

THIS DEED OF VARIATION OF DEVELOPMENT AGREEMENT ("this Deed")

- (1) **THE CORPORATION OF HAMILTON** a corporation existing pursuant to terms of the Municipalities Act 1923 and having its principal office at City Hall, 17 Church Street, Hamilton (the "Landlord");
- (2) **PAR-LA-VILLE HOTEL AND RESIDENCES LTD.** (Company Registration Number 38852) a local company incorporated in the Islands of Bermuda whose registered office is at 45 Reid Street, Hamilton, HM11 in the Islands of Bermuda (the "Tenant").

A. This Deed is supplemental to a development agreement dated the 11th day of April 2012 and made between the same persons as are parties hereto ("Parties") and in the same order (hereinafter called the "Development Agreement");

C. The Parties hereby acknowledge and agree that certain statutory requirements that have been enacted after the signing of the Development Agreement (such statutory enactments constituting the circumstances described in definition clauses 1.29.6, 1.29.7 and 1.29.11 in the Development Agreement) have caused unforeseen impediments and delays which could not have been reasonably foreseen by the Parties and are not due to any fault, error or omission by the Tenant and that if the Milestone Periods are not extended by agreement, said statutory requirements would prevent the Tenant from accomplishing aforesaid Development Obligations and cause the Tenant to be in breach of the Milestone Periods, which was not foreseen by the Parties and was not the intention of the Parties when entering into the Development Agreement;

Periods) in clauses 14.1.1, 14.1.2, 14.1.3, 14.1.4 and 14.1.5 are all extended by a period of eighteen (18) months.

E. The Parties further acknowledge and agree, approve and ratify the fact that Mr. Michael MacLean has acquired a majority shareholding in the Tenant company and that Mr. Theodore E. Adams III no longer serves as a director of the Tenant.

F. Accordingly, the Parties wish to remove any reference to the circumstances constituting a "Change of Control Event" as per definition 1.9 and clause 10 in the Development Agreement.

G. The Landlord hereby further acknowledges the fact that the Tenant has satisfied its obligations under clause 13 of the Development Agreement and that the Landlord has received the proper notices to the Satisfaction of the Landlord within the requisite approval period as stipulated in said clause 13.

H. Accordingly, the Parties wish to remove, in its entirety, the definitions of "Financing Approval Period" and "Hotel Operator Financing Confirmation Notice" and the parties further wish to remove clause 13 of the Development Agreement in its entirety.

NOW THIS DEED WITNESSES that it is hereby mutually agreed between the Parties as follows:

1. In consideration of the sum of \$1.00 paid by the Tenant to the Landlord (the receipt of which the Landlord hereby acknowledges) the Tenant and the Landlord agree confirm and declare that from and including the date of this Deed that:-

1.1. Definition 1.9 ("Change of Control Event") and clause 10 of the Development Agreement be deleted in their entirety.

1.2. Definitions 1.27 ("Financing Approval Period") and definition 1.36 ("Hotel Operator Financing Confirmation Notice") and clause 13 of the Development Agreement be deleted in its entirety.

- 1.3. The first sentence of clause 14.1.1 of the Development Agreement shall be deleted and replaced with the following:
"by a target Date of 31 August 2015 and an outside date of 25 February 2016"
- 1.4. The first sentence of clause 14.1.2 of the Development Agreement shall be deleted and replaced with the following:
"by a target Date of 31 August 2015 and an outside date of 25 February 2016"
- 1.5. The first sentence of clause 14.1.3 of the Development Agreement shall be deleted and replaced with the following:
"by a target Date of 28 February 2016 and an outside date of 31 August 2016"
- 1.6. The first sentence of clause 14.1.4 of the Development Agreement shall be deleted and replaced with the following:
"by a target Date of 28 February 2016 and an outside date of 31 August 2016"
- 1.7. The first sentence of clause 14.1.5 of the Development Agreement shall be deleted and replaced with the following:
"by a target Date of 28 February 2018 and an outside date of 30 September 2018"
2. That the Development Agreement shall continue in full force save as modified hereby and shall henceforth operate as though the above-mentioned Milestone Periods were incorporated in clauses 14.1.1 through 14.1.5 respectively.
3. The Parties agree immediately to endorse a memorandum of this Deed on the Development Agreement (and each counterpart or duplicate of same).

IN WITNESS WHEREOF the parties have hereunto set their hands the day and year
first above written.

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

Mayor

Councillor / Secretary

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

Director

MEMORANDUM

Stamps to the value of \$100 were affixed to the original of this Deed pursuant to Head 21 of the Schedule to the Stamp Duties Act 1976 and stamps to the value of \$25 were affixed to the duplicate of this Deed pursuant to Head 22 of the Schedule to the Stamp Duties Act 1976.