

MEMORANDUM OF AGREEMENT

SAKHALINTOURIST, a Division of the Tourist Industrial Excursion Union of the government of the Russian Soviet Federated Socialist Republic of the Union of Soviet Socialist Republics ("Tourist") and **UNITED PERSONS INCORPORATED**, a corporation existing under and by virtue of the laws of the State of Georgia of the United States of America ("UNITED") bind and commit themselves by this Agreement to supplement and amend that certain MEMORANDUM OF AGREEMENT dated 15 May 1991 between the parties as the first more specific delineation of goals of the parties joint venture.

By way of the joint venture company ("JVC") that the parties shall form pursuant to the 15 May Agreement, the parties shall create a golf resort consisting of the following:

(1) Three (3) regulation eighteen hole golf courses of the highest quality practical pursuant to the direction of a qualified golf designer;

(2) Club house facilities to include all amenities necessary or desirable according to world standards pursuant to the direction of a qualified golf designer;

(3) Hotel or hotels of approximately 600 to 1,200 rooms and restaurant facilities as necessary or desirable to serve golfers according to world standards pursuant to the direction of a qualified golf designer and qualified hotel designer;

(4) All necessary and desirable maintenance facilities and equipment for the golf courses and hotel(s) pursuant to the direction of a qualified golf designer and qualified hotel designer; and

(5) Any and all other incidental facilities determined by the parties to be in the best interest of the promotion and success of the golf courses and hotel(s), particularly including condominiums, apartments, and other housing for golfers.

United shall provide the expertise, planning, and financing for this development which the parties contemplate to be as follows:

(1) \$USD3,500,000.00 to \$USD15,000,000.00 for each golf course, for a total of \$USD10,500,000.00 to \$USD45,000,000.00;

(2) \$USD25,000,000.00 to \$USD70,000,000.00 for each hotel, presently contemplated to be one; and

(3) \$USD3,000,000.00 to \$USD30,000,000.00 for incidental facilities.

Tourist shall provide the local expertise and the land

contemplate to be as follows:

- (1) 90 to 200 hectares per golf course for a total of 270 to 600 hectares;
- (2) 5 to 15 hectares per hotel, presently contemplated to be one; and
- (3) 5 to 270 hectares for incidental facilities.

In sum, the cost of this development ranges from \$USD38,500,000.00 to \$USD145,000,000.00 and the land required ranges from 280 hectares to 900 hectares. United shall pledge to provide whatever funds are necessary and Tourist shall provide at least 900 hectares.

The parties commit themselves and pledge their best efforts to realize this development.

In evidence of their agreement, Tourist and United have caused their duly authorized representatives to affix their names and seals, this 17th day of May, 1991, presently in English with the intent of also signing an identical version in Russian.

SAKHALINTOURIST



[Signature]
Pospelov,
Demidov
President

UNITED PERSONS INCORPORATED

[Signature]
F. K. Yazdi, Managing Director

[Signature]
James W. Quinnlan,
General Director