

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

ETAS ID: TM393528

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	LIEN		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
SERRALLES HOTEL, INC.		07/29/2016	Corporation:
RECEIVING PARTY DATA			
Name:	BANCO SANTANDER PUERTO RICO		
Street Address:	207 Ponce de León Ave., 7th floor		
City:	San Juan		
State/Country:	PUERTO RICO		
Postal Code:	00918		
Entity Type:	Banking Institution: PUERTO RICO		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	85044726	COSTA CARIBE	
CORRESPONDENCE DATA			
Fax Number:	7877538944		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	7872825737		
Email:	tmproceedings@oneillborges.com		
Correspondent Name:	Carla Garcia Benitez		
Address Line 1:	250 MUNOZ RIVERA AVE.		
Address Line 4:	San Juan, PUERTO RICO 00918		
ATTORNEY DOCKET NUMBER:	S1661-304		
NAME OF SUBMITTER:	Carla Garcia Benitez		
SIGNATURE:	/Carla Garcia Benitez/		
DATE SIGNED:	08/02/2016		
Total Attachments: 73			
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SECURITY, PLEDGE AND ASSIGNMENT AGREEMENT

This SECURITY, PLEDGE AND ASSIGNMENT AGREEMENT (this "Agreement") dated as of July 29th, 2016, is entered by SERRALLÉS HOTEL, INC., a corporation organized and existing under the laws of the Commonwealth of Puerto Rico (the "Grantor"), in favor of BANCO SANTANDER PUERTO RICO, a banking institution organized and existing under the laws of the Commonwealth of Puerto Rico (the "Secured Party" and collectively with the Grantor, the "Parties").

WHEREAS, on even date hereof, Grantor and the Secured Party entered into a Term Loan Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, hereinafter referred to as the "Loan Agreement"), pursuant to which the Secured Party made available to Grantor a term loan in the principal amount of TWENTY THREE MILLION DOLLARS (U.S. \$23,000,000.00) (the "Loan"), to be used by the Grantor as provided in the Recitals of the Loan Agreement;

WHEREAS, Grantor executed a promissory note in favor of the Secured Party in the amount of TWENTY THREE MILLION DOLLARS (U.S. \$23,000,000.00) to evidence the Loan (the "Note");

WHEREAS, the Secured Party has required Grantor, as a condition precedent to granting the Loan under the Loan Agreement, to assign, pledge and grant the security interest contemplated by this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, and as an inducement for the Secured Party to enter into the Loan Agreement, Grantor hereby agrees as follows:

SECTION 1. Defined Terms. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Loan Agreement. "UCC" means the Uniform Commercial Code as in effect on the date hereof in the Commonwealth of Puerto Rico; provided that if by mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted pursuant to Section 2 hereof, as well as all other security interests created or assigned as additional security

for the Secured Obligations (as defined below) pursuant to the provisions of this Agreement, in any Collateral is governed by the UCC as in effect in such other jurisdiction other than the Commonwealth of Puerto Rico, "UCC" means the UCC as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

SECTION 2. Grant of Security. The Grantor hereby assigns, pledges and grants to the Secured Party a continuing first priority security interest in and to all of the Grantor's rights, title and interest in and to the following, whether presently held or hereafter acquired (collectively, the "Collateral"):

(a) All accounts (as defined in the UCC), receivables, accounts receivable (including, but not limited to, those related to the revenues generated by the Hotel [as defined below]), lease receivables (including, without limitation, those related to the Lease Agreements), contract rights, chattel paper, drafts, acceptances, instruments, writings evidencing a monetary obligation or a security interest or a lease of goods, general intangibles and other obligations of any kind, now existing or hereafter acquired, including, without limitation, (i) all of the Grantor's present and future rights to payments for goods, merchandise or inventory sold or leased or for services rendered, including, without limitation, all rights of the Grantor to payments for goods sold or leased, or for services rendered, or for rental of rooms and other areas, or for memberships sold, and/or for food and beverage operations, or otherwise relating to the operation of the hotel known as Hilton Ponce Golf & Casino Resort located in Ponce, Puerto Rico (the "Hotel"), the operation of the golf course adjacent to the Hotel and/or the real properties described in Exhibit A attached hereto and made a part hereof (the "Properties"); (ii) all substitutions therefore and proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer or other disposition or substitution thereof, and whether earned by performance and whether evidenced by an instrument (as such term is defined in Chapter 9 of the UCC); (iii) all of the Grantor's now owned or hereafter acquired accounts, contract rights, instruments, documents, and proceeds, including, without limitation, proceeds of contracts with Governmental Authorities; (iv) proceeds from letters of credit; (v) proceeds of

any and all causes of action under the U.S. Bankruptcy Code; (vi) all forms of obligations whatsoever owing to the Grantor, together with all instruments and documents representing any of the foregoing and all rights, security and guaranties with respect to each of the foregoing; (vii) any kind or type of fees or any other charges for the use or occupancy of guest, conference or banquet rooms or other Hotel's facilities, restaurant, bar or banquet services, or other goods or services provided by or on behalf of the Grantor, the Property or the Hotel; and (viii) all of the Grantor's rights to receive, and all rights to payment from, any consumer credit or charge or debit card organization or entity; and unpaid interest accrued with respect to all of the foregoing (collectively, any and all of the foregoing being the "Receivables");

(b) all equipment (as defined in the UCC), slot machines, and all machinery and machine tools; all distribution, selling, data processing and office equipment, computer equipment (including, without limitation, computer hardware, software and other computer-related equipment), and all other equipment (including, without limitation, forklifts, trucks, shuttle buses, golf carts, and other motor vehicles) in all of its forms; all audiovisual equipment; all artwork; all furniture, furnishings and appliances and all parts thereof; all chairs, beds, chests, headboards, desks, lamps, tables, television sets, mirrors, pictures, wall decorations and similar items; all trade fixtures, tools, tooling, vessels, and all goods of every type (other than Inventory) which are used or bought for use primarily in business; all food and beverage service equipment, kitchen equipment, cleaning service equipment and laundry and dry cleaning equipment; all china, glassware, linens, silverware and uniforms; all fabric, textile and flexible plastic products including, without limitation, carpeting, drapes, bedspreads, wall and floor coverings, mats, shower curtains and similar items; all tangible gaming devices, gaming device parts, inventory and other related gaming equipment and supplies used in connection with the operation of casinos, including, without limitation, slot machines, gaming tables, cards, dice, chips and markers; in each instance, wherever located, now or hereafter existing, and all accessions thereto, as well as all property received wholly or partly in trade or exchange for any of the foregoing (collectively, the "Equipment");

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(c) all machinery, furnishings, equipment, fixtures (as defined in the UCC), including, without limitation, all air conditioning, plumbing, electrical, lighting, communications and elevator fixtures and other property of every kind and nature, whether tangible or intangible, whatsoever owned by the Grantor, or in which the Grantor has or shall have an interest, now or hereafter located upon the Hotel and/or the Properties, and the improvements, or leased by the Grantor or any part thereof, or appurtenant thereto, and usable in connection with the use, operation, enjoyment, construction, future development, operation and occupancy of the Hotel and/or the Properties, and all building equipment, materials and supplies of any nature whatsoever owned by the Grantor, or in which the Grantor have or shall have an interest, now or hereafter located upon the Hotel and/or the Properties, or any part thereof, or appurtenant thereto, and all such property of the Grantor usable in connection with the use, operation, enjoyment and occupancy of the Hotel and/or the Properties, or any part thereof, or appurtenant thereto; including all such property which under the laws of the applicable jurisdiction may properly be characterized or classified as real property (any and all of the foregoing being the "Fixtures");

(d) all inventory (as defined in the UCC) in all of its forms, now or hereafter existing, including, but not limited to, those relating to the operation of the Hotel and/or the Properties, now or hereafter existing, whether located in the Properties, in the Hotel or elsewhere, whether in the possession of the Grantor, a bailee or other person for sale, storage, transit, processing, use or otherwise, including, but not limited to, (A) all raw materials and work in process therefore, as well as all supplies and materials used or consumed in the operation of the Grantor's business, such as, without limitation, all inventories of office, restaurant, bar, hotel, casino and other supplies (including all foods and alcoholic and non-alcoholic beverages), all maintenance and housekeeping supplies and inventory, including without limitation, soap, toiletries, cleaning materials and matches, stationery, pencils and other supplies of all kinds, whether used, unused or held in reserve storage for future use in connection with the maintenance and operation of the Grantor's property or business, and all parts, packaging materials and other accessories related thereto, (B) all finished goods and materials used or consumed in the manufacture, packing, shipping, advertising,

selling, leasing or production thereof, in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Grantor has an interest or right as consignee), and (C) goods which are returned to or repossessed by the Grantor, and all accessions thereto, products thereof and documents therefor (collectively, the "Inventory");

(e) all rights, interests, causes of action, claims and other intangible property of the Grantor of every kind (other than Accounts and Trademarks), whether now owned or hereafter acquired, including, without limitation, all general intangibles; contract rights, all loans, royalties and other obligations receivable of any kind now or hereafter existing; all corporate and business books and records (including, without limitation, books and records required by the Puerto Rico Tourism Company and/or by the Office of the Commissioner of Financial Institutions of Puerto Rico, with respect to the business of the Grantor); ledgers, printouts, file materials and other papers containing information relating to any Collateral; all inventions, designs, trade secrets, computer programs, software, printouts and other computer materials; all customer lists and databases; all interests in partnerships and joint ventures; all tax refunds and tax refund claims; all credits with and other claims against carriers and shippers; all rights to indemnification; all reversionary interests in pension and profit sharing plans and all reversionary, beneficial and residual interests in trusts or in which the Grantor is beneficiary or has interest, subject to any provisions of the Loan Agreement or the other Loan Documents to the contrary; all insurance policies held by the Grantor or naming the Grantor as insured, additional insured or loss payee and all proceeds thereof, including, without limitation, all rights, claims and recoveries relating thereto; and all letters of credit, guaranties, liens, security interests and other security held by or granted to the Grantor; and all other intangible property, whether or not similar to the foregoing; and all rights now or hereafter existing in and to all security agreements, leases, subleases and other contracts securing or otherwise relating to any such Accounts, Contracts, cash, deposit accounts, general intangibles or obligations (any and all of the foregoing being the "General Intangibles");

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(f) all contracts, subcontracts, licenses, permits,

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approvals, warranties, and such other agreements for or related to the Hotel, (including, without limitation, each of the contracts listed in Schedule 2(f) hereto) and contract rights (including, without limitation, all contracts and contract rights relating to the service, supply, operation, management, membership to any amenities located at or used in connection with the Properties, the Hotel and the improvements thereof, or maintenance of the Properties, the Hotel and the improvements thereof and/or the business of the Grantor), as the same may from time to time be amended, amended and restated, supplemented or otherwise modified and those contracts and contract rights hereafter entered into or acquired by the Grantor (collectively, the "Contracts"), together with all rights thereunder including, without limitation, (A) all rights of the Grantor to receive monies due or to become due thereunder or pursuant thereto, (B) all rights of the Grantor to receive proceeds of any insurance, condemnation, indemnity, or warranty with respect thereto, all claims of the Grantor for damages arising out of or for breach of or default thereunder, and any and all guaranties, letters of credit, security deposits and any other credit support given to the Grantor in connection therewith, (C) all of the Grantor's claims and rights to the payment of damages arising from the rejection thereof under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, conservatorship, winding-up, liquidation or other relief with respect to debts or debtors, (D) the right of the Grantor to terminate any Contract, to perform the Grantor's obligations under any Contract, and to compel performance and otherwise exercise all remedies thereunder, to the extent permitted under applicable law, and (E) all other rights, powers, privileges, options and other benefits of the Grantor under the Contracts, including, without limitation, the immediate and continuing right to make claim for, receive, collect and receipt for all amounts payable or receivable thereunder and to do all other things which the Grantor is or may be entitled to do under the Contracts (collectively with the Contracts, the "Contract Collateral");

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(g) all financial accounts (each, a "Financial Account") and all investment property (as defined in the UCC) of the Grantor, including, without limitation, (A) the financial accounts maintained with the financial institutions, including those maintained with the Secured Party (each, a "Financial

Intermediary"), (B) all moneys, financial assets (as defined in the UCC), checks, drafts, securities and instruments deposited or required to be deposited in such accounts, (C) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed under subclauses (A) and (B), and (D) each consent or other agreement from time to time entered into by the Grantor with any financial institution at which any of the Financial Accounts is maintained and all rights of the Grantor under each such consent or agreement (collectively, the "Financial Account Collateral");

(h) (i) all United States, Puerto Rico and foreign patents, copyrights, trademarks, service marks, fictitious business names, trade styles, trade or commercial names, logos or business identifiers now owned or hereafter adopted or acquired by the Grantor, all registrations and recordings thereof and all applications for registration and recording thereof in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, the Commonwealth of Puerto Rico, or any other country, political subdivision or territory thereof, including, without limitation, the patents, copyrights, trademarks, service marks and trade or commercial names and registrations listed on Schedule 2(h) hereto (except for "intent to use" applications for trademark or service mark registrations filed pursuant to 15 U.S. Code § 1051(b) (1) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under 15 U.S. Code § 1051(c) (1) of said Act has been filed) (collectively, the "Trademarks"), together with the goodwill of the business(es) connected with the use of, and symbolized by, the Trademarks; all renewals, extensions, and continuations-in-part of the foregoing; all patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, processes, technology, computer programs and software and applications and patents in any jurisdiction pertaining to the foregoing; all trade secrets, including confidential and other non-public information, and the right in any jurisdiction to limit the use or disclosure thereof; all databases and database rights; all internet web sites, domain names and applications and registrations pertaining thereto (including without limitation, intangible gaming devices, player tracking systems, and cashless

wagering systems); all income, royalties, damages, and payments now and hereafter due and/or thereunder and with respect thereto, including damages, claims, and payments for past or future infringement thereof and the right to sue for past, present, and future infringements of any and all of the foregoing; (ii) all licenses, whether the Grantor's interest be that of licensor or licensee thereunder, of any of the items described in clause (i) above; and (iii) to the extent not included in clauses (i) and (ii) above, any and all rights of the Grantor to payment under licenses of Trademarks and all contract rights and rights as a judgment creditor arising out of enforcement of rights under the Trademarks (collectively, the "Intellectual Property Collateral");

(i) all cash management services, notebooks and any other bank account, including, without limitation those listed in the attached Schedule 2(i) (each, an "Account"), whether now or hereafter existing, such as deposit accounts, operating accounts, savings accounts, checking accounts, payroll accounts, cash management, POS, credit cards, debit cards and/or ATM processing, with a banking or financial institution, including the Secured Party (each a "Financial Institution"), together with all funds, monies and rents collectively deposited therein from time to time and all earnings, proceeds and interests of every kind and description which may now or hereafter accrue thereon, including all passbooks, certificates and instruments of whatever nature which evidence the ownership and control of any of the foregoing (collectively, the "Accounts");

(j) all chattel paper, negotiable instruments, securities, whether or not certificated, promissory notes and other debt instruments and documents, including, without limitation, those items listed on Schedule 2(j) hereto and those hereafter pledged to the Secured Party by the Grantor, and all certificates or instruments representing the same, and all proceeds thereof, accessories thereto and substitutions therefor, all bills of lading, warehouse receipts and documents of title, other documents evidencing transport and other documents (collectively, the "Pledged Instruments");

(k) all authorizations, licenses (including, to the extent legally assignable, liquor licenses), permits, approvals and franchises, hereto or hereafter granted to or on behalf of the

Grantor or the Properties or the Hotel, including, without limitation, permits for operation, construction and occupancy or use permits, heretofore or hereafter granted to the Grantor by any public or governmental agency or regulatory body for the ownership or operation of Grantor's business, and any and all leases, operating agreements, distribution agreements, licensing agreements and other similar rights and material contracts of any kind;

(l) all cash, monies, chattel paper, checks, drafts, securities, notes, negotiable instruments, instruments, evidence of indebtedness and any other property from time to time received, receivable or otherwise distributed in respect of, and all of the Grantor's rights to receive any and all rights to payment with respect thereto, the casino operations of the Grantor; provided, however, that the Grantor's rights to receive, and all rights to payment of, monies and claims for slot machine revenues under Law No. 221 of May 15, 1948, as amended (or any successor statute) shall not be governed by this Agreement, but by that certain Collateral Assignment of Slot Machine Revenues executed on even date hereof by and between Grantor and the Secured Party;

(m) all cash and all deposit accounts, including, without limitation, any certificates and instruments evidencing ownership and control of funds in any such account and the right to demand or block withdrawals therefrom; all monies, financial assets, checks, drafts, securities and instruments deposited or required to be deposited in such accounts; all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items; and each account or other agreement from time to time entered into by the Grantor with any financial institution at which any of the financial accounts is maintained and all rights of the Grantor under each such account or agreement;

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(n) the following books and records relating to the Property and the improvements thereon: surveys (boundary and topographical); soil tests and reports; engineering studies; environmental tests, reports and assessments; plans and specifications (building and site) including, without limitation, fixture plans, building drawings, shop drawings, case connection

drawings, structural drawings, electrical drawings, mechanical drawings and as-built drawings; test and inspection reports; maintenance and utility agreements; warranties and guaranties (building, site and equipment); identification (name, address and telephone number) of site and building architects, engineers, contractors and subcontractors and common area maintenance directors; and related correspondence;

(o) any and all other personal property of the Grantor upon which a security interest may be granted pursuant to the terms of the UCC; and

(p) all products and cash and non-cash "proceeds", as such term is defined in the UCC or under other relevant law, of any and all of the foregoing Collateral, in any event, including without limitation (i) proceeds of any insurance, indemnity, warranty or guaranty payable to the Secured Party or to the Grantor from time to time with respect to any of the Collateral, (ii) payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all of any part of the Collateral by any Governmental Authority (or any Person acting on behalf of a Governmental Authority), and (iii) instruments representing obligations to pay amounts in respect of the Collateral, and (iv) any rents, revenues, issues and profits arising from the sale, lease, license, exchange, disposition or transfer of any of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral (collectively, the "Proceeds").

Except as otherwise provided for in the Loan Agreement, the inclusion of proceeds in this Agreement does not authorize the Grantor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized hereby.

The assignment of any Collateral shall not be deemed to constitute an absolute assignment, but an assignment as collateral security for the Obligations. The Parties agree that those agreements that constitute a part of the Collateral, which by the terms thereof may not be assigned by the Grantor without the prior

consent of the other parties thereto, shall not be deemed to have been assigned pursuant hereto and shall not be included within the Collateral until such time as all required consents to the assignment contemplated hereunder have been duly obtained, it being understood and agreed that the Grantor will in good faith use reasonable efforts to obtain such consent for the assignment and creation of a security interest, in favor of the Secured Party, in the Grantor's right, title and interest in such Collateral.

The obligations of the Grantor under this Security Agreement and the assignment, pledge and security interest granted by the Grantor in favor of the Secured Party, hereunder are in addition to and not in substitution of the obligations of the Grantor under any of the other Loan Documents.

SECTION 3. Security for Obligations. This Agreement and the security interests created hereby secure the prompt and complete: (a) payment and performance of all Obligations as defined in the Loan Agreement and the other Loan Documents, and of all obligations of every kind and character now or hereafter existing (whether matured or unmatured, contingent or liquidated) of the Grantor with the Secured Party, now or hereafter existing or arising under the Loan Agreement, the Note, the Loan Documents, and all other documents, agreements and instruments executed pursuant thereto or in connection therewith, and any and all extensions, increases, supplements, renewals, modifications and rearrangements thereof; (b) payment and performance of all obligations of the Grantor with the Secured Party, now or hereafter existing or arising under any agreement, document or instrument; (c) performance and observance by the Grantor of all covenants and conditions contained in the Loan Agreement, this Agreement, the Collateral and all other Loan Documents and any agreement, document or instrument executed by the Grantor in favor of the Secured Party, whether now or hereafter existing, and, in any case, whether for principal, interest, (including, without limitation, all interest accruing or payable at the then applicable rate provided in the Loan Agreement after the maturity of the Loan and interest accruing or payable at the then applicable rate provided in the Loan Agreement or other applicable agreement after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding, relating to the Grantor), fees, indemnification, expenses or otherwise (all such obligations, covenants and conditions described

in the foregoing clauses (a), (b) and (c) being hereinafter collectively referred to as the "Secured Obligations").

SECTION 4. Grantor Remains Liable. Notwithstanding anything herein to the contrary, (a) the Grantor shall remain liable under the Contracts and agreements included in the Collateral to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Secured Party of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the Contracts and agreements included in the Collateral and (c) the Secured Party shall not have any obligation or liability under the Contracts and agreements included in the Collateral by reason of this Agreement, nor shall it take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 5. Representations and Warranties. The Grantor represents and warrants as follows:

(a) The chief executive office and the principal place of business, and all Inventory and Equipment of the Grantor, are located at the addresses indicated in Schedule V hereto. The Grantor shall not move its chief executive office or principal place of business or move any Inventory or Equipment to any location other than those listed on Schedule V (except to such new location as the Grantor may establish in accordance with the last sentence of this subsection). All tangible evidence of all Collateral and the only original books of account and records of the Grantor relating thereto are, and will continue to be, kept at such chief executive office, or at such new location for such chief executive office as the Grantor may establish in accordance with the last sentence of this subsection. The Grantor shall not establish a new location for its chief executive office or principal place of business, or change its name, identity or organizational structure except in accordance with the provisions of the Loan Agreement.

(b) The Grantor owns the Collateral free and clear of any lien, security interest, charge or encumbrance except for the security interest created by this Agreement and any Permitted Liens under the Loan Agreement. No effective financing statement or other

instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of the Secured Party.

(c) All information with respect to the Collateral and the obligors under the Receivables set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by the Grantor to the Secured Party is and will be true, correct and complete in all material respects as of the date specified therein.

(d) This Agreement creates a valid first priority security interest in the Collateral except for any Permitted Liens under the Loan Agreement, securing the payment of the Secured Obligations, and, upon filing of an appropriate financing statement with the appropriate filing office, all filings and other actions necessary or desirable to perfect and protect such security interest will have been duly taken. Grantor authorizes the Secured Party to file in jurisdictions where this authorization will be given effect, financing statements (without Grantor's signature) in its own name or on behalf of the Grantor.

(e) No authorization, approval, or other action by, and no notice to or filing with, any Governmental Authority, regulatory body or Person is required either (i) for the pledge by the Grantor of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Grantor or (ii) for the exercise by the Secured Party of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement (except as may be required in connection with such disposition by applicable laws).

SECTION 6. Perfection; Supplements; Further Assurances.

A. In General:

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(a) All certificates or instruments representing or evidencing any Collateral, to the extent not previously delivered to the Secured Party, shall immediately upon receipt thereof by the Grantor be delivered to and held by the Secured Party pursuant hereto, and all certificated Pledged Instruments shall be in suitable form for transfer by delivery or shall be accompanied by
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duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. The Secured Party shall have the right, at any time upon the occurrence and during the continuance of any Event of Default (as defined in and as provided under of the Loan Agreement and/or in any other of the Loan Documents in connection therewith), after the expiration of any applicable cure period, and with notice to the Grantor, to endorse, assign or otherwise transfer to or to register in the name of the Secured Party or any of its nominees or endorse for negotiation any or all of the Pledged Instruments, without any indication that such Pledged Instruments are subject to the security interest hereunder. In addition, the Secured Party shall have the right at any time to exchange certificates representing or evidencing Pledged Instruments for certificates of smaller or larger denominations, provided, that such action is not detrimental to the value of the Pledged Instruments or any proceeds therefrom, including, without limitation, interest thereon.

(b) If any of the Pledged Instruments are at any time not evidenced by certificates or writings, then the Grantor shall, to the extent permitted or required by applicable law to perfect, continue and maintain a legal, valid, enforceable, first priority security interest in the Pledged Instruments, record such pledge on the register or the books of the issuer, cause the issuer to execute and deliver to the Secured Party an acknowledgment of the pledge of such Pledged Instruments, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge, and give the Secured Party the right to transfer such Pledged Instruments under the terms hereof.

(c) In furtherance and not in limitation of the other covenants herein, the Grantor shall, immediately upon the acquisition or issuance of any Pledged Instrument, execute and deliver to the Secured Party a Pledge Supplement substantially in the form of Exhibit B hereto (each, a "Pledge Supplement"), and shall deliver such Pledged Instrument in each case accompanied by appropriate endorsements executed in blank; provided, however, that the Grantor's failure to execute and deliver any Pledge Supplement shall not affect or limit the Secured Party's security interest in or other rights in and to the Pledged Instruments.

(d) The Grantor agrees that at any time and from time to

time, it will execute and, at the sole cost and expense of the Grantor file and refile, or permit the Secured Party to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Security Agreement), in form and substance acceptable to the Secured Party, in such offices as the Secured Party may reasonably deem necessary or appropriate in order to perfect, continue and maintain a valid, enforceable, first priority Lien in the Collateral and to preserve the other rights and interests granted to the Secured Party hereunder with respect to any Collateral. The Grantor authorizes the Secured Party to file any such financing or continuation statement or other document without the signature of the Grantor where permitted by law. A photocopy or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(e) The Grantor agrees that from time to time, at the expense of the Grantor, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will: (i) mark conspicuously, at the request of the Secured Party, each of its records pertaining to the Collateral with a legend indicating that such document, chattel paper, or Collateral is subject to the security interest granted hereby; (ii) if any Receivable shall be evidenced by a promissory note or other instrument or chattel paper, upon the request of the Secured Party, the Grantor shall, deliver and pledge to the Secured Party such note, instrument or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Party; (iii) make, execute, endorse, acknowledge, file or refile and/or deliver to the Secured Party from time to time such lists, descriptions and designations of the Collateral, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports, and other assurances, documents or instruments, as the Secured

Party may reasonably request and (iv) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby.

(f) The Grantor hereby authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signatures of the Grantor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(g) From time to time, the Grantor will furnish to the Secured Party, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party from time to time may request, all in reasonable detail.

(h) The Grantor will promptly notify the Secured Party from time to time any change of its name, principal place of business, state of formation, corporate structure or federal tax identification number.

(i) The Grantor shall keep its chief place of business and chief executive office and the office where it keeps its books and records concerning the Collateral, and all originals of all chattel paper, instruments and documents which evidence Receivables, at the location therefor specified in Schedule V. The Grantor will hold and preserve such records and chattel paper and will upon reasonable notice permit representatives of the Secured Party and the Secured Party at any time during normal business hours to inspect and make abstracts from such records and chattel paper.

See
[Signature]
(j) Except as otherwise provided in this subsection (j), the Grantor shall continue to collect, at its own expense, all amounts due or to become due the Grantor under the Receivables. In connection with such collections, the Grantor may take (and, upon the occurrence and continuance of an Event of Default at the Secured Party's direction, shall take) such action as the Grantor

or the Secured Party may deem necessary or advisable to enforce collection of the Receivables; provided, that the Secured Party shall have the right at any time, upon the occurrence and during the continuance of an Event of Default and upon written notice to the Grantor of its intention to do so to (i) notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Secured Party, (ii) to direct such account debtors or obligors to make payment of all amounts due or to become due to the Grantor thereunder directly to the Secured Party, and (iii) upon such notification and at the expense of the Grantor, to enforce collection of any such Receivables, and adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. After receipt by the Grantor of the notice from the Secured Party referred to in the proviso to the preceding sentence, (a) all amounts and proceeds (including instruments) received by the Grantor in respect of the Receivables shall be received by the Grantor in trust for the benefit of the Secured Party hereunder, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary assignment) to be held as cash collateral and either (A) released to the Grantor so long as no Event of Default shall have occurred and be continuing or (B) if any Event of Default shall have occurred and be continuing, applied as provided in Section 9, and (b) the Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon, except with the prior written consent of the Secured Party.

(k) The Grantor shall keep the Inventory (other than Inventory sold in the ordinary course of business or Inventory in transit to a buyer) within the Commonwealth of Puerto Rico or, upon at least thirty (30) days' prior written notice to the Secured Party, at such other places in jurisdictions where all action required by this Section 6 shall have been taken with respect to the Inventory.

(l) Not permit anything to be done that may impair the value of any of the Collateral or the Lien and security interest to be afforded by this Agreement.

(m) The Grantor will advise the parties to all existing material agreements constituting a part of the Collateral by written notice that its right, title and interest in and to the agreements have been assigned to the Secured Party.

(n) In the event that the Grantor enter into any new material agreements constituting a part of the Collateral, then the Grantor shall, within five (5) days of the Grantor entering into such agreement, provide the Secured Party with a confirmatory written assignment thereof executed by the Grantor before a Notary Public, together with a copy of such agreement.

B. As to Equipment and Inventory; and as to the Contracts.

(a) The Grantor (i) shall keep and maintain the Equipment in good operating condition and repair, reasonable wear and tear excepted, and make all necessary replacements thereof; and (ii) shall not permit any such items to become a fixture to real estate or accession to other personal property, unless the Secured Party has a first priority Lien in such real estate or other personal property (subject to Permitted Liens).

(b) The Grantor shall pay promptly, when due, all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Equipment and Inventory.

(c) Until the indefeasible payment in full in cash of the Secured Obligations, at any time when an Event of Default (as defined in and as provided under of the Loan Agreement and/or in any other of the Loan Documents in connection therewith) has occurred and is continuing, following the expiration of any applicable cure period: (i) the Grantor will perform any and all reasonable actions requested by the Secured Party to enforce the Secured Party security interest and Lien on the Inventory and all of the Secured Party's rights hereunder, such as leasing warehouses to the Secured Party or its designee, placing and maintaining signs, appointing custodians, transferring Inventory to warehouses, and delivering to the Secured Party warehouse receipts, documents of title and such other documentation as the Secured Party may reasonably request; (ii) if any Inventory is in the possession or control of any of the Grantor's agents, contractors or processors

or any other third party, the Grantor will notify the Secured Party thereof and will notify such agents, contractors or processors or third party of the Secured Party's security interest therein and, upon request, instruct them to hold such Inventory for the Secured Party's and the Grantor's account, as their interests may appear, and subject to the Secured Party's instructions; (iii) the Secured Party shall have the right to hold all Inventory subject to the security interest and Lien granted hereunder; and (iv) the Secured Party shall have the right to take possession of the Inventory or any part thereof and to maintain such possession on the Grantor's premises or to remove any or all of the Inventory to such other place or places as the Secured Party desires in its sole discretion. If the Secured Party exercises its right to take possession of the Inventory, the Grantor, upon the Secured Party's demand, will assemble the Inventory and make it available to the Secured Party at the Grantor's premises at which it is located.

(d) The Grantor shall comply with the provisions of the Loan Agreement and this Agreement in regards to the Contracts.

(e) The Grantor will, at its sole cost and expense, at any time and from time to time, promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable or that the Secured Party may reasonably request in order (i) to perfect and protect the lien and assignment created hereby; (ii) to enable the Secured Party to exercise and enforce its rights and remedies hereunder in respect of the Collateral; or (iii) to otherwise effect the purposes of this Agreement, including without limitation (a) causing each of the contracting parties under each of the Contracts with a value in excess of \$50,000.00, or those requiring prior consent before an assignment, to execute and deliver to the Secured Party the "Consent and Agreement" substantially in the form attached hereto as Exhibit C or (b) executing and delivering such other documents and taking all further action as may be reasonably necessary or desirable and that the Secured Party may reasonably request in order to perfect and preserve the lien and assignment created hereby, or to enable the Secured Party to exercise and enforce its rights and remedies hereunder, and to perfect and preserve the assignment granted or purported to be granted hereby.

(f) The Grantor will advise the contracting parties under the

Contracts and the Secured Party by written notice, in the form attached hereto as Exhibit D, that all of its rights, title and interests in and to the Contracts have been assigned to the Secured Party.

(g) In the event that Grantor enters into any new Contract not specifically listed or described on Schedule 2(f) attached hereto, then Grantor shall provide the Secured Party with a confirmatory written assignment thereof (in the form attached hereto as Exhibit E), together with a copy of such agreement and, if the value of the Contract exceeds the amount of \$50,000.00, or if such Contract includes assignment restrictions, a "Consent and Agreement" from the contracting party for the new Contract in substantially the form attached hereto as Exhibit C, all within five (5) days of Grantor entering into such new agreement.

SECTION 7. Insurance. The Grantor shall, at its own expense, maintain (or cause to be maintained) insurance policies as provided in the Loan Agreement.

SECTION 8. Transfers and Other Liens. The Grantor shall not: (a) sell, assign (by agreement, operation of law or otherwise) or otherwise dispose of any of the Collateral (other than in the ordinary course of business) or (b) create or suffer to exist any lien or security interest upon or with respect to any of the Collateral, except for Permitted Liens, the lien or security interest permitted under the Loan Agreement, liens or security interests created by this Agreement, and liens and security interests in favor of the Secured Party or otherwise as approved in writing by the Secured Party.

SECTION 9. Remedies and Application of Proceeds. If any Event of Default shall have occurred and be continuing, the Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and the Secured Party may also (a) require the Grantor to, and the Grantor hereby agrees that it will at its sole cost and expense and upon request of the Secured Party forthwith, assemble all or part of the Collateral as directed by the Secured Party and make available to the Secured

Party at a place to be designated by the Secured Party which is reasonably convenient to both parties and (b) without notice except as required by law or specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable. The Grantor will execute and deliver such documents and take such other actions as the Secured Party deems necessary or advisable in order for any sale to be made. Upon any such sale the Secured Party shall have the right to deliver and transfer to the purchaser thereof the Collateral sold. The Grantor agrees that ten (10) days' prior written notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made or other intended disposition of any of the Collateral shall constitute reasonable notification thereof, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Grantor agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-611 of the UCC. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. All proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Secured Party, be held by the Secured Party as Collateral, and/or then or at any time thereafter be applied in whole or in part by the Secured Party against all or any part of the Secured Obligations in accordance with the terms of the Loan Agreement. In the event that the proceeds of any sale, collection or realization of Collateral are insufficient to pay all amounts to which the Secured Party is legally entitled, Grantor shall be liable for the deficiency, together with interest thereon at the default rate specified in the Loan Agreement as the Default Rate, and for the costs of collection and the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency.

The Secured Party may exercise any and all rights and remedies of the Grantor under or in connection with the Contracts or

otherwise in respect of the Collateral, including, without limitation, any and all rights of the Grantor to take or refrain from taking any action thereunder, or to receive, demand or otherwise require payment of any amount thereunder, or to require the performance of any provision thereof, to the fullest extent permitted under applicable law. In furtherance and not in limitation of the foregoing, the Secured Party, may, to the extent permitted under applicable law: (i) notify any and all obligors under the Contracts that the same have been assigned to the Secured Party, that the Secured Party is entitled to exercise all rights pertaining thereto, and that all payments thereon and other performance thereunder are to be made and rendered directly and exclusively to the Secured Party; (ii) renew, extend, modify, amend, accelerate, accept partial payments or performance on, make allowances and adjustments and issue credits with respect to, release, settle, compromise, compound, collect or otherwise liquidate or deal with, on terms acceptable to the Secured Party, in whole or in part, the rights to the Collateral and any amounts owing thereon or any performance due thereunder or any of the Grantor's rights or interests therein; (iii) enter into any other agreement relating to or affecting the rights to the Collateral; and (iv) give all consents, waivers and ratifications in respect of the rights to the Grantor and exercise all other rights, powers and remedies and otherwise act with respect thereto as if it were the owner thereof. The Grantor hereby releases the Secured Party, and agrees to hold the Secured Party harmless from and against, any claims arising out of, any action taken or omitted to be taken with respect to any such Contract, except for those claims that are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of the Secured Party.

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All payments received by the Grantor under or in connection with any Contract or Account or otherwise in respect of the Collateral shall be received in trust for the benefit of the Secured Party, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsement).

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If at any time when the Secured Party shall determine to exercise its right to sell all or any Pledged Instruments pursuant to this Section 9, such Pledged Instruments or the part thereof to

be sold shall not be effectively registered under the Securities Act of 1933, as amended (as from time to time in effect, together with the rules and regulations thereunder, the "Securities Act"), the Secured Party is hereby expressly authorized to sell such Pledged Instruments or such part thereof by private sale in such manner and under such circumstances as the Secured Party may deem reasonably necessary or advisable in order that such sale may legally be effected without such registration. The Grantor agrees that private sales so made may be at prices and upon such terms less favorable to the seller than if such Pledged Instruments were sold at public sales, and that the Secured Party has no obligation to delay sale of any such Pledged Instruments for the period of time necessary to permit the issuer of such Pledged Instruments for public sale under such applicable securities law. The Grantor agrees that private sales shall not, solely by virtue of being private sales, be deemed to have been made in a commercially unreasonable manner.



The Secured Party may in its discretion hold any or all of the Pledged Instruments until maturity and receive any payments therefrom or may sell any or all of such Pledged Instruments in public or private sale.

The Secured Party, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the security interests granted hereby and sell the Collateral, or any portion thereof, under one or more judgments or decrees of a court or courts of competent jurisdiction.

SECTION 10. Secured Party Appointed Attorney-in-Fact.

Effective upon the occurrence of and continuance of an Event of Default (as defined in and as provided under of the Loan Agreement and/or in any other of the Loan Documents in connection therewith), the Grantor hereby irrevocably appoints and consents to Secured Party exercising Grantor's rights and powers, with full authority in the place and stead of the Grantor and in the name of the Grantor, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement, including, without limitation, (i) to obtain and adjust insurance required to be paid to the Secured Party with respect to the Collateral; (ii)

to pay taxes, assessments or other charges or claims that the Secured Party in good faith believes to be then due with respect to the Collateral; (iii) to receive, indorse and collect any checks, drafts, notes, acceptances or other instruments, any invoices, freight or express bills, bills of lading, storage, warehouse receipts, assignments, verifications, notices or other documents and chattel paper; (iv) to file any claims or take any action or institute or defend any proceedings which the Secured Party reasonably may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to the Collateral; (v) to direct any party liable for any payment in respect of or arising out of any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Secured Party or as the Secured Party shall direct; (vi) to pay or discharge taxes and liens levied or placed on or threatened against the Collateral; (vii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral (including, without limitation, any Pledged Instruments) and to extend the time of payment of any thereof and to make allowance and other adjustments with reference thereto; (viii) to effect any repairs called for by the terms of this Security Agreement or the Loan Agreement; and (ix) generally, to sell, transfer, assign, pledge and make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option and the Grantor's expense, at any time from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's Lien thereon and to effect the intent of this Security Agreement, all as fully and effectively as the Grantor might do. The Grantor hereby ratifies and approves all acts of the attorney-in-fact other than those constituting acts of gross negligence or willful misconduct. The Secured Party shall not be liable for any losses or liabilities resulting from any acts or omissions or any error of judgment or mistake of fact or law, except those losses or liabilities which a court of competent jurisdiction finally determines were caused by the gross negligence or willful misconduct of the Secured Party.



SECTION 11. Secured Party May Perform. If the Grantor fails

to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses incurred in connection therewith shall be payable by the Grantor under Section 13.

SECTION 12. Limitations of the Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect the interest of the Secured Party in the Collateral and shall not impose any duty upon any of them to exercise any such powers. Except for reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not have any responsibility for taking any necessary steps to preserve rights against any parties with respect to any Collateral.

SECTION 13. Indemnity and Expenses.

(a) The Grantor shall indemnify the Secured Party, any Affiliate thereof and their respective stockholders, directors, officers, representatives, employees and agents (each, an "Indemnitee") from, and hold each of them harmless against, any and all losses, liabilities, claims or damages (including legal fees and expenses) to which any of them may become subject, insofar as such losses, liabilities, claims or damages arise out of or result from (i) the Grantor's execution, delivery and performance of this Agreement, the Loan Agreement, any other Loan Document, or any other document executed in connection herewith or (ii) any investigation, litigation or other proceeding (including any threatened investigation or proceeding) relating to the foregoing, and the Grantor shall reimburse each Indemnitee, upon demand for any expenses (including legal fees) reasonably incurred in connection with any such investigation or proceeding, but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of (i) the gross negligence or willful

misconduct of the person to be indemnified, or (ii) a breach of a material provision or this Agreement by the person to be indemnified. It is the express intention of the Grantor that each person to be indemnified hereunder shall be indemnified and held harmless against any and all losses, liabilities, claims or damages as limited in the preceding sentence arising out of or resulting from the ordinary, sole or contributory negligence of such Person. Without prejudice to the survival of any other obligations of the Grantor hereunder, the obligations of the Grantor under this Section shall survive the termination of this Agreement.

(b) The Grantor agrees to pay within ten (10) Business Days after demand, to the Secured Party the amount of any and all costs and expenses, including the fees and disbursements of its counsel and of any experts and agents, that the Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the evaluation, appraisal, custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof. The Grantor agrees to pay interest on any expenses or other sums payable to the Secured Party hereunder that are not paid when due at a rate per annum equal to the Default Rate (as defined in the Loan Agreement).

(c) The indemnities and other agreements contained in this Section 13 are in addition to any indemnities and other agreements in any other Loan Document, but in no event shall the Secured Party be entitled to any duplicative payment other than with respect to any payment which the Secured Party is required to return.

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(d) The agreements of the Grantor contained in this Section 13 shall survive the payment in full in cash and the performance of all of the Secured Obligations.

[Signature]
SECTION 14. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and delivered at the addresses and in the manner specified for the giving of notices pursuant to the Loan Agreement.

SECTION 15. Termination; Restatement.

(a) The Grantor agrees that this Agreement and the Liens and security interests granted hereunder shall terminate only when all Secured Obligations have been indefeasibly paid and performed in full, at which time the Secured Party upon the Grantor's written request shall reassign and redeliver, including the termination of any financing statements (or cause to be reassigned and redelivered) to the Grantor, or to such person as the Grantor shall designate in writing, against receipt, such of the Collateral (if any) as shall not have been sold or otherwise applied by the Secured Party pursuant to the terms before and shall still be held by it hereunder. Any such reassignment shall be without recourse upon, or representation or warranty by the Secured Party (other than that the Secured Party has not sold, encumbered or otherwise transferred any interest in the Collateral except as provided in this Agreement) and shall be at the sole cost and expense of the Grantor.

(b) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by the Secured Party in respect of the Secured Obligations is rescinded or must otherwise be restored or returned by the Secured Party or any Secured Party upon the filing of any bankruptcy proceeding by or of the Grantor or upon the appointment of any interventor or conservator of, or trustee or similar official for, the Grantor or any substantial part of its assets, or otherwise, all as though such payments had not been made.

SECTION 16. Miscellaneous.

(a) No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party and the Grantor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) All rights of marshalling of assets of the Grantor, including any such right with respect to the Collateral, are hereby expressly and unconditionally waived by the Grantor.

(c) All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

(d) Should any clause, sentence, paragraph, subsection or Section of this Agreement be judicially declared to be invalid, unenforceable or void, such decision will not have the effect of invalidating or voiding the remainder of this Agreement, and the parties hereto agree that the part or parts of this Agreement so held to be invalid, unenforceable or void will be deemed to have been stricken herefrom by the Parties, and the remainder will have the same force and effectiveness as if such stricken part or parts had never been included herein.


(e) No failure on the part of the Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(f) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

(g) Except for any Permitted Liens under the Loan Agreement, this Agreement shall create a continuing first priority security interest in the Collateral and shall (a) remain in full force and effect until indefeasible payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, its successors and assigns and (c) inure to the benefit of the Secured Party and their respective successors, transferees and assigns. Upon the indefeasible payment in full and performance of all of the Secured Obligations, the Lien and security interest granted

hereby shall terminate and all rights to the Collateral shall revert to the Grantor. Upon any such termination, the Secured Party will, at the Grantor's sole cost and expense, promptly execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination. The obligations of the Grantor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way impaired by any event or circumstance whatsoever, including, without limitation: (a) any amendment or modification of any Loan Document, or any instrument or document referred to or provided for in any Loan Document, or any assignment, transfer or other disposition of any thereof; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement, instrument or document or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any such agreement, document or instrument; (c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to the Grantor, any stockholder or partner of the Grantor or any of their respective properties or creditors; or (d) any limitation on the Grantor's liability or obligations under any such agreement, instrument or document or any term thereof; in the case of any such event or circumstance, whether or not the Grantor or any partner of the Grantor shall have notice or knowledge of thereof.

(h) All representations and warranties contained in this Agreement or made in writing by or on behalf of the Grantor in connection herewith shall survive the execution and delivery of this Agreement and repayment of the Secured Obligations. Any investigation by the Secured Party shall not diminish in any respect whatsoever its rights to rely on such representations and warranties.

 (i) The Grantor hereby expressly and unconditionally waives, to the extent permitted by applicable law, (i) notice of the acceptance by the Secured Party of this Agreement, (ii) notice of the existence or creation or non-payment of all or any of the Secured Obligations, (iii) presentment, demand, notice of dishonor, protest, intent to accelerate, acceleration and all other notices whatsoever, and (iv) all diligence in connection or protection of or realization upon the Secured Obligations or any

thereof, any obligation hereunder, or any security for or guaranty of any of the foregoing.

(j) In this Agreement, unless a clear contrary intention appears:

(i) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(ii) reference to any person includes such person's successors and assigns and reference to a person in a particular capacity excludes such person in any other capacity or individually;

(iii) reference to any agreement, document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof;

(iv) unless the context indicates otherwise, reference to any Article, Section, Schedule or Exhibit means such Article or Section hereof or such Schedule or Exhibit hereto;

(v) the words "including" (and "include") means including, without limiting the generality of any description preceding such term;

(vi) with respect to the determination of any period of time, the word "from" means "from and including" and the word "to" means "to but excluding;" and

(vii) reference to any law means such as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

(k) The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

(l) No provision of this Agreement shall be interpreted or construed against any Person solely because that person or its

legal representative drafted such provision.

SECTION 17. Governing Law; Terms. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PUERTO RICO, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE COMMONWEALTH OF PUERTO RICO.

SECTION 18. Waiver of Jury Trial. THE GRANTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM OR RELATING TO ANY BANKING RELATIONSHIP EXISTING IN CONNECTION THIS AGREEMENT AND AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

SECTION 19. Submission To Jurisdiction.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF PUERTO RICO AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT. THE GRANTOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURT WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE GRANTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF THE AFOREMENTIONED COURT IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS REFERRED TO IN SECTION 14. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE GRANTOR IN ANY OTHER JURISDICTION.

(b) THE GRANTOR HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURT

REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 20. Final Agreement of the Parties. THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO), THE LOAN, THE LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SECTION 21. Preamble. The Preamble is incorporated herein and by this reference made to form a part hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date first above written.

SERRALLÉS HOTEL, INC.

By: _____

Name: Félix J. Serrallés Nevares

Title: President

ACKNOWLEDGED AND ACCEPTED:

BANCO SANTANDER PUERTO RICO

By: _____

Name: Jorge Santiago Ramírez

Title: Authorized Representative

By: _____

Name: Maricarmen Toro Dávila

Title: Authorized Representative

Affidavit Number: 072

Acknowledged and subscribed before me by **SERRALLÉS HOTEL, INC.**, herein represented by its President, Félix J. Serrallés Nevares, of legal age, married, executive and resident of Ponce, Puerto Rico; and **BANCO SANTANDER PUERTO RICO**, herein represented by its Authorized Representatives, Jorge Santiago Ramírez and Maricarmen Toro Dávila, both of legal age, married, bank executives and residents of Guaynabo, Puerto Rico; all of them personally known to me. In Ponce and San Juan, Puerto Rico, ~~respectively~~, this 29th day of July, 2016.

NOTARY PUBLIC



CONTRACTS

1. Management Agreement dated September 14, 2000 (as amended, supplemented and assigned from time to time) by and between Serrallés Hotel, Inc., and Hilton Worldwide International Puerto Rico LLC.
2. Services Agreement by and between Webcor Corporation & Serrallés Hotel Inc., dated as of December 16, 2013.
3. Purchase Agreement by and between Serrallés Hotel, Inc. and Xerox Corporation, dated April 4, 2014 in connection with certain equipment identified as X570EFI (XC560/570 FIERY SVR); and Purchase Agreement dated April 4, 2014 in connection with certain equipment identified as XC560C (XEROX COLOR 560 PTR).
4. Maintenance and Services Agreement by and between Serrallés Hotel, Inc. and J.M. Control, dated March 17, 2016.
5. Agreement by and between Serrallés Hotel, Inc. and Coca-Cola Puerto Rico Bottlers, dated July 30, 2015.
6. Master Agreement by and between Serrallés Hotel, Inc. and AT&T Mobility Puerto Rico, Inc., dated May 31, 2016.
7. Statement of Work by and between Serrallés Hotel, Inc. and Khoury Consulting, Inc. dated June 15, 2016 in connection with certain Master Services Agreement by and between the same parties.
8. Contract by and between Serrallés Hotel, Inc. and FPC Business dated June 30, 2016 (Maintenance contract for Auto Seal Pressure Machine for checks).
9. Concession Agreement by and between Serrallés Hotel, Inc. and Dimas Méndez d/b/a Dimas Sports Enterprises Inc., dated May 18, 2012.
10. Agreement with Merchant for Card Services by and between Banco Popular de Puerto Rico (Merchant Acquiring Solutions - Evertec) and Serrallés Hotel, Inc., dated January 28, 2015.
11. Services Agreement by and between Serrallés Hotel, Inc. and Golden Industrial Laundry, dated April 9, 2012.
12. Service Maintenance Contract Agreement by and between Serrallés Hotel, Inc. and Hobart Sales and Service Inc., dated as accepted on November 16, 2015 (Maintenance of Kitchen Equipment).

13. Service Agreement by and between Serrallés Hotel, Inc. and Interboro Systems Corp., dated February 2, 2016 (Time Clock Attendance System - Maintenance and Support Agreement).
14. Service Agreement by and between International Chemtex P.R. Inc. and Serrallés Hotel, Inc.
15. Concession Agreement by and between Island Venture Store, Inc. and Serrallés Hotel, Inc., dated June 22, 2015 (Convenience Store).
16. Concession Agreement by and between Serrallés Hotel, Inc. and Prestige International Corp., dba Café Lucero, dated November 2, 2015.
17. ATM Service Agreement by and between Banco Santander Puerto Rico and Serrallés Hotel, Inc., dated January 27, 2016 in connection with an Automatic Teller Machine located at the Hotel.
18. Lease Agreement by and between Banco Popular de Puerto Rico and Serrallés Hotel, Inc., dated April 1, 2016 in connection with an ATH financial facility (Cajero ATH) located at the Hotel.
19. Concession Agreement by and between Adara Miguel d/b/a D'Massage and Serrallés Hotel, Inc., in connection with the operation of a spa at the Hotel.
20. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., dated July 7, 2014, in connection with certain Lexus vehicle Model IS 350, vehicle license plate number HD270.
21. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., in connection with certain Ford vehicle E-350, commercial vehicle license plate number IDW572, purchased pursuant to an "Agreement" by and between Autos Vega, Inc. and Serrallés Hotel, Inc. dated February 21, 2013.
22. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., in connection with certain Ford vehicle F-250 commercial vehicle, license plate number 918672, purchased pursuant to an "Agreement" by and between Autos Vega, Inc. and Serrallés Hotel, Inc. dated April 21, 2013.
23. Concession Agreement by and between Antonio J. Vidal González d/b/a Ponce Coin, and Serrallés Hotel, Inc., dated

June 21, 2016 in connection with the operation of a video games arcade at the Hotel.

24. Concession Agreement dated February 29, 2014 by and between Sancho's Sushi Bar and Oriental Cuisine, Inc., d/b/a Sancho's, and Serrallés Hotel, Inc.
25. Lease Agreement by and between Junta de Titulares Costa Caribe Golf Villas and Serrallés Hotel, Inc., dated October 30, 2015 in connection with certain office space located at the 2nd floor (East Side) of "Club House del Campo de Golf Costa Caribe"
26. Telecommunications Facility Lease Agreement executed by and between Serrallés Hotel, Inc. and Innovatel Properties, LLC, pursuant to Deed No. 34 of August 25, 2015 before Notary Public María B. Maldonado Malfregeot, in connection with a portion of land of approximately 700 sm of property 63,631 of Ponce I.
27. Customer Marketing Agreement dated January 1, 2013 by and between CCl Beer Distributors Inc. d/b/a Medalla Distributors, and Serrallés Hotel, Inc.
28. Agreement by and between Oracle Caribbean, Inc. and Serrallés Hotel, Inc., dated March 28, 2016.
29. Preferred Vendor Services Agreement by and between Serrallés Hotel, Inc. d/b/a Hilton Ponce Golf and Casino Resort and Norl, Inc., dated effective as of September 18, 2013.
30. Agreement by and between Nuzone Cleaners Inc. and Serrallés Hotel Inc.
31. Services Agreement by and between Prime Janitorial Service, Corp. and Serrallés Hotel, Inc., dated effective as of June 1, 2016 (Janitorial, cleaning and maintenance services).
32. Leased Labor Services Agreement dated effective as of Dec. 16, 2015 by and between Personnel Recruiting Services, Corp. and Serrallés Hotel, Inc. (temporary labor for certain positions at the Hotel), as amended.
33. Services and Supplies Agreement by and between PlayNetwork, Inc. and Serrallés Hotel, Inc., dated August 1, 2012 in connection with the supply of certain products and services, more particularly described therein.
34. Dedicated Internet Access Service Product Agreement by and between Liberty Cablevision of PR, LLC and Serrallés Hotel, Inc., dated February 29, 2016.

35. Gas Service Agreement by and between Serrallés Hotel, Inc. d/b/a Costa Caribe Golf & Country Club and Light Gas Corp., dated December 2008.
36. Services Agreement by and between MAF Heavenly Group Corp. and Serrallés Hotel, Inc., dated effective as of March 12, 2016 (Supply and Rental of Equipment).
37. Maintenance Agreement by and between Cortelco Systems Puerto Rico Inc. and Serrallés Hotel, Inc., dated March 9, 2016 in connection with equipment maintenance.
38. Maintenance Agreement to service Access Control System by and between Automatic Control Technology & Serrallés Hotel, Inc., dated August 18, 2011.
39. Agreement for Lease of movable property and laundry services by and between Cadillac Uniform & Linen Supply, Inc. and Serrallés Hotel, Inc. dated August 19, 2015.
40. Service Agreement by and between Clary Corp. of Puerto Rico, Inc. and Serrallés Hotel, Inc., dated March 1, 2016 (150 KvO Uninterruptible Power Supply).
41. Service Agreement and Extended Warranty by and between Clary Corp. of Puerto Rico, Inc. and Serrallés Hotel, Inc., dated February 1, 2016 (30 kVA Galaxy 3000 Uninterruptible Power Supply).
42. Security Services by and between Vivaldi Security Services, Inc. and Serrallés Hotel, Inc., dated effective as of July 1, 2016.
43. Valet and Self-Parking Management Agreement (Third Amendment to Ponce Hilton Hotel and Casino) by and between USA Parking System of Puerto Rico, Inc. and Serrallés Hotel, Inc. d/b/a Hilton Ponce Golf & Casino Resort by Hilton International Co., its Managing Agent.
44. Water Supply Agreement by and between Destilería Serrallés, Inc. and Serrallés Hotel, Inc. dated December 14, 2000 (dependable source of water for irrigation).
45. Service Agreement by and between Acualab de Puerto Rico and Serrallés Hotel, Inc. dated May 21, 2012 (water analysis).
46. National Service Agreement by and between ThyssenKrupp Elevator Corporation and Hilton Hotel Corporation dated effective as of December 31, 2009.
47. Agreement by and between Topac de Puerto Rico, Inc. d/b/a Toshiba Puerto Rico, dated effective as of August 1, 2015 (Photocopy machine).

48. Agreement by and between Serrallés Hotel, Inc. and Trane Puerto Rico, Inc. dated March 10, 2016 (inspection, maintenance and repair of certain equipment).
49. Service Agreement by and between Septix Waste, Inc. and Serrallés Hotel, Inc. dated April 1, 2016 (solid waste, grease and water disposal and plumbing services).
50. Service Agreement by and between Oracle and Serrallés Hotel, Inc. dated effective as of June 1, 2016.
51. Service Agreement by and between Serrallés Hotel, Inc. and Tyco Integrated Security (formerly known as ADT Security Services Puerto Rico, Inc.) dated effective as of April 1, 2016.
52. Services Agreement by and between Ranger American Armored Car Services, Inc. and Serrallés Hotel, Inc. dated April 1, 2016 (driving, pick-up and delivery of cash and other monetary documents).
53. All of Serrallés Hotel, Inc.'s rights under that certain Subordination and Standstill Agreement dated as of April 16, 2003 by and among Destilería Serrallés, Inc., Ponce Villas, Inc., Golf Villas, Inc., Ocean View Villas, Inc, and Serrallés Hotel, Inc.
54. All of Serrallés Hotel, Inc.'s rights under that certain Agreement for Conveyance of Well and Constitution of Easement dated December 26, 2000 by and among Serrallés Hotel, Inc. and the Subirá Estate.
55. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 11 of Declaration of Master Covenants dated December 14, 2000 executed by Serrallés Hotel, Inc before Notary Public Jorge Ruiz Montilla.
56. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 1 of Segregation, Release of Condition Subsequent and Repurchase Right, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Oceanview Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before Notary Public Eugenio J. Huot Calderón.
57. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 3 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition

Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages (Condo-Hotel Parcel) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Ponce Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Eugenio J. Huot Calderón.


58. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 14 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages (Golf Villas Parcel) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Golf Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Jorge Ruiz Montilla.
59. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 18 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants, Subordination of Mortgages and Release of Use Restriction (Future Development Parcel Two) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Golf Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Jorge Ruiz Montilla.
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TRADEMARKS AND INTELLECTUAL PROPERTY COLLATERAL

TRADEMARKS REGISTERED IN THE TRADEMARK REGISTRY OF PUERTO RICO
OWNED BY
SERRALLES HOTEL, INC.

<u>Presentation Number</u>	<u>Presentation Date</u>	<u>Registration Number</u>	<u>Expiration Date</u>	<u>Class</u>	<u>Mark</u>	<u>Status</u>
33463	28-feb-2001	49325	28-feb-2001	25	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33464	28-feb-2001	49326	28-feb-2001	24	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33465	28-feb-2001	49327	28-feb-2001	42	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33671	23-feb-2001	49328	23-feb-2001	36	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33672	28-feb-2001	49329	28-feb-2001	28	COSTA CARIBE	Renewed in 2010/ Pending Evaluation

TRADEMARKS REGISTERED IN THE UNITED STATES PATENT AND TRADEMARK
OFFICE OWNED BY
SERRALLES HOTEL, INC.



<u>Serial Number</u>	<u>Reg. Number</u>	<u>Application Filing Date</u>	<u>Registration Date</u>	<u>Class/es</u>	<u>Word Mark</u>	<u>Live/Dead</u>
86812156	N/A	Nov-6-2015	N/A	25, 41, 43	COSTA CARIBE	LIVE

<u>Serial Number</u>	<u>Reg. Number</u>	<u>Application Filing Date</u>	<u>Registration Date</u>	<u>Class/es</u>	<u>Word Mark</u>	<u>Live/Dead</u>
85044726	3870719	May-21-2010	Nov-2-2010	28	COSTA CARIBE	LIVE
76218402	2811086	Feb-28-2001	Feb-3-2004	42	COSTA CARIBE	LIVE/ Renewal Accepted

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Schedule 2(i)

ACCOUNTS

Account Number	Account Description	Bank or Financial Institution
3004886843	ZB Other Deposits (Hotel) - For the cash and check deposits received at the Hotel.	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004886886	ZB Operations - AP checks and electronic transfers	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887076	ZB Payroll - Hotel & Casino	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887475	ZB POS - Credit Card Hotel	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887548	ZB Other Deposits (Casino) - For the cash deposits of the Casino, remittance requests and electronic payments to	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this

	the Puerto Rico Tourism Company.	Agreement.
3004887556	ZB POS (Casino) - Credit Card Casino	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004889028	Costa Caribe Golf - Payroll	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004889125	General Account (Corporate)	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890360	FF&E Discretionary - Checks and Deposits	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890395	FF&E Permanent - Check and Deposits	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890409	Subordinated Debt	Banco Santander de Puerto Rico


	Service Reserve Account	
3004892762	Restricted Debt Service Reserve Account	Banco Santander de Puerto Rico


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PLEDGED INSTRUMENTS

1. Mortgage note payable to the order of the bearer, endorsed in favor of Banco Santander Puerto Rico, in the principal amount of \$39,000,000, due on October 1, 2030 and authenticated under affidavit number 2,395 of Notary Public Juan Antonio Aquino Barrera (the "Mortgage Note I-A"), secured by a mortgage constituted pursuant to Deed Number 12 of Constitution of First Mortgage executed on December 14, 2000 before the same Notary Public (the "Mortgage I"). Mortgage Note I and Mortgage I were modified pursuant to the terms of Deed Number 8 (as defined below) and by the terms of Deed Number 7 executed on July 29, 2016 before Notary Public Joamanda Marcelle Morales Vega ("Deed Number 7").
2. Mortgage note payable to the order of the bearer, endorsed in favor of Banco Santander Puerto Rico, in the principal amount of \$16,835,000, due on April 1, 2033 and authenticated under affidavit number 2,506 of Notary Public Juan Antonio Aquino Barrera (the "Mortgage Note I-B"), secured by the Mortgage I, as modified pursuant to the terms of Deed Number 8 of Acknowledgement of Subsistence, Consent to and Amplification of Mortgage and Subordination of Mortgage executed on April 16, 2003 before the same Notary Public (the "Deed Number 8"), as amended by Deed Number 7. The Mortgage Note I-A and the Mortgage Note I-B are secured, in pari-passu basis, by the Mortgage I, as amended.

 The Mortgages are recorded over the real properties listed herein below (collectively, the "Mortgaged Property"):

 The Mortgage I is recorded over the following real properties:

- a. property number 63,631, recorded at page 37 of volume 2,065 of Ponce, Registry of the Property of Puerto Rico, First Section of Ponce, composed of two parcels of land identified as Hotel Parcel and Golf Parcel (the "Property I");
- b. property number 63,660, recorded at page 117 of volume 2,066 of Ponce, Registry of the Property of Puerto Rico, First Section of Ponce, identified as Public Use Parcel One (the "Property II"). This property was released from the Lien of the Mortgage I pursuant to Deed Number 7;
- c. property number 63,661, recorded at page 119 of volume 2,066 of Ponce, Registry of the Property of Puerto Rico, First Section of Ponce, identified as Public Use Parcel One-A (the "Property III"). This property was released from the Lien of the Mortgage I pursuant to Deed Number 7; and
- d. property number 63,662, recorded at page 121 of volume 2,066 of Ponce, Registry of the Property of Puerto Rico, First Section of Ponce, identified as Public Use Parcel Two (the "Property IV"). This property was released from the Lien of the Mortgage I pursuant to Deed Number 7.

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Schedule V

CHIEF EXECUTIVE OFFICE, PRINCIPAL PLACE OF BUSINESS, LOCATION OF
EQUIPMENT AND INVENTORY, LOCATION OF RECORDS OF COLLATERAL, AND
LOCATION OF CONTRACTS

1150 Ave Caribe, Suite 201, Ponce, PR 00716

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EXHIBIT A

REAL PROPERTIES

Property number 63,631, recorded at page 37 of volume 2,065 of Ponce, Registry of the Property of Puerto Rico, First Section of Ponce, composed of two parcels of land identified as Hotel Parcel and Golf Parcel and described as follows:

"RÚSTICA: Una finca dividida en dos predios por el Río Bucaná localizada en los Barrios Bucaná y San Antón del término municipal de Ponce, Puerto Rico, con una cabida superficial de 434.6878 cuerdas, equivalentes a 1,708,494.7892 metros cuadrados. Los predios que la componen se dividen como:

RÚSTICA: Parcela del Hotel: Parcela de terreno localizada en el Barrio San Antón del término municipal de Ponce, Puerto Rico, con una cabida superficial de 219.7395 cuerdas, equivalentes a 863,663.1056 metros cuadrados, y en lindes por el NORTE, con la Avenida Caribe de la Urbanización Villa del Carmen; por el SUR, con la parcela de uso público uno, parcela de uso público uno-A y la parcela Oceanview Villas; por el ESTE, con el Río Bucaná y la parcela Ponce Villas; y por el OESTE, con la avenida Malecón (PR-14) y la Compañía de Desarrollo de Puerto Rico.

RÚSTICA: Parcela de Golf: Parcela de terreno localizada en el Barrio Bucaná del término municipal de Ponce, Puerto Rico, con una cabida superficial de 214.9483 cuerdas, equivalentes a 844,831.6836 metros cuadrados, y en lindes por el NORTE, con la Autopista Luis A. Ferré; por el SUR, con la parcela de uso público dos; por el ESTE, con la Sucesión Subirá; y por el OESTE, con la parcela de terreno del Estado Libre Asociado de Puerto Rico. Es el remanente de esta finca luego de deducidas las siguientes segregaciones: Uso Público de 2.3347 cuerdas; Uso Público 1-A de 2.6017 cuerdas; Uso Público número 2 de 2.7901 cuerdas; Golf Villas Parcela de 26.4202 cuerdas; Ocean View Villas Parcel de 10.8882 cuerdas; Condo-Hotel Parcel de 9.7219 cuerdas y Future Development Parcel One de 1.7636 cuerdas, según la escritura

número 16, otorgada en San Juan, Puerto Rico, el día 21 de febrero de 2003, ante el notario Jorge M. Ruíz Montilla, aclarada por la escritura número 47, otorgada en San Juan, Puerto Rico, el día 16 de abril de 2003, ante el mismo notario, e inscrita al folio 190 del tomo 2,068 de Ponce, finca número 63,631, inscripción 14ta.

En la referida propiedad enclavan las siguientes estructuras:

Descripción General: Hotel que consiste de cinco (5) edificaciones de diferentes formas y volúmenes geométricos y arquitectónicos, construido básicamente en hormigón arquitectónico reforzado, bloques de hormigón y materiales típicos de terminaciones para menores y exteriores. Posee una vegetación profunda que resalta el trasfondo tropical del área. En términos generales, contiene ciento cincuenta y seis (156) habitaciones de las cuales ocho (8) son "suites", oficinas administrativas, restaurantes, barras, salones de reuniones, centro de convenciones, casino, tiendas, cocina, "pantry", cafetería para empleados, almacenes, canchas de tenis, mini gimnasio, piscina, jacuzzi, baños, cinco (5) ascensores, área para seiscientos (600) estacionamientos, dos (2) generadores eléctricos para emergencias, lavandería, espacio para concesionarios.

Las facilidades del hotel están protegidas por un sistema de detectores de humo y alarmas contra incendios, así como un sistema de rociadores automáticos, gabinetes de mangueras, extintores y circuito cerrado de televisión en el casino.

Descripción detallada:

A) Edificios de habitaciones: Consiste de dos (2) edificios en hormigón arquitectónico reforzado y bloques de hormigón de cuatro (4) niveles. Cada edificio tiene una dimensión de 296.50 pies por 48.75 pies en su planta baja, con un área de piso de 26,815, 26,311, 25,280 y 24,249 pies cuadrados, respectivamente. Cada edificio tiene un (1) ascensor panorámico, uno (1) de carga y dos (2) escaleras. El hotel contiene 156 habitaciones de las cuales 8 son "suites". Todas las habitaciones tienen balcón con vista al mar y los pisos son en losetas de cerámica. Todas las habitaciones tienen baño, televisión, mini-bar, teléfono, aire acondicionado tipo "fan coils", abanico de techo,

detector de humo, rociadores automáticos en la entrada del cuarto y en el baño y un (1) control energético para el aire acondicionado. Todas las habitaciones están completamente amuebladas. El techo de cada edificio es inclinado en ambos lados y con terminación en tejas. En estos techos están ubicadas las unidades manejadores de aire acondicionado para suplir aire fresco a las habitaciones, extractores y a los cuartos de máquinas de los ascensores.

En el edificio Oeste, a nivel de la piscina, existe un (1) mini-gimnasio. En el Este, al mismo nivel, están los baños públicos y un (1) área de almacén.

B) Edificio Principal:

Consiste de una estructura de dos niveles en hormigón armado y bloques de hormigón con un área de piso de 34,749 pies cuadrados y 37,356 pies cuadrados.

A continuación una breve descripción del contenido de cada nivel:

1. Primer nivel: Contiene vestíbulo del atrio, cuartos eléctricos, almacenes, cocina principal, cafetería de empleados, Restaurantes "La Hacienda" y "El Fogón", baños públicos, escalera principal, fuente ornamental, tres (3) salones de reuniones, todo con un área de 34,749 pies cuadrados.

2. Mezzanine: Cuartos de máquinas de aire acondicionado con un área de piso de 4,735 pies cuadrados.

3. Segundo nivel: Contiene Portacochere, vestíbulo principal, "pantry", "front desk", baños públicos, oficinas administrativas, tres (3) tiendas, áreas de recepción y salón de reuniones, terraza "Los Balcones", "cocktail lounge", "La Bohemia", con un área de piso de 37,356 pies cuadrados.

C) Edificio Pabellones:

Consiste de una estructura de dos (2) niveles en hormigón arquitectónico armado y bloques de hormigón. Un área de construcción de 43,531 pies cuadrados.

A continuación una breve descripción del contenido de todo nivel:

1. Primer nivel: Cuarto de máquinas con dos (2) "chillers" marca Trane para agua helada con capacidad de 393 toneladas del sistema de aire acondicionado, generador eléctrico con capacidad de 400 KW, 2 calentadores de agua de 730 galones, oficinas de ingeniería, almacenes, oficina de "housekeeping" y almacén, lavandería, cuartos de unidades manejadoras de aire, baños de supervisores, baños y facilidades de empleados con un área de 17,927 pies cuadrados.

2. Mezzanine: Cuarto de máquinas de aire acondicionado y facilidades de descanso con baño y "lockers" para empleados del casino con área de piso de 4,491 pies cuadrados.

3. Segundo nivel: Espacio para concesión, discoteca con un área de 3,320 pies cuadrados. Casino con un área de 7,633 pies cuadrados. Pasillos con un área de 10,159 pies cuadrados.

4. Core "A": Consiste de una estructura en hormigón y bloques de hormigón con un área de piso de 2,126 pies cuadrados.

a. Primer nivel: Oficinas de personal con un área de piso de 1,030 pies cuadrados.

b. Mezzanine: Unidad de aire acondicionado con un área de construcción de 66 pies cuadrados.

c. Segundo nivel: Baños públicos con un área de construcción de 1,030 pies cuadrados.

5. Core "B": Consiste de una estructura anexa al pabellón de dos (2) niveles en hormigón y bloques de hormigón con un área de construcción de 1,671 pies cuadrados.

a. Nivel sobre relleno: Cuarto mecánico y áreas almacén con un área de construcción de 295 pies cuadrados.

b. Primer nivel: Escalera y ascensor de descarga, cuarto de seguridad del hotel y cuarto de seguridad del casino con un área de construcción de 688 pies cuadrados.

c. Segundo nivel: Cuarto de reparación de tragamonedas, ascensor, pasillo conexión de pabellón con un área de construcción de 688 pies cuadrados.

Centro de convenciones: Consiste de una estructura de una planta y mezzanine en hormigón arquitectónico y bloques de hormigón con las siguientes facilidades, con un área total de 30,373 pies cuadrados.

a. Primer nivel: Gran salón de actividades subdividible en varios salones, vestíbulo, portacochere, "pantry", baños públicos, almacenes, cuarto de artistas, tarima permanente, generador eléctrico de 300 KW, patio interior, fuente ornamental, escaleras, área de carga y descarga.

b. Mezzanine: Dos cuartos de máquinas de aire acondicionado y equipos eléctricos de iluminación y sonido con un área de construcción de 6,469 pies cuadrados.

Entre el edificio de convenciones y el edificio principal existe una plazoleta con una fuente y dos escaleras.

E) Facilidades Adicionales:

1. Cuatro (4) canchas de tenis con alumbrado.
2. Dos (2) torres de enfriamiento de 425 toneladas con motor de 20 caballos.
3. Área de estacionamiento para 103 vehículos de empleados.
4. Área de estacionamiento de visitantes con 408 espacios.
5. Piscina, Jacuzzi, barra, cuatro (4) controles y filtros.
6. Centro de actividades.
7. Caseta de seguridad y entrada principal.
8. Pozos para abasto de agua jardinería.
9. Sobrecarga (2) para futura ampliación a un costo de 1.6 millones de dólares.
10. Cuatro (4) tanques de gas licuado localizados sobre el terreno.
11. Dos (2) tanques de combustible diésel localizados sobre el terreno.
12. Área de carga y descarga.
13. Cisterna de agua potable.
14. Estanque ornamental adyacente a nivel de terreno del edificio principal.
15. Dos (2) subestaciones eléctricas.

16. Subestación eléctrica principal de 38,000 voltios.

RM

per

FORM OF PLEDGE SUPPLEMENT

PLEDGE SUPPLEMENT dated _____, _____ (this "Pledge Supplement"), is made by **SERRALLÉS HOTEL, INC.**, a Puerto Rico corporation (the "Grantor"), in favor of Banco Santander Puerto Rico, as Secured Party.

1. This Pledge Supplement is executed and delivered pursuant to the terms of that certain Security, Pledge and Assignment Agreement, dated as of July 29, 2016 (as supplemented by this Pledge Supplement and as the same has been and may hereafter be supplemented by any other Pledge Supplement or otherwise amended or modified, the "Security Agreement"), by Grantor under the Security Agreement, in favor of the Secured Party. Terms defined in the Security Agreement are used herein as therein defined.
2. The Grantor confirms and reaffirms the security interest in the Pledged Instruments granted to the Secured Party under the Security Agreement, and as additional collateral security for the prompt and complete payment and performance when due of all of the Obligations, the Grantor hereby delivers to the Secured Party and hereby pledges, assigns, hypothecates, transfers and grants to the Secured Party a first priority security interest in the additional Pledged Instruments listed on Schedule A annexed hereto and all proceeds thereof and any collateral security securing the same.
3. The Grantor hereby represents and warrants that the representations and warranties set forth in the Security Agreement are true and correct as of the date of this Pledge Supplement, and acknowledges and agrees that all references in the Security Agreement to "Pledged Instruments" shall include the additional Pledged Instruments listed on Schedule A hereto and on Schedule A to each Pledge Supplement executed prior to the date hereof and all references therein to "this Security Agreement" shall mean the Security Agreement as supplemented hereby. In addition, the Grantor represents and warrants that this Pledge Supplement has been duly executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable against the Grantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting creditors' rights.

4. This Pledge Supplement is supplemental to the Security Agreement, forms a part thereof and is subject to all the terms thereof. Schedule 2(j) to the Security Agreement does, and shall be deemed to, include each item listed on Schedule A hereto.

IN WITNESS WHEREOF, the Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer on the date first set forth above.

SERRALLÉS HOTEL, INC.

By: _____
Name: _____
Title: _____

Affidavit No.: _____

Acknowledged and subscribed before me by SERRALLÉS HOTEL, INC., herein represented by its authorized representative _____, of legal age, _____, executive and resident of _____, Puerto Rico, who is personally known to me. In San Juan, Puerto Rico, on this ____ day of _____, _____.

Notary Public

SCHEDULE A TO PLEDGE SUPPLEMENT



FORM OF "CONSENT AND AGREEMENT"CONSENT AND AGREEMENT

The undersigned (the "Undersigned") has entered into a contract with SERRALLÉS HOTEL, INC., a corporation organized and existing under the laws of the Commonwealth of Puerto Rico (the "Borrower"), dated as of _____, _____ (as the same may be amended or supplemented from time to time, the "Agreement") in connection with certain facilities located at the hotel known as "Hilton Ponce Golf & Casino Resort" located in Ponce, Puerto Rico (the "Premises").

At the Borrower's request and in order to induce Banco Santander Puerto Rico (the "Lender") to grant the Borrower certain credit facility (the "Loan Agreement"), the Undersigned hereby consents to the assignment of all of the Borrower's rights under the Agreement to the Lender, as security for the Borrower's obligations to the Lender under the Loan Agreement and under any other Loan Document executed in connection thereto (as the same may from time to time be supplemented or amended), pursuant to that certain Security, Pledge and Assignment Agreement dated as of July 29, 2016 (the "Assignment").

The Undersigned acknowledges and agrees that no change in the Agreement shall be permitted without the prior written approval of the Lender, which approval shall not be unreasonably withheld or delayed, and that, subject to the terms of the Loan Agreement and any other Loan Documents (including, without limitation, the Assignment), upon the occurrence of an Event of Default, the Lender may exercise the rights of the Borrower to enforce the obligations of the Undersigned under the Agreement with the same force and effect as if enforced by the Borrower.

Additionally, the Undersigned agrees that upon the occurrence of a Default or an Event of Default by the Borrower under any of the Loan Documents, the Undersigned shall, at the Lender's request, continue performance on the Lender's behalf under the Agreement, in accordance with the terms thereof, without regard to any modifications thereto not approved in writing by the Lender.

The Undersigned agrees to look solely to the Borrower and its remedies at law or in equity against the Premises for satisfaction of all of its claims and demands for fees and costs accruing prior to the Lender electing and requesting that the Undersigned continue to perform under the Agreement.


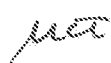
The agreements of the Undersigned under this Consent and Agreement shall be binding upon the Undersigned and its successors and assigns and shall inure to the benefit of the Lender, as well as its respective successors, assigns, nominees and transferees.

Dated: as of _____, _____

By: 

Name: _____

Title: _____

FORM OF NOTICE OF ASSIGNMENT

_____, 201____

CERTIFIED MAIL / RRR

Attn:

Re: Notice of Assignment

Ladies and Gentlemen:

You are hereby notified that in accordance with the terms and conditions of Security, Pledge and Assignment Agreement dated as of July 29, 2016 (the "Assignment"), the following agreement (the "Contract") was collaterally assigned and transferred to Banco Santander Puerto Rico (the "Assignee") together with all the rights and interest of the undersigned in and to the Agreement and to all of the income, rents and proceeds generated and to be generated by or under the same:

[INSERT DESCRIPTION OF AGREEMENT]

Unless and until you receive a notice to the contrary from the Assignee asking that you remit thereafter all payments directly to the Assignee, whose address is Banco Santander Puerto Rico, 207 Ponce de León Avenue, 7th Floor, San Juan, Puerto Rico 00917, please continue delivering to the undersigned all payments under the Contract.

Kindly sign the enclosed copy of this letter acknowledging your receipt thereof and return the same to the undersigned.

Yours very truly,

SERRALLÉS HOTEL, INC.

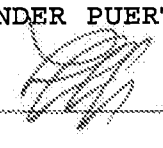
By: _____

Name:

Title:

AGREED AND ACCEPTED BY:

BANCO SANTANDER PUERTO RICO


By: 
Name:
Title: Authorized Representative

By: _____
Name:
Title: Authorized Representative

AGREED, ACKNOWLEDGED AND ACCEPTED BY:

[Addressee]

By: _____
Name:
Title:
Date:



FORM OF SUPPLEMENT AGREEMENT

This SUPPLEMENT dated as of _____ (this "Supplement"), made by **SERRALLÉS HOTEL, INC.**, a Puerto Rico corporation (the "Assignor"), in favor of **BANCO SANTANDER PUERTO RICO**, a banking institution organized and existing under the laws of the Commonwealth of Puerto Rico (the "Assignee").

1. This Supplement is executed and delivered pursuant to the terms of that certain Security, Pledge and Assignment Agreement, dated as of July 29, 2016 (as supplemented by this Supplement and as the same has been and may hereafter be supplemented by any other Supplement or otherwise amended or modified, the "Security Agreement"), by Grantor under the Security Agreement, in favor of the Secured Party. Terms defined in the Security Agreement are used herein as therein defined.
2. The Grantor confirms and reaffirms the security interest in and to the Contracts granted to the Secured Party under the Security Agreement, and as additional collateral security for the prompt and complete payment and performance when due of all of the Obligations, the Grantor hereby delivers to the Secured Party and hereby pledges, assigns, hypothecates, transfers and grants to the Secured Party a first priority security interest in and to the additional Contracts listed on Schedule A annexed hereto and all proceeds thereof and any collateral security securing the same.
3. The Grantor hereby represents and warrants that the representations and warranties set forth in the Security Agreement are true and correct as of the date of this Supplement, and acknowledges and agrees that all references in the Security Agreement to "Contracts" and "Contract Collateral" shall include the additional Contracts listed on Schedule A hereto and on Schedule A to each Supplement executed prior to the date hereof and all references therein to "this Security Agreement" shall mean the Security Agreement as supplemented hereby. In addition, the Grantor represents and warrants that this Supplement has been duly executed and delivered by the Grantor and constitutes a legal, valid and binding obligation of the Grantor enforceable against the Grantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency,

reorganization, moratorium or similar laws of general applicability affecting creditors' rights.

4. This Supplement is supplemental to the Security Agreement, forms a part thereof and is subject to all the terms thereof. Schedule 2(f) to the Security Agreement does, and shall be deemed to, include each item listed on Schedule A hereto.

IN WITNESS WHEREOF, the Grantor has caused this Supplement to be duly executed and delivered by its duly authorized officer on the date first set forth above.

SERRALLÉS HOTEL, INC.

By: _____
Name:
Title:

Affidavit No.: _____

Acknowledged and subscribed before me by SERRALLÉS HOTEL, INC., herein represented by its authorized representative _____, of legal age, _____, executive and resident of _____, Puerto Rico, who is personally known to me. In San Juan, Puerto Rico, on this ____ day of _____, ____.

Notary Public



SCHEDULE A TO SUPPLEMENT AGREEMENT





ESTADO LIBRE ASOCIADO DE
PUERTO RICO
DEPARTAMENTO DE ESTADO

Registro de Transacciones Comerciales

DECLARACIÓN DE FINANCIAMIENTO | FINANCING STATEMENT

SIGA INSTRUCCIONES/ FOLLOW INSTRUCTIONS

A. NOMBRE Y NÚMERO DE CONTACTO (opcional)/NAME & PHONE OF CONTACT AT FILER (optional) Joamanda M. Morales Vega, Esq. 787-764-8181	
B. CORREO ELECTRÓNICO DE CONTACTO (opcional)/E-MAIL CONTACT AT FILER (optional) joamanda.morales@oneillborges.com	
C. ENVIAR CONFIRMACIÓN A (Nombre y Dirección)/SEND ACKNOWLEDGMENT TO: (Name and Address) <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Banco Santander Puerto Rico c. Joamanda M. Morales Vega, Esq. O'NEILL & BORGES LLC 250 Muñoz Rivera Ave., Ste. 800 San Juan, P.R. 00918-1813</div>	

EL ESPACIO ARRIBA ES PARA USO DEL OFICIAL DE REGISTRO
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. NOMBRE DEL DEUDOR / PLEDGOR'S NAME: Provea sólo un nombre de Deudor (1a o 1b) (use el nombre completo y exacto, no omita, modifique o abrevie ningún componente del nombre); si algún aparte del nombre del Deudor no cabe en la línea 1b, déjela en blanco, marque aquí <input type="checkbox"/> y provea la información del Deudor Individual en el renglón 10 del Anejo a la Declaración de Financiamiento (Forma UCC1AdPR) / Provide only one Pledgor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Pledgor's name); if any part of the Individual Pledgor's name will not fit in line 1b, leave all of item 1 blank, check here <input type="checkbox"/> and provide the Individual Pledgor information in item 10 of the Financing Statement Addendum (Form UCC1AdPR)				
1a. NOMBRE DE LA ENTIDAD / ORGANIZATION'S NAME SERRALLES HOTEL, INC.				
OR	1b. APELLIDO / INDIVIDUAL'S SURNAME	NOMBRE / FIRST PERSONAL NAME	SEGUNDO NOMBRE / ADDITIONAL NAME	SUFIXO/SUFFIX
1c. DIRECCIÓN POSTAL / MAILING ADDRESS PO Box 198		CIUDAD / CITY Ponce	ESTADO/STATE PR	CÓDIGO POSTAL/POSTAL CODE 00715
PAÍS/COUNTRY PR				
2. NOMBRE DEL DEUDOR / PLEDGOR'S NAME: Provea sólo un Deudor adicional (2a o 2b) (Use el nombre completo y exacto; no omita, modifique o abrevie ninguna parte del nombre). Si cualquier parte de un nombre no cupiera en el espacio provisto en la 2b, deje toda la Sección 2 en blanco, marque aquí <input type="checkbox"/> y provea el nombre completo en el renglón 10 del Anejo de la Declaración de Financiamiento (Forma UCC1AdPR) / Provide only one Pledgor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Pledgor's name); if any part of the Individual Pledgor's name will not fit in line 2b, leave all of item 2 blank, check here <input type="checkbox"/> and provide the Individual Pledgor information in item 10 of the Financing Statement Addendum (Form UCC1AdPR)				
2a. NOMBRE DE LA ENTIDAD / ORGANIZATION'S NAME				
OR	2b. APELLIDO / INDIVIDUAL'S SURNAME	NOMBRE / FIRST PERSONAL NAME	SEGUNDO NOMBRE / ADDITIONAL NAME	SUFIXO/SUFFIX
2c. DIRECCIÓN POSTAL / MAILING ADDRESS		CIUDAD / CITY	ESTADO/STATE	CÓDIGO POSTAL/POSTAL CODE
				PAÍS/COUNTRY
3. NOMBRE DEL ACREEDOR GARANTIZADO (o NOMBRE DE CESIONARIO): Provea sólo un nombre de Acreedor Garantizado (3a o 3b) SECURED PARTY'S NAME (or NAME of ASSIGNEE): Provide only one Secured Party name (3a or 3b)				
3a. NOMBRE DE LA ENTIDAD / ORGANIZATION'S NAME BANCO SANTANDER PUERTO RICO				
OR	3b. APELLIDO / INDIVIDUAL'S SURNAME	NOMBRE / FIRST PERSONAL NAME	SEGUNDO NOMBRE / ADDITIONAL NAME	SUFIXO/SUFFIX
3c. DIRECCIÓN POSTAL / MAILING ADDRESS 207 Avenida Ponce de León, Piso 7 Attention: Director Corporate Banking		CIUDAD / CITY San Juan	ESTADO/STATE PR	CÓDIGO POSTAL/POSTAL CODE 00917
				PAÍS/COUNTRY PR

4. COLATERAL: Esta declaración de financiamiento cubre la siguiente colateral: / COLLATERAL: This financing statement covers the following collateral:

See attached Exhibit A consisting of nine (9) pages, which is by this reference made a part hereof as if fully set forth herein.

5. Marque Sólo si aplica y sólo una opción: Colateral esta <input type="checkbox"/> en posesión de un Fideicomiso (véase UCC1AdPR, renglón 7 e instrucciones) <input type="checkbox"/> administrado por Representante de un difunto		Check only if applicable and check only one box: Collateral is <input type="checkbox"/> held in a Trust (See UCC1AdPR, Item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Marque sólo si aplica y una sola alternativa / Check only if applicable and check only one box: <input type="checkbox"/> Transacción de Financiamiento Público/ Public-Finance Transaction <input type="checkbox"/> Transacción de Casa Prefabricada/ Manufactured-Home Transaction <input type="checkbox"/> Un Deudor es una entidad transmisora/ A Pledgor is a Transmitting Utility		6b. Marque sólo si aplica y sólo una alternativa / Check only if applicable and check only one box: <input type="checkbox"/> Gravamen Agrícola/ Agricultural Lien <input type="checkbox"/> Inscripción extrarregistral/ Non-UCC Filing	
7. DESIGNACIÓN ALTERNATIVA (Si aplica) / ALTERNATIVE DESIGNATION (If applicable): <input type="checkbox"/> Arrendador/Arrendatario/ Lessee/Lessor <input type="checkbox"/> Consignatario/Consignador/ Consignee/Consignor <input type="checkbox"/> Vendedor/Comprador/ Seller/Buyer		<input type="checkbox"/> Depositario/Fidatario/ Bailee/Bailor <input type="checkbox"/> Concesionario/Concedente/ Licensee/Licensor	
8. DATOS OPCIONALES DE REFERENCIA PARA EL SOLICITANTE / OPTIONAL FILER REFERENCE DATA:			

Re: Term Loan Agreement (\$23,000,000.00) – 2016

COPIA OFICINA DE REGISTRO—DECLARACIÓN DE FINANCIAMIENTO (Forma UCC1PR) (Rev. 05/09/14)

EXHIBIT A

DESCRIPTION OF COLLATERAL FOR UCC-1 FINANCING STATEMENT

DEBTOR/GRANTOR: **SERRALLÉS HOTEL, INC.** ("Grantor")
PO Box 198
Ponce, Puerto Rico 00715

SECURED PARTY: **BANCO SANTANDER PUERTO RICO** ("Secured Party")
207 Ponce de León Ave., 7th floor
San Juan, PR 00918

The Financing Statement of which this Exhibit forms part, covers all present and future rights, title and interests over all or any portion of any of the following present or future properties or assets owned by the Grantor (the "Collateral"), pursuant to that certain Security Agreement (the "Security Agreement"), executed on July 29, 2016 by and between the Grantor and the Secured Party:

(a) All accounts (as defined in the UCC), receivables, accounts receivable (including, but not limited to, those related to the revenues generated by the Hotel [as defined below]), lease receivables (including, without limitation, those related to the Lease Agreements), contract rights, chattel paper, drafts, acceptances, instruments, writings evidencing a monetary obligation or a security interest or a lease of goods, general intangibles and other obligations of any kind, now existing or hereafter acquired, including, without limitation, (i) all of the Grantor's present and future rights to payments for goods, merchandise or inventory sold or leased or for services rendered, including, without limitation, all rights of the Grantor to payments for goods sold or leased, or for services rendered, or for rental of rooms and other areas, or for memberships sold, and/or for food and beverage operations, or otherwise relating to the operation of the hotel known as Hilton Ponce Golf & Casino Resort located in Ponce, Puerto Rico (the "Hotel"), the operation of the golf course adjacent to the Hotel and/or the real properties (the "Properties") described below; (ii) all substitutions therefore and proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer or other disposition or substitution thereof, and whether earned by performance and whether evidenced by an instrument (as such term is defined in Chapter 9 of the UCC); (iii) all of the Grantor's now owned or hereafter acquired accounts, contract rights, instruments, documents, and proceeds, including, without limitation, proceeds of contracts with Governmental Authorities; (iv) proceeds from letters of credit; (v) proceeds of any and all causes of action under the U.S. Bankruptcy Code; (vi) all forms of obligations whatsoever owing to the Grantor, together with all instruments and documents representing any of the foregoing and all rights, security and guaranties with respect to each of the foregoing; (vii) any kind or type of fees or any other charges for the use or occupancy of guest, conference or banquet rooms or other Hotel's facilities, restaurant, bar or banquet services, or other goods or services provided by or on behalf of the Grantor, the Property or the Hotel; and (viii) all of the Grantor's rights to receive, and all rights to payment from, any consumer credit or charge or debit card organization or entity; and unpaid interest accrued with respect to all of the foregoing (collectively, any and all of the foregoing being the "Receivables");

(b) all equipment (as defined in the UCC), slot machines, and all machinery and machine tools; all distribution, selling, data processing and office equipment, computer equipment (including, without limitation, computer hardware, software and other computer-related equipment), and all other equipment (including, without limitation, forklifts, trucks, shuttle buses, golf carts, and other motor vehicles) in all of its forms; all audiovisual equipment; all artwork; all furniture, furnishings and appliances and all parts thereof; all chairs, beds, chests, headboards, desks, lamps, tables, television sets, mirrors, pictures, wall decorations and similar items; all trade fixtures, tools, tooling, vessels, and all goods of every type (other than Inventory) which are used or bought for use primarily in business; all food and beverage service equipment, kitchen equipment, cleaning service equipment and laundry and dry cleaning equipment; all china, glassware, linens, silverware and uniforms; all fabric, textile and flexible plastic products including, without limitation, carpeting, drapes, bedspreads, wall and floor coverings, mats, shower curtains and similar items; all tangible gaming devices, gaming device parts, inventory and other related gaming equipment and supplies used in connection with the operation of casinos, including, without limitation, slot machines, gaming tables, cards, dice, chips and markers; in each instance, wherever located, now or hereafter existing, and all accessions thereto, as well as all property received wholly or partly in trade or exchange for any of the foregoing (collectively, the "Equipment");

(c) all machinery, furnishings, equipment, fixtures (as defined in the UCC), including, without limitation, all air conditioning, plumbing, electrical, lighting, communications and elevator fixtures, and other property of every kind and nature, whether tangible or intangible, whatsoever owned by the Grantor, or in which the Grantor has or shall have an interest, now or hereafter located upon the Hotel and/or the Properties, and the improvements, or leased by the Grantor or any part thereof, or appurtenant thereto, and usable in connection with the use, operation, enjoyment, construction, future development, operation and occupancy of the Hotel and/or the Properties, and all building equipment, materials and supplies of any nature whatsoever owned by the Grantor, or in which the Grantor have or shall have an interest, now or hereafter located upon the Hotel and/or the Properties, or any part thereof, or appurtenant thereto, and all such property of the Grantor usable in connection with the use, operation, enjoyment and occupancy of the Hotel and/or the Properties, or any part thereof, or appurtenant thereto; including all such property which under the laws of the applicable jurisdiction may properly be characterized or classified as real property (any and all of the foregoing being the "Fixtures");

(d) all inventory (as defined in the UCC) in all of its forms, now or hereafter existing, including, but not limited to, those relating to the operation of the Hotel and/or the Properties, now or hereafter existing, whether located in the Properties, in the Hotel or elsewhere, whether in the possession of the Grantor, a bailee or other person for sale, storage, transit, processing, use or otherwise, including, but not limited to, (A) all raw materials and work in process therefore, as well as all supplies and materials used or consumed in the operation of the Grantor's business, such as, without limitation, all

TRADEMARK

REEL: 005846 FRAME: 0801

inventories of office, restaurant, bar, hotel, casino and other supplies (including all foods and alcoholic and non-alcoholic beverages), all maintenance and housekeeping supplies and inventory, including without limitation, soap, toiletries, cleaning materials and matches, stationery, pencils and other supplies of all kinds, whether used, unused or held in reserve storage for future use in connection with the maintenance and operation of the Grantor's property or business, and all parts, packaging materials and other accessories related thereto, (B) all finished goods and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing or production thereof, in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Grantor has an interest or right as consignee), and (C) goods which are returned to or repossessed by the Grantor, and all accessions thereto, products thereof and documents therefor (collectively, the "Inventory");

(e) all rights, interests, causes of action, claims and other intangible property of the Grantor of every kind (other than Accounts and Trademarks), whether now owned or hereafter acquired, including, without limitation, all general intangibles; contract rights, all loans, royalties and other obligations receivable of any kind now or hereafter existing; all corporate and business books and records (including, without limitation, books and records required by the Puerto Rico Tourism Company and/or by the Office of the Commissioner of Financial Institutions of Puerto Rico, with respect to the business of the Grantor); ledgers, printouts, file materials and other papers containing information relating to any Collateral; all inventions, designs, trade secrets, computer programs, software, printouts and other computer materials; all customer lists and databases; all interests in partnerships and joint ventures; all tax refunds and tax refund claims; all credits with and other claims against carriers and shippers; all rights to indemnification; all reversionary interests in pension and profit sharing plans and all reversionary, beneficial and residual interests in trusts or in which the Grantor is beneficiary or has interest, subject to any provisions of the Loan Agreement or the other Loan Documents to the contrary; all insurance policies held by the Grantor or naming the Grantor as insured, additional insured or loss payee and all proceeds thereof, including, without limitation, all rights, claims and recoveries relating thereto; and all letters of credit, guaranties, liens, security interests and other security held by or granted to the Grantor; and all other intangible property, whether or not similar to the foregoing; and all rights now or hereafter existing in and to all security agreements, leases, subleases and other contracts securing or otherwise relating to any such Accounts, Contracts, cash, deposit accounts, general intangibles or obligations (any and all of the foregoing being the "General Intangibles");

(f) all contracts (including, without limitation, each of the contracts listed below) and contract rights (including, without limitation, all contracts and contract rights relating to the service, supply, operation, management, membership to any amenities located at or used in connection with the Properties, the Hotel and the improvements thereof, or maintenance of the Properties, the Hotel and the improvements thereof and/or the business of the Grantor), as the same may from time to time be amended, amended and restated, supplemented or otherwise modified and those contracts and contract rights hereafter entered into or acquired by the Grantor (collectively, the "Contracts"), together with all rights thereunder including, without limitation, (A) all rights of the Grantor to receive monies due or to become due thereunder or pursuant thereto, (B) all rights of the Grantor to receive proceeds of any insurance, condemnation, indemnity, or warranty with respect thereto, all claims of the Grantor for damages arising out of or for breach of or default thereunder, and any and all guaranties, letters of credit, security deposits and any other credit support given to the Grantor in connection therewith, (C) all of the Grantor's claims and rights to the payment of damages arising from the rejection thereof under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, conservatorship, winding-up, liquidation or other relief with respect to debts or debtors, (D) the right of the Grantor to terminate any Contract, to perform the Grantor's obligations under any Contract, and to compel performance and otherwise exercise all remedies thereunder, to the extent permitted under applicable law, and (E) all other rights, powers, privileges, options and other benefits of the Grantor under the Contracts, including, without limitation, the immediate and continuing right to make claim for, receive, collect and receipt for all amounts payable or receivable thereunder and to do all other things which the Grantor is or may be entitled to do under the Contracts (collectively with the Contracts, the "Contract Collateral");

(g) all financial accounts (each, a "Financial Account") and all investment property (as defined in the UCC) of the Grantor, including, without limitation, (A) the financial accounts maintained with the financial institutions, including those maintained with the Secured Party (each, a "Financial Intermediary"), (B) all moneys, financial assets (as defined in the UCC), checks, drafts, securities and instruments deposited or required to be deposited in such accounts, (C) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed under subclauses (A) and (B), and (D) each consent or other agreement from time to time entered into by the Grantor with any financial institution at which any of the Financial Accounts is maintained and all rights of the Grantor under each such consent or agreement (collectively, the "Financial Account Collateral");

(h) (i) all United States, Puerto Rico and foreign patents, copyrights, trademarks, service marks, fictitious business names, trade styles, trade or commercial names, logos or business identifiers now owned or hereafter adopted or acquired by the Grantor, all registrations and recordings thereof and all applications for registration and recording thereof in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof, the Commonwealth of Puerto Rico, or any other country, political subdivision or territory thereof, including, without limitation, the patents, copyrights, trademarks, service marks and trade or commercial names and registrations listed below (except for "intent to use" applications for trademark or service mark registrations filed pursuant to 15 U.S. Code § 1051(b) (1) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under 15 U.S. Code § 1051(c) (1) of said Act has been filed) (collectively, the "Trademarks"), together with the goodwill of the business(es) connected with the use of, and symbolized by, the Trademarks; all renewals, extensions, and continuations-in-part of the foregoing; all patentable inventions, discoveries, improvements, ideas, know-how, formula methodology, processes, technology, computer programs and software and applications and patents in any jurisdiction pertaining to the foregoing; all trade secrets, including confidential and other non-public information, and the right in any jurisdiction to limit the use or disclosure thereof; all databases and database rights; all internet web sites, domain names and applications and registrations pertaining thereto (including without limitation, intangible gaming devices, player tracking systems, and cashless wagering systems); all income, royalties, damages, and payments now and hereafter due and/or thereunder and with respect thereto, including damages, claims, and payments for past or future infringement thereof and the right to sue for past, present, and future

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infringements of any and all of the foregoing; (ii) all licenses, whether the Grantor's interest be that of licensor or licensee thereunder, of any of the items described in clause (i) above; and (iii) to the extent not included in clauses (i) and (ii) above, any and all rights of the Grantor to payment under licenses of Trademarks and all contract rights and rights as a judgment creditor arising out of enforcement of rights under the Trademarks (collectively, the "Intellectual Property Collateral");

(i) all cash management services, notebooks and any other bank account, including, without limitation, those listed herein below (each, an "Account"), whether now or hereafter existing, such as deposit accounts, operating accounts, savings accounts, checking accounts, payroll accounts, cash management, POS, credit cards, debit cards and/or ATM processing, with a banking or financial institution, including the Secured Party (each a "Financial Institution"), together with all funds, monies and rents collectively deposited therein from time to time and all earnings, proceeds and interests of every kind and description which may now or hereafter accrue thereon, including all passbooks, certificates and instruments of whatever nature which evidence the ownership and control of any of the foregoing (collectively, the "Accounts");

(j) all chattel paper, negotiable instruments, securities, whether or not certificated, promissory notes and other debt instruments and documents, including, without limitation, those items listed below and those hereafter pledged to the Secured Party by the Grantor, and all certificates or instruments representing the same, and all proceeds thereof, accessories thereto and substitutions therefor, all bills of lading, warehouse receipts and documents of title, other documents evidencing transport and other documents (collectively, the "Pledged Instruments");

(k) all authorizations, licenses (including, to the extent legally assignable, liquor licenses), permits, approvals and franchises, hereto or hereafter granted to or on behalf of the Grantor or the Properties or the Hotel, including, without limitation, permits for operation, construction and occupancy or use permits, heretofore or hereafter granted to the Grantor by any public or governmental agency or regulatory body for the ownership or operation of Grantor's business, and any and all leases, operating agreements, distribution agreements, licensing agreements and other similar rights and material contracts of any kind;

(l) all cash, monies, chattel paper, checks, drafts, securities, notes, negotiable instruments, instruments, evidence of indebtedness and any other property from time to time received, receivable or otherwise distributed in respect of, and all of the Grantor's rights to receive any and all rights to payment with respect thereto, the casino operations of the Grantor; provided, however, that the Grantor's rights to receive, and all rights to payment of, monies and claims for slot machine revenues under Law No. 221 of May 15, 1948, as amended (or any successor statute) shall not be governed by this Agreement, but by that certain Collateral Assignment of Slot Machine Revenues executed on even date hereof by and between Grantor and the Secured Party;

(m) all cash and all deposit accounts, including, without limitation, any certificates and instruments evidencing ownership and control of funds in any such account and the right to demand or block withdrawals therefrom; all monies, financial assets, checks, drafts, securities and instruments deposited or required to be deposited in such accounts; all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items; and each account or other agreement from time to time entered into by the Grantor with any financial institution at which any of the financial accounts is maintained and all rights of the Grantor under each such account or agreement;

(n) the following books and records relating to the Property and the improvements thereon: surveys (boundary and topographical); soil tests and reports; engineering studies; environmental tests, reports and assessments; plans and specifications (building and site) including, without limitation, fixture plans, building drawings, shop drawings, case connection drawings, structural drawings, electrical drawings, mechanical drawings and as-built drawings; test and inspection reports; maintenance and utility agreements; warranties and guaranties (building, site and equipment); identification (name, address and telephone number) of site and building architects, engineers, contractors and subcontractors and common area maintenance directors; and related correspondence;

(o) any and all other personal property of the Grantor upon which a security interest may be granted pursuant to the terms of the UCC; and

(p) all products and cash and non-cash "proceeds", as such term is defined in the UCC or under other relevant law, of any and all of the foregoing Collateral, in any event, including without limitation (i) proceeds of any insurance, indemnity, warranty or guaranty payable to the Secured Party or to the Grantor from time to time with respect to any of the Collateral, (ii) payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all of any part of the Collateral by any Governmental Authority (or any Person acting on behalf of a Governmental Authority), and (iii) instruments representing obligations to pay amounts in respect of the Collateral, and (iv) any rents, revenues, issues and profits arising from the sale, lease, license, exchange, disposition or transfer of any of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral (collectively, the "Proceeds").

let The term "Properties" shall mean:

----"RÚSTICA: Una finca dividida en dos (2) predios por el Río Bucaná localizada en los Barrios Bucaná y San Antón del término municipal de Ponce, Puerto Rico, con una cabida superficial de cuatrocientas treinta y cuatro punto seis mil ochocientos setenta y ocho (434.6878) cuerdas, equivalentes a un millón setecientos ocho mil cuatrocientos noventa y cuatro punto siete mil ochocientos noventa y dos (1,708,494.7892) metros cuadrados. Los predios que la componen se dividen como:

----RÚSTICA: Parcela del Hotel: Parcela de terreno localizada en el Barrio San Antón del término municipal de Ponce, Puerto Rico, con una cabida superficial de doscientas diecinueve punto siete mil trescientos noventa y cinco (219.7395) cuerdas, equivalentes a ochocientos sesenta y tres mil seiscientos sesenta y tres punto mil cincuenta y seis (863,663.1056)

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metros cuadrados, y en lindes por el **NORTE**, con la Avenida Caribe de la Urbanización Villa del Carmen; por el **SUR**, con la parcela de uso público uno (1), parcela de uso público uno guión "A" (1-A) y la parcela Oceanview Villas; por el **ESTE**, con el Río Bucaná y la parcela Ponce Villas; y por el **OESTE**, con la avenida Malecón "PR" guión catorce (PR-14) y la Compañía de Desarrollo de Puerto Rico.

---RÚSTICA: Parcela de Golf: Parcela de terreno localizada en el Barrio Bucaná del término municipal de Ponce, Puerto Rico, con una cabida superficial de doscientas catorce punto nueve mil cuatrocientas ochenta y tres (214,9483) cuerdas, equivalentes a ochocientos cuarenta y cuatro mil ochocientos treinta y uno punto seis mil ochocientos treinta y seis (844,831.6836) metros cuadrados, y en lindes por el **NORTE**, con la Autopista Luis A. Ferré; por el **SUR**, con la parcela de uso público dos (2); por el **ESTE**, con la Sucesión Subirá; y por el **OESTE**, con la parcela de terreno del Estado Libre Asociado de Puerto Rico.

---Es el remanente de esta finca luego de deducidas las siguientes segregaciones: Uso Público de dos punto tres mil trescientas cuarenta y siete (2.3347) cuerdas; Uso Público Uno guión "A" (1-A) de dos punto seis mil diecisiete (2.6017) cuerdas; Uso Público número dos (2) de dos punto siete mil novecientas una (2.7901) cuerdas; Golf Villas Parcel de veintiséis punto cuatro mil doscientas dos (26.4202) cuerdas; Ocean View Villas Parcel de diez punto ocho mil ochocientos ochenta y dos (10.8882) cuerdas; Condo-Hotel Parcel de nueve punto siete mil doscientas diecinueve (9.7219) cuerdas y Future Development Parcel One (1) de uno punto siete mil seiscientos treinta y seis (1.7636) cuerdas, según la Escritura Número Dieciséis (16), otorgada en San Juan, Puerto Rico, el día veintiuno (21) de febrero de dos mil tres (2003), ante el notario Jorge M. Ruíz Montilla, aclarada por la Escritura Número Cuarenta y Siete (47), otorgada en San Juan, Puerto Rico, el día dieciséis (16) de abril de dos mil tres (2003), ante el mismo notario, e inscrita al folio 190 del tomo 2,068 de Ponce, finca número 63,631, inscripción décimo cuarta.

---En la referida propiedad enclavan las siguientes estructuras:

---Descripción General: Hotel que consiste de cinco (5) edificaciones de diferentes formas y volúmenes geométricos y arquitectónicos, construido básicamente en hormigón arquitectónico reforzado, bloques de hormigón y materiales típicos de terminaciones para interiores y exteriores. Posee una vegetación profunda que resalta el trasfondo tropical del área.

---En términos generales, contiene ciento cincuenta y seis (156) habitaciones de las cuales ocho (8) son "suites", oficinas administrativas, restaurantes, barras, salones de reuniones, centro de convenciones, casino, tiendas, cocina, "pantry", cafetería para empleados, almacenes, canchas de tenis, mini gimnasio, piscina, jacuzzi, baños, cinco (5) ascensores, área para seiscientos (600) estacionamientos, dos (2) generadores eléctricos para emergencias, lavandería, espacio para concesionarios.

---Las facilidades del hotel están protegidas por un sistema de detectores de humo y alarmas contra incendios, así como un sistema de rociadores automáticos, gabinetes de mangueras, extintores y circuito cerrado de televisión en el casino.

---Descripción detallada:

-----A) Edificios de habitaciones: Consiste de dos (2) edificios en hormigón arquitectónico reforzado y bloques de hormigón de cuatro (4) niveles. Cada edificio tiene una dimensión de doscientos noventa y seis punto cincuenta (296.50) pies por cuarenta y ocho punto setenta y cinco (48.75) pies en su planta baja, con un área de piso de veintiséis mil ochocientos quince (26,815), veintiséis mil trescientos once (26,311), veinticinco mil doscientos ochenta (25,280) y veinticuatro mil doscientos cuarenta y nueve (24,249) pies cuadrados, respectivamente. Cada edificio tiene un (1) ascensor panorámico, uno (1) de carga y dos (2) escaleras. El hotel contiene ciento cincuenta y seis (156) habitaciones de las cuales ocho (8) son "suites". Todas las habitaciones tienen balcón con vista al mar y los pisos son en losetas de cerámica. Todas las habitaciones tienen baño, televisión, mini-bar, teléfono, aire acondicionado tipo "fan coils", abanico de techo, detector de humo, rociadores automáticos en la entrada del cuarto y en el baño y un (1) control energético para el aire acondicionado. Todas las habitaciones están completamente amuebladas. El techo de cada edificio es inclinado en ambos lados y con terminación en tejas. En estos techos están ubicadas las unidades manejadoras de aire acondicionado para suplir aire fresco a las habitaciones, extractores y a los cuartos de máquinas de los ascensores.

-----En el edificio Oeste, a nivel de la piscina, existe un (1) mini-gimnasio. En el Este, al mismo nivel, están los baños públicos y un (1) área de almacén.

-----B) Edificio Principal:

-----Consiste de una estructura de dos (2) niveles en hormigón armado y bloques de hormigón con un área de piso de treinta y cuatro mil setecientos cuarenta y nueve (34,749) pies cuadrados y treinta y siete mil trescientos cincuenta y seis (37,356) pies cuadrados.

-----A continuación una breve descripción del contenido de cada nivel:

-----Uno (1). Primer nivel: Contiene vestíbulo del atrio, cuartos eléctricos, almacenes, cocina principal, cafetería de empleados, Restaurantes "La Hacienda" y "El Fogón", baños públicos, escalera principal, fuente ornamental, tres (3) salones de reuniones, todo con un área de treinta y cuatro mil setecientos cuarenta y nueve (34,749) pies cuadrados.

-----Dos (2). Mezzanine: Cuartos de máquinas de aire acondicionado con un área de piso de cuatro mil setecientos treinta y cinco (4,735) pies cuadrados.

-----Tres (3). Segundo nivel: Contiene: Portacochere, vestíbulo principal, "pantry", "front desk", baños públicos, oficinas administrativas, tres (3) tiendas, áreas de recepción y salón de reuniones, terraza "Los Balcones", "cocktail lounge", "La Bohemia", con un área de piso de treinta y siete mil trescientos cincuenta y seis (37,356) pies cuadrados.

-----C) Edificio Pabellones:

-----Consiste de una estructura de dos (2) niveles en hormigón arquitectónico armado y bloques de hormigón. Un área de construcción de cuarenta y tres mil quinientos treinta y un (43,531) pies cuadrados.

-----A continuación una breve descripción del contenido de todo nivel:

-----Uno (1). Primer nivel: Cuarto de máquinas con dos (2) "chillers" marca Trane para agua helada con capacidad de trescientas noventa y tres (393) toneladas del sistema de aire acondicionado, generador eléctrico con capacidad de cuatrocientos (400) kilovatios, dos (2) calentadores de agua de setecientos treinta (730) galones, oficinas de ingeniería, almacenes, oficina de "housekeeping" y almacén, lavandería, cuartos de unidades manejadoras de aire, baños de

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supervisores, baños y facilidades de empleados con un área de diecisiete mil novecientos veintisiete (17,927) pies cuadrados.

-----Dos (2). Mezzanine: Cuarto de máquinas de aire acondicionado y facilidades de descanso con baños y "lockers" para empleados del casino con área de piso de cuatro mil cuatrocientos noventa y un (4,491) pies cuadrados.

-----Tres (3). Segundo nivel:

-----Espacio para concesión, discoteca con un área de tres mil trescientos veinte (3,320) pies cuadrados.

-----Casino con un área de siete mil seiscientos treinta y tres (7,633) pies cuadrados.

-----Pasillos con un área de diez mil ciento cincuenta y nueve (10,159) pies cuadrados.

-----Cuatro (4). Core "A": Consiste de una estructura en hormigón y bloques de hormigón con un área de piso de dos mil ciento veintiséis (2,126) pies cuadrados.

-----a. Primer nivel: Oficinas de personal con un área de piso de mil treinta (1,030) pies cuadrados.

-----b. Mezzanine: Unidad de aire acondicionado con un área de construcción de sesenta y seis (66) pies cuadrados.

-----c. Segundo nivel: Baños públicos con un área de construcción de mil treinta (1,030) pies cuadrados.

-----Cinco (5). Core "B": Consiste de una estructura anexa al pabellón de dos (2) niveles en hormigón y bloques de hormigón con un área de construcción de mil seiscientos setenta y un (1,671) pies cuadrados.

-----a. Nivel sobre relleno: Cuarto mecánico y áreas almacén con un área de construcción de doscientos noventa y cinco (295) pies cuadrados.

-----b. Primer nivel: Escalera y ascensor de descarga, cuarto de seguridad del hotel y cuarto de seguridad del casino con un área de construcción de seiscientos ochenta y ocho (688) pies cuadrados.

-----c. Segundo nivel: Cuarto de reparación de tragamonedas, ascensor, pasillo conexión de pabellón con un área de construcción de seiscientos ochenta y ocho (688) pies cuadrados.

-----d. Centro de convenciones: Consiste de una estructura de una planta y mezzanine en hormigón arquitectónico y bloques de hormigón con las siguientes facilidades, con un área total de treinta mil trescientos setenta y tres (30,373) pies cuadrados.

-----Uno (1). Primer nivel: Gran salón de actividades subdividible en varios salones, vestíbulo, portacochere, "pantry", baños públicos, almacenes, cuarto de artistas, tarima permanente, generador eléctrico de trescientos (300) kilovatios, patio interior, fuente ornamental, escaleras, área de carga y descarga.

-----Dos (2). Mezzanine: Dos (2) cuartos de máquinas de aire acondicionado y equipos eléctricos de iluminación y sonido con un área de construcción de seis mil cuatrocientos sesenta y nueve (6,469) pies cuadrados.

-----Entre el edificio de convenciones y el edificio principal existe una plazoleta con una (1) fuente y dos (2) escaleras.

-----E) Facilidades Adicionales:

-----Uno (1). Cuatro (4) canchas de tenis con alumbrado.

-----Dos (2). Dos (2) torres de enfriamiento de cuatrocientas veinticinco (425) toneladas con motor de veinte (20) caballos.

-----Tres (3). Área de estacionamiento para ciento tres (103) vehículos de empleados.

-----Cuatro (4). Área de estacionamiento de visitantes con cuatrocientos ocho (408) espacios.

-----Cinco (5). Piscina, Jacuzzi, barra, cuatro (4) controles y filtros.

-----Seis (6). Centro de actividades.

-----Siete (7). Caseta de seguridad y entrada principal.

-----Ocho (8). Pozos para abasto de agua jardinería.

-----Nueve (9). Sobrecarga dos (2) para futura ampliación a un costo de un millón seiscientos mil dólares (\$1,600,000.00).

-----Diez (10). Cuatro (4) tanques de gas licuado localizados sobre el terreno.

-----Once (11). Dos (2) tanques de combustible diesel localizados sobre el terreno.

-----Doce (12). Área de carga y descarga.

-----Trece (13). Cisterna de agua potable.

-----Catorce (14). Estanque ornamental adyacente a nivel de terreno del edificio principal.

-----Quince (15). Dos (2) subestaciones eléctricas.

-----Dieciséis (16). Subestación eléctrica principal de treinta y ocho mil (38,000) voltios.”

----The property is recorded in the Registry at page 37 of volume 2,065 of Ponce, property number 63,631.

The term “Contracts” includes, but is not limited to, the following:

1. Management Agreement dated September 14, 2000 (as amended, supplemented and assigned from time to time) by and between Serrallés Hotel, Inc., and Hilton Worldwide International Puerto Rico LLC.
2. Services Agreement by and between Webcor Corporation & Serrallés Hotel Inc., dated as of December 16, 2013.
3. Purchase Agreement by and between Serrallés Hotel, Inc. and Xerox Corporation, dated April 4, 2014 in connection with certain equipment identified as X570EFI (XC560/570 FIERY SVR); and Purchase Agreement dated April 4, 2014 in connection with certain equipment identified as XC560C (XEROX COLOR 560 PTR).
4. Maintenance and Services Agreement by and between Serrallés Hotel, Inc. and J.M. Control, dated March 17, 2016.
5. Agreement by and between Serrallés Hotel, Inc. and Coca-Cola Puerto Rico Bottlers, dated July 30, 2015.
6. Master Agreement by and between Serrallés Hotel, Inc. and AT&T Mobility Puerto Rico, Inc., dated May 31, 2016.
7. Statement of Work by and between Serrallés Hotel, Inc. and Khoury Consulting, Inc. dated June 15, 2016 in connection with certain Master Services Agreement by and between the same parties.
8. Contract by and between Serrallés Hotel, Inc. and FPC Business dated June 30, 2016 (Maintenance contract for Auto Seal Pressure Machine for checks).
9. Concession Agreement by and between Serrallés Hotel, Inc. and Dimas Méndez d/b/a Dimas Sports Enterprises Inc., dated May 18, 2012.
10. Agreement with Merchant for Card Services by and between Banco Popular de Puerto Rico (Merchant Acquiring Solutions - Evertec) and Serrallés Hotel, Inc., dated January 28, 2015.
11. Services Agreement by and between Serrallés Hotel, Inc. and Golden Industrial Laundry, dated April 9, 2012.
12. Service Maintenance Contract Agreement by and between Serrallés Hotel, Inc. and Hobart Sales and Service Inc., dated as accepted on November 16, 2015 (Maintenance of Kitchen Equipment).
13. Service Agreement by and between Serrallés Hotel, Inc. and Interboro Systems Corp., dated February 2, 2016 (Time Clock Attendance System – Maintenance and Support Agreement).
14. Service Agreement by and between International Chemtex P.R. Inc. and Serrallés Hotel, Inc.
15. Concession Agreement by and between Island Venture Store, Inc. and Serrallés Hotel, Inc., dated June 22, 2015 (Convenience Store).
16. Concession Agreement by and between Serrallés Hotel, Inc. and Prestige International Corp., dba Café Lucero, dated November 2, 2015.
17. ATM Service Agreement by and between Banco Santander Puerto Rico and Serrallés Hotel, Inc., dated January 27, 2016 in connection with an Automatic Teller Machine located at the Hotel.
18. Lease Agreement by and between Banco Popular de Puerto Rico and Serrallés Hotel, Inc., dated April 1, 2016 in connection with an ATH financial facility (Cajero ATH) located at the Hotel.
19. Concession Agreement by and between Adara Miguel d/b/a D'Massage and Serrallés Hotel, Inc., in connection with the operation of a spa at the Hotel.
20. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., dated July 7, 2014, in connection with certain Lexus vehicle Model IS 350, vehicle license plate number HD270.
21. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., in connection with certain Ford vehicle E-350, commercial vehicle license plate number IDW572, purchased pursuant to an “Agreement” by and between Autos Vega, Inc. and Serrallés Hotel, Inc. dated February 21, 2013.
22. Vehicle Lease Agreement by and between Popular Auto LLC and Serrallés Hotel, Inc., in connection with certain Ford vehicle F-250 commercial vehicle, license plate number 918672, purchased pursuant to an “Agreement” by and between Autos Vega, Inc. and Serrallés Hotel, Inc. dated April 21, 2013.
23. Concession Agreement by and between Antonio J. Vidal González d/b/a Ponce Coin, and Serrallés Hotel, Inc., dated June 21, 2016 in connection with the operation of a video games arcade at the Hotel.
24. Concession Agreement dated February 29, 2014 by and between Sancho's Sushi Bar and Oriental Cuisine, Inc., d/b/a Sancho's, and Serrallés Hotel, Inc.
25. Lease Agreement by and between Junta de Titulares Costa Caribe Golf Villas and Serrallés Hotel, Inc., dated October 30, 2015 in connection with certain office space located at the 2nd floor (East Side) of “Club House del Campo de Golf Costa Caribe”
26. Telecommunications Facility Lease Agreement executed by and between Serrallés Hotel, Inc. and Innovatel Properties, LLC, pursuant to Deed No. 34 of August 25, 2015 before Notary Public Maria B. Maldonado Malfregeot, in connection with a portion of land of approximately 700 sm of property 63,631 of Ponce I.
27. Customer Marketing Agreement dated January 1, 2013 by and between CCI Beer Distributors Inc. d/b/a Medalla Distributors, and Serrallés Hotel, Inc.
28. Agreement by and between Oracle Caribbean, Inc. and Serrallés Hotel, Inc., dated March 28, 2016.
29. Preferred Vendor Services Agreement by and between Serrallés Hotel, Inc. d/b/a Hilton Ponce Golf and Casino Resort and Nor1, Inc., dated effective as of September 18, 2013.
30. Agreement by and between Nuzone Cleaners Inc. and Serrallés Hotel Inc.
31. Services Agreement by and between Prime Janitorial Service, Corp. and Serrallés Hotel, Inc., dated effective as of June 1, 2016 (Janitorial, cleaning and maintenance services).
32. Leased Labor Services Agreement dated effective as of Dec. 16, 2015 by and between Personnel Recruiting Services, Corp. and Serrallés Hotel, Inc. (temporary labor for certain positions at the Hotel), as amended.
33. Services and Supplies Agreement by and between PlayNetwork, Inc. and Serrallés Hotel, Inc., dated August 1,

TRADEMARK

REEL: 005846 FRAME: 0806

- 2012 in connection with the supply of certain products and services, more particularly described therein.
34. Dedicated Internet Access Service Product Agreement by and between Liberty Cablevision of PR, LLC and Serrallés Hotel, Inc., dated February 29, 2016.
 35. Gas Service Agreement by and between Serrallés Hotel, Inc. d/b/a Costa Caribe Golf & Country Club and Light Gas Corp., dated December 2008.
 36. Services Agreement by and between MAF Heavenly Group Corp. and Serrallés Hotel, Inc., dated effective as of March 12, 2016 (Supply and Rental of Equipment).
 37. Maintenance Agreement by and between Cortelco Systems Puerto Rico Inc. and Serrallés Hotel, Inc., dated March 9, 2016 in connection with equipment maintenance.
 38. Maintenance Agreement to service Access Control System by and between Automatic Control Technology & Serrallés Hotel, Inc., dated August 18, 2011.
 39. Agreement for Lease of movable property and laundry services by and between Cadillac Uniform & Linen Supply, Inc. and Serrallés Hotel, Inc. dated August 19, 2015.
 40. Service Agreement by and between Clary Corp. of Puerto Rico, Inc. and Serrallés Hotel, Inc., dated March 1, 2016 (150 Kvo Uninterruptible Power Supply).
 41. Service Agreement and Extended Warranty by and between Clary Corp. of Puerto Rico, Inc. and Serrallés Hotel, Inc., dated February 1, 2016 (30 kVA Galaxy 3000 Uninterruptible Power Supply).
 42. Security Services by and between Vivaldi Security Services, Inc. and Serrallés Hotel, Inc., dated effective as of July 1, 2016.
 43. Valet and Self-Parking Management Agreement (Third Amendment to Ponce Hilton Hotel and Casino) by and between USA Parking System of Puerto Rico, Inc. and Serrallés Hotel, Inc. d/b/a Hilton Ponce Golf & Casino Resort by Hilton International Co., its Managing Agent.
 44. Water Supply Agreement by and between Destilería Serrallés, Inc. and Serrallés Hotel, Inc. dated December 14, 2000 (dependable source of water for irrigation).
 45. Service Agreement by and between Acualab de Puerto Rico and Serrallés Hotel, Inc. dated May 21, 2012 (water analysis).
 46. National Service Agreement by and between ThyssenKrupp Elevator Corporation and Hilton Hotel Corporation dated effective as of December 31, 2009.
 47. Agreement by and between Topac de Puerto Rico, Inc. d/b/a Toshiba Puerto Rico, dated effective as of August 1, 2015 (Photocopy machine).
 48. Agreement by and between Serrallés Hotel, Inc. and Trane Puerto Rico, Inc. dated March 10, 2016 (inspection, maintenance and repair of certain equipment).
 49. Service Agreement by and between Septix Waste, Inc. and Serrallés Hotel, Inc. dated April 1, 2016 (solid waste, grease and water disposal and plumbing services).
 50. Service Agreement by and between Oracle and Serrallés Hotel, Inc. dated effective as of June 1, 2016.
 51. Service Agreement by and between Serrallés Hotel, Inc. and Tyco Integrated Security (formerly known as ADT Security Services Puerto Rico, Inc.) dated effective as of April 1, 2016.
 52. Services Agreement by and between Ranger American Armored Car Services, Inc. and Serrallés Hotel, Inc. dated April 1, 2016 (driving, pick-up and delivery of cash and other monetary documents).
 53. All of Serrallés Hotel, Inc.'s rights under that certain Subordination and Standstill Agreement dated as of April 16, 2003 by and among Destilería Serrallés, Inc., Ponce Villas, Inc., Golf Villas, Inc., Ocean View Villas, Inc., and Serrallés Hotel, Inc.
 54. All of Serrallés Hotel, Inc.'s rights under that certain Agreement for Conveyance of Well and Constitution of Easement dated December 26, 2000 by and among Serrallés Hotel, Inc. and the Subirá Estate.
 55. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 11 of Declaration of Master Covenants dated December 14, 2000 executed by Serrallés Hotel, Inc. before Notary Public Jorge Ruiz Montilla.
 56. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 1 of Segregation, Release of Condition Subsequent and Repurchase Right, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Oceanview Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before Notary Public Eugenio J. Huot Calderón.
 57. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 3 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages (Condo-Hotel Parcel) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Ponce Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Eugenio J. Huot Calderón.
 58. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 14 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants and Subordination of Mortgages (Golf Villas Parcel) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Golf Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Jorge Ruiz Montilla.
 59. All of Serrallés Hotel, Inc.'s rights under that certain Deed Number 18 of Segregation, Release of Condition Subsequent and Repurchase Right, Release of Condition Subsequent, Purchase and Sale, Release of Mortgages, Constitution of Right of Way Easement, Constitution of Restrictive Covenants, Subordination of Mortgages and Release of Use Restriction (Future Development Parcel Two) dated February 21, 2003 executed by and among Serrallés Hotel, Inc., Golf Villas, Inc., Hotel Development Corporation and the Puerto Rico Tourism Development Fund before NP Jorge Ruiz Montilla.

The term "Accounts" includes, but is not limited to, the following:

Account Number	Account Description	Bank or Financial Institution
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3004886843	ZB Other Deposits (Hotel) – For the cash and check deposits received at the Hotel.	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004886886	ZB Operations – AP checks and electronic transfers	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887076	ZB Payroll – Hotel & Casino	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887475	ZB POS – Credit Card Hotel	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887548	ZB Other Deposits (Casino) – For the cash deposits of the Casino, remittance requests and electronic payments to the Puerto Rico Tourism Company.	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004887556	ZB POS (Casino) – Credit Card Casino	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004889028	Costa Caribe Golf – Payroll	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004889125	General Account (Corporate)	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890360	FF&E Discretionary – Checks and Deposits	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890395	FF&E Permanent – Check and Deposits	Banco Popular de Puerto Rico; to be transferred to Banco Santander de Puerto Rico within 45 days from the date of execution of this Agreement.
3004890409	Subordinated Debt Service Reserve Account	Banco Santander de Puerto Rico
3004892762	Restricted Debt Service Reserve Account	Banco Santander de Puerto Rico

The term “Trademarks” includes, but is not limited to, the following:

TRADEMARKS REGISTERED IN THE TRADEMARK REGISTRY OF PUERTO RICO OWNED BY SERRALLES HOTEL, INC.

<u>Presentation Number</u>	<u>Presentation Date</u>	<u>Registration Number</u>	<u>Expiration Date</u>	<u>Class</u>	<u>Mark</u>	<u>Status</u>
33463	28-feb-2001	49325	28-feb-2001	25	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33464	28-feb-2001	49326	28-feb-2001	24	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33465	28-feb-2001	49327	28-feb-2001	42	COSTA CARIBE	Renewed in 2010/ Pending Evaluation
33671	23-feb-2001	49328	23-feb-2001	36	COSTA CARIBE	Renewed in 2010/ Pending Evaluation

<u>Presentation Number</u>	<u>Presentation Date</u>	<u>Registration Number</u>	<u>Expiration Date</u>	<u>Class</u>	<u>Mark</u>	<u>Status</u>
33672	28-feb-2001	49329	28-feb-2001	28	COSTA CARIBE	Renewed in 2010/ Pending Evaluation

TRADEMARKS REGISTERED IN THE UNITED STATES PATENT AND TRADEMARK OFFICE OWNED BY SERRALLES HOTEL, INC.

<u>Serial Number</u>	<u>Reg. Number</u>	<u>Application Filing Date</u>	<u>Registration Date</u>	<u>Class/es</u>	<u>Word Mark</u>	<u>Live/Dead</u>
86812156	N/A	Nov-6-2015	N/A	25, 41, 43	COSTA CARIBE	LIVE
85044726	3870719	May-21-2010	Nov-2-2010	28	COSTA CARIBE	LIVE
76218402	2811086	Feb-28-2001	Feb-3-2004	42	COSTA CARIBE	LIVE/ Renewal Accepted

The term "Pledged Instruments" includes, but is not limited to, the following:

1. Mortgage note payable to the order of the bearer, endorsed in favor of Banco Santander Puerto Rico, in the principal amount of \$39,000,000, due on October 1, 2030 and authenticated under affidavit number 2,395 of Notary Public Juan Antonio Aquino Barrera (the "Mortgage Note I-A"), secured by a mortgage constituted pursuant to Deed Number 12 of Constitution of First Mortgage executed on December 14, 2000 before the same Notary Public (the "Mortgage I"). Mortgage Note I and Mortgage I were modified pursuant to the terms of Deed Number 8 (as defined below) and by the terms of Deed Number 7 executed on July 29, 2016 before Notary Public Joamanda Marcelle Morales Vega ("Deed Number 7").
2. Mortgage note payable to the order of the bearer, endorsed in favor of Banco Santander Puerto Rico, in the principal amount of \$16,835,000, due on April 1, 2033 and authenticated under affidavit number 2,506 of Notary Public Juan Antonio Aquino Barrera (the "Mortgage Note I-B"), secured by the Mortgage I, as modified pursuant to the terms of Deed Number 8 of Acknowledgement of Subsistence, Consent to and Amplification of Mortgage and Subordination of Mortgage executed on April 16, 2003 before the same Notary Public (the "Deed Number 8"), as amended by Deed Number 7. The Mortgage Note I-A and the Mortgage Note I-B are secured, in pari-passu basis, by the Mortgage I, as amended.

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[Handwritten initials]