegrin. In case of inconsistency, the English version shall prevail.

**HOTEL GROUP
BUDVANSKA RIVIJERA A.D. BUDVA**

Signature: [Handwritten Signature]
Name:
Authorized representative:

ADRIATIC PROPERTIES D.O.O.

Signature: [Handwritten Signature]
Name:
Authorized representative:



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[Handwritten Signature]



AIDWAY INVESTMENTS LIMITED

Signature: _____ and on behalf of
AIDWAY INVESTMENTS LIMITED

Name: S. M. M. S.

Authorized representative: _____
Authorized Signature(s)

MINISTRY OF SUSTAINABLE DEVELOPMENT AND TOURISM

Signature: [Predrag Sekulic] [Seal of the Ministry of Sustainable Development and Tourism]

Name:

Authorized representative:

AMANRESORTS MANAGEMENT B.V.

Signature: _____

Name:

Authorized representative: G. S. IROVIC, DIRECTOR

XXXXXXXXXX

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2. P. S.
Z. J. M. S. AA

