

**MORTGAGE DEED
FREEHOLD LAND AND PREMISES**

PARTICULARS

Date:

DEFINITIONS:

Throughout this document the following words have the following meanings:

The Lender:

MEXICO INFRASTRUCTURE FINANCE I.L.C a company incorporated under the laws of Delaware with limited liability whose principal place of business is at 1680 Michigan Avenue Miami Beach FL33139 U.S.A.

The Borrower:

PAR-LA-VILLE HOTEL AND RESIDENCES LTD a company incorporated under the laws of the Islands of Bermuda whose registered office is at Wessex House, 45 Reid Street, Hamilton HM12

The Escrow Agreement:

An escrow agreement [of even date] made between the Lender of the first part, the Borrower of the second part the Mortgagee of the third part and The Bank of New York Mellon of the fourth part in the form annexed to this Deed and subject to such variations (if any) as the parties may agree from time to time hereafter in accordance with its terms

The Mortgagor:

THE CORPORATION OF HAMILTON a company existing pursuant to The Municipalities Act 1923 whose principal place of business is at City Hall 17 Church Street Hamilton HM11

The Loan:

Eighteen million United States dollars
(US\$18,000,000)

The Secured Sum:

Eighteen million United States dollars
(US\$18,000,000)

The Loan Agreement:

A credit agreement [of even date] made between the Borrower of the one part and the Lender of the other part in the form of the draft annexed to this Deed and subject to such variations (if any) as the parties may agree from time to time hereafter in accordance with its terms

Loan Term:

One hundred and eighty days from the date hereof

Interest:

Interest in the sum of US\$585,000 (calculated at a rate of three decimal point two five (3.25) per cent of the Loan over the Loan Term) or such other

	amount as may apply from time to time pursuant to the Loan Agreement.
The Guarantee	A guarantee of even date given by the Mortgagor to the Lender (a copy of which is annexed hereto)
The Property:	ALL THAT freehold property more particularly described in the Schedule hereto
The Lease	A lease dated 11 th April 2012 between the Mortgagor of the first part and the Borrower of the second part
The Development Agreement:	An agreement dated 11 th April 2012 between the Mortgagor of the first part and the Borrower of the second part for the development of the Property by the Borrower
The Commencement Date:	the ___ day of _____ 2014

WHEREAS:

- (i) The Mortgagor is the beneficial freehold owner of the Property;
- (ii) The Lender has agreed to lend to the Borrower the Loan, to be repaid together with interest and other sums charged pursuant to the Loan Agreement;
- (iii) In order to facilitate the Borrower's development of the Property in accordance with the terms of the Development Agreement, the Mortgagor has executed the Guarantee pursuant to which it has agreed to guarantee the repayment of the Loan and all interest and other sums payable by the Borrower under the Loan Agreement (up to a maximum of the Secured Sum) and by way of security for its obligations under the Guarantee to convey the Mortgaged Property to the Lender on the terms set out herein.
- (iv) The Minister of Economic Development has given his consent pursuant to Section 144 of the Companies Act 1981 for the Lender to take a mortgage over the Property and a copy of such consent dated 26th March 2013 is annexed hereto.
- (v) The Minister of Home Affairs has given approval pursuant to Section 80 of the Bermuda Immigration and Protection Act 1956 (as amended) for the Lender to take a mortgage over the Property and a copy of such approval dated 28th March 2013 is annexed hereto.
- (vi) Subject to the repayment of the Loan together with interest and all other sums due thereon, the Lender will reconvey the Property to the Mortgagor (or some other person if required by the Mortgagor) at the Mortgagor's expense.
- (vii) Pursuant to the Escrow Agreement, the Lender caused to be deposited into escrow the amount of [\$ 15,000,000 _____], being the net proceeds of the Loan (the "Escrow Amount").
- (viii) All capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Loan Agreement and the Escrow Agreement;

NOW THIS DEED WITNESSES that:

1. IN pursuance of such agreement and in consideration of the Loan made by the Lender to the Borrower (the receipt of which the Borrower hereby acknowledges) the Mortgagor as Beneficial Owner HEREBY CONVEYS to the Lender ALL THAT the PROPERTY TO HOLD the same unto the Lender SUBJECT TO and with the benefit of the Lease AND SUBJECT FURTHER TO the equitable right of the Mortgagor to have the Property reconveyed when the Loan has been repaid and all interest and all other sums due under the Loan Agreement have been paid in full.

2. The Mortgagor HEREBY COVENANTS with the Lender as follows:
 - (a) To pay upon demand by way of notice served by or on behalf of the Lender all sums due to the Lender under the terms of the Loan Agreement (including but without limitation the Interest) up to a maximum of the Secured Sum.
 - (b) Not to accept any payment from nor to make any claim against the Borrower in respect of any sums paid by the Mortgagor to the Lender, under the terms of this Deed or otherwise, unless and until all sums due to the Lender under the Loan Agreement have been paid in full.
 - (c) To insure any building on the Property or where the same is the responsibility of the Borrower pursuant to the terms of the Lease and the Development Agreement to procure that the Borrower insures or procures insurance of any building on the Property in either case against loss or damage by fire and windstorm and other comprehensive risks usually available for properties of the same type as the Property, with an insurance company approved by the Lender for the full replacement value of the buildings and to insure or procure insurance of the Property at all times in respect of public liability in the minimum sum of \$5,000,000 or such other amount as the Lender may reasonably require and to procure that the Lender's interest is noted on the insurance policy or policies. The Lender shall not be liable in any way for any valuation that may be rendered and the Mortgagor hereby indemnifies the Lender against the cost of any shortfall arising from any claim made under the terms of such insurance policy. The insured sum shall be reviewed whenever necessary and in any event not less than annually, and the Mortgagor shall pay or ensure that the premiums are paid to maintain such insurance and shall produce to the Lender if required the receipt for any such premium PROVIDED ALWAYS THAT if the Mortgagor or any person under the obligation to do so omits or fails to insure the Property in accordance with this clause, the Lender may insure the Property and any premiums paid by the Lender shall be added to the amount of the Loan then outstanding and will be subject to interest and other charges payable under the Loan Agreement until paid by the Borrower or the Mortgagor. In the event of there being any damage to the Property or any part thereof which gives or might give rise to a claim being made under the terms of any insurance policy, then the Lender may in its absolute discretion apply the sums received or direct that the sums received are applied in substantially rebuilding, reinstating or repairing the Property or apply the same (or direct that the same are applied) towards the reduction of the amount of the Loan then outstanding plus all interest and other charges thereon due at that time;
 - (d) Not to do or allow anything to be done upon the Property which might cause any policy of insurance on the Property to be voided or which might cause an increase or loading to the premium payable in respect thereof;
 - (e) To procure that the Borrower pay the land tax and any other charges upon the Property raised by any government, municipal, parochial or other

competent authority and any other outgoings in relation to the use occupation and enjoyment of the Property:

- (f) To keep or procure that the Borrower keeps the Property and all buildings and structures thereon from time to time in good and substantial repair and condition, and in order to satisfy itself as to compliance with this provision the Lender may require the Property to be inspected at any reasonable time upon not less than 48 hours' notice given to the Mortgagor by a surveyor appointed by the Lender who will be entitled to enter upon the Property. The Lender shall not be liable as a mortgagee in possession nor for the actions of the surveyor in so entering the Property. The surveyor will report to the Lender and such report will be taken as conclusive evidence of the condition of the Property. AND IF the surveyor's report indicates that there are works to be done upon the Property, the Lender will serve notice upon the Mortgagor identifying and detailing those works and the Mortgagor shall immediately carry out such works or procure that the Borrower carries out the work to the satisfaction of the Lender's surveyor and at no cost to the Lender. In the event that such works are not undertaken within a reasonable period the Lender may by its agents and servants enter upon the Property and undertake the same works, without making the Lender liable as a mortgagee in possession, and the cost of such works shall be added to the balance of the Loan then outstanding upon which interest at the Interest Rate will be charged until payment is made in full by the Borrower;
 - (g) Save in accordance with the terms of the Development Agreement not to make or permit to be made any structural alterations or additions to the Property without first having obtained the written consent of the Lender together with such planning permissions and other consents as may be required by law;
 - (h) To comply or procure that the Borrower complies at all times with all laws, regulations, conditions and restrictions of any government, municipal, parochial or other competent authority relating to the use occupation and enjoyment of the Property and to notify the Lender of the receipt of any notice complaining of any breach of any such regulations, conditions or restrictions within five (5) business days;
 - (i) To observe and perform all the covenants on the part of the landlord contained in the Lease and the Development Agreement and to procure that the Borrower observes and performs the obligations on the part of the tenant therein contained and to indemnify the Lender and keep the Lender indemnified from and against the consequences of any breach, non observance or non performance of the same and to notify the Lender immediately of any complaint or notice (whether received by the Mortgagor or the Borrower) of any breach of any such covenant or obligation;
 - (j) Not to create or allow to be created any additional mortgage or charge over the Property or grant any rights over or in the same to any third parties without first having obtained the written consent of the Lender which consent may be withheld without reason given; and
 - (k) Not to assign, underlet or part with possession of the Property or of any part thereof, including the grant of any easement, tenancy or lease, without first having obtained the written consent of the Lender which may be withheld without reason given.
3. THE LENDER may require the Mortgagor to pay to the Lender, in addition to the Secured Sum and other payments due under hereunder, a proportion (to be determined by the Lender) of the land tax and any other charge upon the Property raised by any government, municipal, parochial or other competent authority and

insurance premiums due and payable by the Mortgagor or the Borrower under the terms of this Deed, such sums being retained by the Lender in an escrow account and being paid out by the Lender on behalf of the Mortgagor or Borrower as and when such payments fall due PROVIDED THAT if there are insufficient funds in the escrow account when payment becomes due the Lender may pay the relevant sum and any shortfall shall immediately become due and payable by the Mortgagor or Borrower to the Lender.

4. IT IS HEREBY AGREED BETWEEN THE PARTIES that:

- (a) If the Borrower fails to make any of the payments under the terms of the Loan Agreement as and when the same become due, or fails to fully and properly comply with any of the covenants on its part contained in the Loan Agreement or if the Mortgagor is otherwise in default hereunder, then and in such case, provided the Lender shall first have delivered a Default Notice in the agreed form to the Escrow Agent pursuant to section [TBD] of the Escrow Agreement:
- (i) it shall be lawful for the Lender to sell the Property without any consent of or notice to the Mortgagor PROVIDED THAT in the event of a sale of the Property the Lender acknowledges that the proceeds of sale thereof net of all costs and fees associated with such sale shall be sufficient to discharge all obligations and liability of the Mortgagor under the provisions hereof AND the Lender shall not be entitled to recover from the Mortgagor any shortfall between the Secured Sum and the net proceeds of sale; and
- (ii) it shall be lawful for the Lender, in addition to the power of sale, to appoint a receiver to receive the rents (if any) or any other income from the Property (including without limitation all sums resulting from the use of the Property as a public car park) at any time during which the Loan or any part thereof or any sums payable by the Borrower under the terms of the Loan Agreement remain outstanding. Any receiver so appointed shall be deemed to be an agent of the Mortgagor and the Mortgagor shall be responsible for his acts and defaults. The receiver shall collect the rents and any other income from the Property or any part thereof and comply with the Mortgagor's obligations as lessor. The costs of any such compliance and the fees of the receiver in so acting shall be deducted by him from the sums received and the balance remaining shall be paid by him to the Lender and applied towards all sums due from the Borrower under the terms of the Loan Agreement;
- (b) The powers herein contained in favour of the Lender are in addition to, and without prejudice to and not in substitution for any other powers and remedies for recovering or enforcing payment of sums due hereunder vested by law or otherwise in the Lender;
- (c) In the event of any additional sums being owed to the Lender as a result of a further or subsequent mortgage to the one created by this deed, the Lender may insist that the aggregate of all sums due to it secured by the Property are repaid by the Mortgagor and Section 29 of the Conveyancing Act 1983 shall not apply;
- (d) The Borrower shall be responsible for all legal fees, costs, stamp duty and expenses incurred in connection with the granting of this mortgage or incurred by the Lender in any way in giving its consents as required hereunder or in enforcing the Mortgagor's obligations hereunder in

exercising the power of sale or power of appointment of a receiver and the costs of obtaining possession of the Property;

- (e) On entering into possession of the Property or any part thereof in exercise of its power of sale, the Lender may as agent for and on behalf of the Mortgagor (and at the Mortgagor's expense) remove, store, sell or otherwise deal with as the Lender in its absolute discretion thinks fit any furniture, effects, animals or other living creatures of the Borrower which shall not have been removed from the Property, PROVIDED ALWAYS that the Lender shall have no rights in equity to any such furniture effects or animals; and
- (f) In this mortgage wherever the context admits, the terms "the Mortgagor" "the Borrower" and "the Lender" shall include their successors in title and assigns, and words importing the masculine shall where necessary include the feminine and vice versa, and words importing the singular shall include the plural, and where the term "the Borrower" is defined as two or more persons all obligations and covenants by the Borrower shall be joint and several.
5. ANY NOTICE required to be served under the provisions of this mortgage shall be in writing and shall be deemed to have been properly served upon the Mortgagor if delivered by hand or sent by post, properly stamped and addressed to the City Hall 17 Church Street Hamilton HM 11 marked F.A.O. [] and in the case of the Lender if it is served in accordance with the provisions for service on the Lender set out in the Loan Agreement.
6. This mortgage is made under the laws of the Islands of Bermuda and the courts of Bermuda shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed. All sums referred to herein shall be denominated in United States dollars unless specifically indicated otherwise.
7. The Mortgagor represents and warrants to the Lender that the Mortgagor has the necessary power and capacity at law to enter into this Deed and to perform its obligations hereunder, that the execution and delivery of this Deed by the Mortgagor has been properly authorised to the extent necessary, and that this Deed constitutes a valid and binding obligation of the Mortgagor.
8. No delay or omission by the Lender in exercising any rights hereunder shall impair such rights or be construed as a waiver of all or any of the same, nor shall any single or partial exercise of any such right preclude a further exercise thereof. The rights herein provided are cumulative and not exclusive of any rights provided by law, agreement or otherwise

IN WITNESS WHEREOF the parties hereto have executed this Deed the day and year first above written.

THE SCHEDULE The Property

ALL THAT certain parcel of land situate in the City of Hamilton comprising Nought decimal point seven four one of a hectare (0.7411Ha) and designated Lot "A" on the plan ("the Plan") hereto annexed prepared by Bermuda Land Surveys (being drawing No LS6119E) dated July 2007 (amended September 2007) (being the registered plan of subdivision approved on 10th May 2013 under reference number S0013/13 and registered

on 27th May 2013) and outlined in red thereon and bounded NORTHWESTERLY by the verge of the Main Public Road designated "Church Street" on the Plan and there measuring along three straight lines Seventy-one decimal point seven nought metres (71.70m) Three decimal point eight five metres (3.85m) and Five decimal point four six metres (5.46m) respectively NORTHEASTERLY by the lots of land designated "#10" "#27" "#25" "#23" "#21" and "#19" on the Plan (together "the Eastern Lots") and there measuring along a single line Eighty-four decimal point three four metres (84.34m) generally SOUTHEASTERLY by land now or formerly in the possession of the Lender and designated "Lot B" on the Plan ("Lot B") and there measuring along three straight lines Nine decimal point five one metres (9.51m) Forty-five decimal point four three metres (45.43m) and Thirty-one decimal point five one metres (31.51m) SOUTHWESTERLY by land now or formerly in the possession of the Lender and there measuring along a curved line Twenty-eight decimal point three five metres (28.35m) and again SOUTHWESTERLY by the verge of the Main Public Road designated "Par-la-Ville Road" on the Plan and there measuring Sixty-two decimal point three three metres (62.33m) OR HOWEVER OTHERWISE the said parcel of land may be bounded may measure or ought to be described TOGETHER WITH all structures thereon erected and all appurtenances thereto belonging and subject to such rights of way as may currently exist or from time to time be granted over over that part of the said lot of land shown hatched yellow on the said plan and marked "proposed Right of Way 9.15 (maximum) wide (for Lot B)" and over that part of the said lot of land hatched green and marked "Note: steps used by #21 for access"..

EXECUTED AS A DEED by)
 MEXICO INFRASTRUCTURE)
 FINANCE LLC)

THE COMMON SEAL of)
 PAR-LA-VILLE HOTEL AND)
 RESIDENCES LTD was affixed hereto)
 in the presence of

Director:

Director/Secretary:

THE COMMON SEAL of)
 THE CORPORATION OF HAMILTON)
 was affixed hereto in the presence of:)

MEMORANDUM

Stamps to the value of \$90,000 were hereto affixed for stamp duty

MEXICO INFRASTRUCTURE FINANCE LLC

- and -

THE CORPORATION OF HAMILTON

- and -

PAR-LA-VILLE HOTEL AND RESIDENCES
LTD

M O R T G A G E

Land in the City of Hamilton
In the Islands of Bermuda
known as
Par La Ville Car Park

Legal - 3341421.1