

## LICENSE AGREEMENT

**THIS AGREEMENT ("Agreement")** is made as of the 12th day of October, 2006, between **TRUMP MARKS LLC**, a Delaware limited liability company ("**Licensor**"), who has a principal place of business at 725 Fifth Avenue, New York, New York 10022, and **PB IMPULSORES, S. de R.L. de C.V.**, a Mexican limited liability company ("**Licensee**"), whose principal place of business is 10880 Wilshire Boulevard, Suite 1460, Los Angeles, CA 90024. Licensor and Licensee may hereinafter be referred to as the "**Parties**" and individually as the "**Party**."

**WHEREAS**, Licensor, is the owner of the trademark "**TRUMP**" in connection with real estate services including but not limited to hotel services and planning, construction, listing, leasing, and managing commercial and residential property, and further, is the sole and exclusive owner of the United States Trademark Registration No. 1,688,083 for "Trump Tower" covering, among other things, "real estate services; namely, listing, selling, leasing, and managing commercial and residential property" and certain other rights in the name, trademark, service mark, designation, and identification "Trump". Licensor is also the sole and exclusive owner of the United States Trademark Registration No. 2,226,174 for "Trump International Hotel & Tower" covering, among other things, "real estate services; namely, listing, leasing, and managing commercial and residential property" and "hotel services, restaurant services, and health spa services" and certain other rights in the name, trademark, service mark, designation and identification "Trump". For purposes of this Agreement, the terms "**Trump Mark**" or "**Trump Marks**" shall mean "Trump Ocean Resort Baja Mexico."

**WHEREAS**, Licensee intends to construct a first-class, luxury hotel condominium complex comprising up to three (3) separate high-rise towers and/or such other improvements as are mutually agreed upon (each, a "**Building**" and collectively, the "**Buildings**") located at KM 15.985 of the scenic highway Tijuana-Ensenada in the state of Baja California, Mexico, ("**Land**"), as more particularly described on Exhibit A annexed hereto (the Land and the Buildings are hereinafter collectively referred to as the "**Property**").

**WHEREAS**, the Buildings are to be developed in phases.

**WHEREAS**, the Property, including each individual Building, will contain an amenity package (including, without limitation, luxury kitchens, appliances, security staff, and such other amenities reasonably determined by Licensor) commensurate with a first-class luxury hotel condominium development, but in any event consistent with the amenities being offered at the following hotels as of the date hereof, and as same may be upgraded from time to time: Fiesta Americana Grand, Los Cabos San Lucas, Carretera Transpeninsular km 10.3, Los Cabos, Baja California Sur 23410 Mexico; The Fairmont Mayakoba, Ctra Federal Cancun – Playa del Carmen, Solidaridad, Quintana Roo CP7710; The Westin, Los Cabos San Lucas, Carretera Transpeninsular km 22.5, Los Cabos Baja California Sur 23400 Mexico; and The Fiesta Americana, Grand Coral Beach, Boulevard Kukulcán km 9.5, Cancun Quintana Roo 77500 Mexico (the "**Project Standard Set**"). The Property, when fully developed, will include a private fitness center/health club/spa, restaurant, and retail facilities commensurate with the Project Standard Set. The first Building shall include at least a private fitness center/health club, including spa and pool (collectively, the "**Health Club/Spa**"), which complies with the Project Standard Set, among other amenities. Without limiting the foregoing, each Building, including,

without limitation, the first Building will include a full-service restaurant which shall comply with the Restaurant Standards. For purposes of this Agreement, the term "**Restaurant Standards**" shall mean that the kind and quality of food and liquors offered, the décor of the restaurant, the services provided by and the appearance of the restaurant staff, the level of staffing maintained by the restaurant and the public image and reputation of the restaurant will be of high quality, comparable to the standards of quality and prestige to (i) Rainwater's on Kettner located at 1202 Kettner Blvd. (W. B St.) San Diego, CA; (ii) Roy's located at 8670 Genesee Ave. (bet. La Jolla Village & Nobel Drs.) San Diego, CA; (iii) Il Fornaio located at 18051 Von Karman Ave. (bet. Main St. & Michelson Dr.) Irvine, CA; as the same exist on the date hereof. Further, the Restaurant Standards shall include the requirement that each Building shall contain a restaurant which shall be a sit-down restaurant and include a room-service function for condominium owners and occupants including, without limitation, hotel condominium owners and hotel guests, similar in nature to that provided by the hotels included in the Project Standard Set (the amenity package for each Building and for the entire which shall include, without limitation, the Health Club/Spa and restaurant is hereinafter referred to as the "**Amenity Package**"). Without limitation or qualification of the foregoing sentence with respect to the room service function, all of the restaurants in each Building shall be operated and maintained in compliance with the foregoing and according to high standards of quality (in terms of food, service and decor) comparable to the Project Standard Set, but may be varied according to type; provided that there shall be at least one fine dining signature restaurant in one of the Buildings and that each other Building shall have at least one restaurant that is either fine dining signature or a bistro-type of a quality commensurate with the Project Standard Set. Subject to the satisfaction of the preceding restaurant requirements, any Building may also include a casual or other informal dining venue provided that each of the foregoing shall be operated and maintained in compliance with and according to the standards applicable to the restaurants in such Building (including, without limitation, the Project Standard Set). The Health Club/Spa for the first Building shall be as depicted on Exhibit C annexed hereto and made a part hereof and shall offer services, treatment rooms, décor and equipment of sufficient size, quality and capacity for the first Building and consistent with the Project Standard Set. In addition to the Health Club/Spa depicted on Exhibit C, Licensee shall construct in the first Building four (4) cabanas, and the decor, appointments, style and quality thereof, and the services offered thereby, shall conform to, and be operated and maintained in compliance with the Project Standard Set and otherwise satisfactory to Licensor, in Licensor's reasonable discretion. Licensee shall include a Health Club/Spa in each of the second Building and the third Building, each of which shall, in addition to being commensurate with the Project Standard Set, offer services, treatment rooms, décor and equipment, and be built, operated and maintained to standards that are, in Licensor's reasonable discretion, superior to the services and standards of the Health Club/Spa that is included in the first Building.

**WHEREAS**, the Property will also have on-site parking as required to meet applicable building codes and as are required to meet the Project Standard Set ("**Parking Spaces**") and such retail space as may be appropriate in each case consistent with the Project Standard Set (collectively, the "**Commercial Space**").

**WHEREAS**, Licensee intends to (i) market and sell all of the condominium units in each of the Buildings and either lease or sell the Commercial Space and (ii) design, develop, construct, operate and maintain each of the Buildings according to the Operating Standards (as

herein defined), so as to maximize the value of the Property for the benefit of Licensee and Licensor.

WHEREAS, Licensee desires to use the Trump Mark as the name of the Property and to use the Trump Mark in connection with the identification of each Building so that each Building will be known, subject to the provisions of this Agreement, as being a part of "Trump Ocean Resort Baja Mexico."

WHEREAS, Licensor is willing to grant Licensee the right to use the Trump Mark in accordance with and subject to the terms, covenants and provisions of this Agreement.

WHEREAS, Licensee may also desire to develop and use a certain logo or logos in connection with its use of the Trump Mark in accordance with the provisions of this Agreement.

WHEREAS, adoption and/or use of any such logo or logos is subject to the written approval of Licensor and other terms and conditions set forth below.

NOW, THEREFORE, for One (\$1.00) Dollar and other good and valuable consideration, receipt of which is hereby acknowledged, Licensor and Licensee do hereby agree as follows:

1. **License.** (a) Licensor hereby grants to Licensee, during the term of this Agreement, a non-exclusive, non-assignable (except as provided in Section 10(b) hereof), right, without the right to grant sublicenses, to use and display the Trump Mark solely for the purpose of identifying the Property and the Buildings on the Land, subject to all the terms, covenants and provisions of this Agreement. Licensee shall be required to, and hereby agrees to, use the Trump Mark as the sole identification of the Buildings and the Property during the term of this Agreement (other than the street address of each Building). The exact name of each Building and the Property shall be subject to the reasonable approval of Licensor. Licensee shall also have the right to use the Trump Mark in advertising, promotional and publicity materials, solely with respect to the promotion of the Property and each Building and the sale of units in each Building (in a manner, media and form to be pre-approved by Licensor in writing, the "**Marketing Right**"), subject to all the terms, covenants and provisions of this Agreement. In connection with Licensee's exercise of the Marketing Right, Licensor reserves the right to prohibit the making of representations on behalf of Licensor (or any affiliate thereof), Donald J. Trump, or any member of Donald J. Trump's family, including, without limitation, Donald J. Trump, Jr., Ivanka Trump and Eric Trump (collectively with Donald J. Trump, the "**Trump Family**") or the use of material which, in the sole judgment of Licensor, do not accurately reflect facts about Licensor or any member of the Trump Family or are otherwise unacceptable to Licensor in its sole discretion.

(b) Licensor hereby grants to Licensee, during the term of this Agreement, the right to permit retail occupants within each Building to use the Trump Mark solely for the purpose of identifying the address of such occupants' location at such Building so long as such Building is identified with the Trump Mark. However, such right shall not permit the retail occupants of any Building to use the Trump Mark as part of the name or identification of such occupant, unless Licensor permits such use, in Licensor's sole discretion, pursuant to a written agreement between such party and Licensor. For example, trade names such as "Trump Tower Restaurant" or "The

Restaurant at Trump Tower" are not permitted or authorized. Use of the name of the restaurant with the location, such as "Joe's Eatery," Trump Ocean Resort Baja Mexico, is permitted. The rights and restrictions governing such occupants' use of the Trump Mark shall be set forth in the condominium offering plan filed with respect to each of the Buildings (the "**Plan**") and in any lease agreement between Licensee and such retail occupant of the Property, which Plan and lease terms governing such use, to the extent they relate to the use of the Trump Mark, as well as the disclosure in the Plan and any such lease of the existence of this Agreement, shall be subject to Licensor's prior written approval. All documentation relating to the condominium, including, without limitation, the Plan, the bylaws, the rules and regulations and all related documentation (collectively, the "**Condominium Documents**") shall be subject to the prior written review and approval of Licensor (in Licensor's sole discretion), including, without limitation, the provisions in the Condominium Documents relating to the use of the Trump Mark, the disclosure of the existence of this Agreement and any operating or other budgets set forth therein. Licensee agrees to cooperate fully with, and furnish assistance to Licensor in any action required, to ensure that any use of the Trump Mark by such occupants complies with the terms and conditions of this Agreement. Licensee shall reimburse Licensor, within ten (10) days following Licensor's request therefor, for all fees and expenses reasonably incurred by Licensor (including, without limitation, attorneys' fees and expenses) in connection with this transaction, including, without limitation, the review of this Agreement and the Condominium Documents for the Property, not to exceed Sixty-five Thousand Dollars (\$65,000.00) (the "**Transaction Review Fees**"). In addition to the Transaction Review Fees and without limiting Licensor's right to receive any other reimbursement pursuant to this Agreement, Licensee shall reimburse Licensor, within ten (10) days following Licensor's request therefor, for all fees and expenses incurred by Licensor (including, without limitation, attorneys' fees and expenses) in connection with the negotiation of the Hotel Management Agreement (as hereinafter defined), as well as the review and negotiation of any third party hotel management agreement in the event the parties do not enter into the Hotel Management Agreement (it being understood that the entering into by Licensee of any third party hotel management agreement shall be subject to the terms of Section 3(i) hereof, such reimbursement not to exceed One Hundred Thousand Dollars (\$100,000.00)).

(c) In connection with its identification and promotion of the Property and each Building, Licensee may propose to use a certain logo or certain logos incorporating the Trump Marks, including a logo that substantially consists of distinctive design elements of each Building ("**Design Logo**"), in connection with the identification and promotion of the Property and each Building (collectively, the "**Proposed Logo**" or "**Proposed Logos**"). Prior to any adoption and/or use of any Proposed Logo, Licensee shall submit a graphical representation of such Proposed Logo to Licensor precisely in the manner which Licensee intends such Proposed Logo to appear in commercial use. Following Licensee's submission of such Proposed Logo to Licensor, Licensor shall review such Proposed Logo within ten (10) business days of receipt thereof, and if such Proposed Logo meets with Licensor's preliminary approval, Licensor shall commission its trademark counsel to conduct a full trademark search and make an assessment as to the likely registrability and/or availability of such Proposed Logo for use. Licensee shall bear the costs reasonably incurred in the trademark clearance assessment of each Proposed Logo (and Licensee shall reimburse Licensor for any costs and expenses incurred by Licensor in connection therewith within ten (10) days following Licensor's request therefor). Licensor shall promptly notify Licensee in writing whether or not Licensee is permitted to adopt and/or use any given

Proposed Logo. Licensee may submit multiple alternative Proposed Logos at the same time, which shall proceed concurrently through the approval process, subject to the provisions of this Agreement. Licensee shall not adopt and/or use any Proposed Logo unless and until it obtains Licensor's approval, in writing, in the manner set forth in this Section 1(c).

(d) If Licensor approves any Proposed Logo, such Proposed Logo shall then be referred to as an "Approved Logo". At such time that the Licensor approves any Proposed Logo, in writing, Licensee acknowledges and agrees that Licensor shall own all right, title and interest in and to any and all Approved Logos and that Licensee's sole rights with respect thereto shall be to use such Approved Logos subject to, and in accordance with, the terms, covenants and provisions of this Agreement. If and when any Proposed Logo is approved in writing by Licensor in accordance with the terms of this Agreement, such Approved Logo will be considered as of the date of such approval as a Trump Mark and will be subject to the terms and conditions of this Agreement. Upon the termination of this Agreement, Licensor shall assign to Licensee (in a form reasonably acceptable to Licensee) all of Licensor's right, title and interest in and to the Approved Logos adopted and used by Licensee, if any, but only that portion of such Approved Logos that does not contain any element (in whole or part) of the Trump Mark or "Trump" or any elements similar to the Trump Mark or "Trump" or that portion of such Design Logo(s) that can be readily separated and clearly distinguished from the Trump Mark and/or the word "Trump" and is not similar to the Trump Mark or "Trump". Without limiting the foregoing, upon termination of this Agreement, Licensee shall deliver to Licensor (and assign to Licensor, if Licensor so requests) any and all documentation relating to the Approved Logos that contain any element (in whole or in part) of the Trump Mark or "Trump" or elements similar thereto.

(e) If, during the term of this Agreement, Licensee develops any Proposed Logo and Licensor approves such Proposed Logo in writing such that such Proposed Logo constitutes an Approved Logo, then Licensor, at Licensee's cost and expense, will promptly file an application for registration of such Approved Logo at the United States Patent and Trademark Office and the Mexican Trademark and Patent Office. Such applications, if approved, will be considered and made a part of the Trump Mark.

2. Exclusions to License; Use of License. (a) Licensee recognizes and agrees that other than as expressly provided hereunder, no other rights to use the Trump Mark are granted hereunder, whether as to activities, products, services, or otherwise. Accordingly, *inter alia*, Licensee has no right to use the Trump Mark in connection with individual facilities within the Property, or with any products or services sold or offered for sale at or within the Property or elsewhere, except as expressly provided herein or if and as may subsequently be agreed to in writing by Licensor in Licensor's sole discretion.

(b) Licensee also recognizes and agrees that it has no other rights to the use of the name "Trump" other than in respect to the Trump Mark in accordance with the terms, covenants and provisions of this Agreement, and recognizes Licensor's sole and exclusive ownership of all proprietary rights in the name "Trump" and in the Trump Mark. Licensee will not register nor attempt to register the Trump Mark or the word "Trump" or any derivations or phonetic equivalents thereof or any mark similar thereto, as a name, trademark, service mark or otherwise. Licensee agrees not to assert any claim to any goodwill, reputation, or ownership in any country or territory around the world of the name "Trump" or in the Trump Mark and shall not contest

the validity or ownership of the name "Trump" or the Trump Mark. Licensee agrees that it will not do any act or thing, or permit any act or thing to be done, in derogation of any of the rights of Licensor in connection with Licensee's use of the Trump Mark either during the term of this Agreement or thereafter and that Licensee will not use the Trump Mark except as licensed hereunder and as provided in this Agreement. Licensee further acknowledges and agrees that any goodwill associated with all use of the Trump Mark, including without limitation, any use by Licensee, shall inure directly and exclusively to Licensor.

(c) All uses and displays of the Trump Mark by Licensee shall faithfully reproduce the design and appearance of the Trump Mark approved by Licensor.

(d) At the request of Licensor, Licensee shall include the trademark designation legally required or useful for enforcement (e.g. "TM", "SM" or ®, as applicable) in connection with Licensee's use of the Trump Mark.

(e) Except as specifically authorized under this Agreement, Licensee shall not use the Trump Mark in whole or in part or any other trademark or service mark similar thereto on or in connection with any other business and shall not permit or authorize any other person or entity to use the Trump Mark or any other trademark or service mark similar thereto in any manner.

(f) Licensee shall submit to Licensor for Licensor's prior written approval (which approval shall not be unreasonably withheld or delayed) all promotional materials and any other materials (including without limitation, contents and designs of Licensee's websites) using the Trump Mark prior to Licensee's use of such material. Licensor shall review such material within ten (10) business days of its receipt of such material, provided however, if Licensor shall fail to approve or reject any such submission within such ten (10) business day period and after five (5) days following an additional written notice to Licensor, sent following the expiration of such ten (10) business day period, such submissions shall be deemed rejected by Licensor. Notwithstanding the foregoing, in no event shall Licensee issue a press release concerning the Property, this Agreement, the Trump Marks, Licensor, any affiliate of Licensor or any member of the Trump Family without Licensor's prior written approval, which may be withheld by Licensor in Licensor's sole discretion.

(g) Licensee agrees to ensure that, in such cases as Licensor may require, use or display of the Trump Mark is in the manner sufficient to indicate that the Trump Mark is owned by Licensor and is being used under license.

3. **Operating Standards.** As a material inducement for Licensor's execution of this Agreement, Licensee covenants and agrees:

(a) To design, develop, construct, equip and furnish the Property, including the individual Buildings and the Amenity Package, with the level of quality and luxury that is consistent with, in all respects, the level of quality and luxury associated with the Project Standard Set (collectively, the "**Development Standards**"). Within sixty (60) days of the date hereof, Licensee shall submit to Licensor for Licensor's prior written approval, renderings, schematic plans and a description of the improvements, as well as Licensee's preliminary phasing plan for the Property, including the Buildings planned by

Licensee. It is understood that the actual specifications for each Building, although in all cases subject to compliance with the Development Standards, may be different and established subject to the written approval of Licensor, in Licensor's reasonable discretion, at the time of development of each such Building.

(b) At all times, to maintain, and ensure by the provisions of the Plan and any lease affecting the Property (in each case as expressly permitted herein and, in each case, as reasonably approved by Licensor (in writing) as to each such document's compliance with the provisions of this Agreement), that all occupants in each of the Buildings maintain standards in connection with the ownership, operation and maintenance of the Property, that are at least equal to those standards of ownership, operation and maintenance commensurate with the ownership, operation and occupancy of the Project Standard Set (such standards of ownership, operation and maintenance, collectively the "**Operating Standards**"). Without limiting the foregoing, the staffing of each of the Buildings, including, without limitation, the number and type of employees servicing each Building and the Property, their compensation, hours and duties shall be consistent with the Operating Standards and subject to the reasonable prior written approval of Licensor. The Development Standards and the Operating Standards shall be subject to modification and adjustment from time to time in the sole discretion of the Licensor and/or Donald J. Trump, provided, however, that such modifications and adjustments shall not impose a greater burden on Licensee than the Operating Standards and Development Standards set forth in this Agreement as reasonably determined by the parties.

(c) Licensor or its representatives shall at all times have access to, and the right to inspect, the Property and each Building thereon, interior and exterior (but excluding the interior of privately owned units, unless authorized by such owners), during normal business hours, upon twenty-four (24) hours notice, but without unreasonably interfering with the operation of the Property, to confirm Licensee's compliance with the provisions of this Agreement.

(d) Within one hundred twenty (120) days of the date hereof, Licensee shall deliver to Licensor the preliminary plans and specifications for the overall Property as well as for each Building to be included in the first phase (the "**Preliminary Plans**"), including, without limitation, the preliminary interior and exterior schematic design components thereof, for Licensor's written confirmation that they comply with the Operating Standards and the Development Standards, including but not limited to:

- (i) Site plan and schematic design plan for the overall Property;
- (ii) The preliminary schematic design documents for each of the Buildings;
- (iii) The preliminary exterior design of each of the Buildings, including, but not limited to the façade, signage, landscaping, access methods, and illumination;

- (iv) The preliminary unit layouts and room counts;
- (v) The preliminary interior design specifications for the units; and
- (vi) The sales and marketing plan for each of the Buildings, including unit prices, sales office location and layout, sales staff training and sales collateral materials.

Within fifteen (15) business days of receipt by Licensor of the Preliminary Plans, Licensor will either approve the same or send a notice to Licensee which identifies in detail and with particularity each portion of the Preliminary Plans that does not comply with the Operating Standards or the Development Standards (the "**Preliminary Plans Deficiency Notice**"), whereupon Licensee shall prepare and deliver to Licensor revised Preliminary Plans ("**Revised Preliminary Plans**") which attempt to satisfy the Preliminary Plans Deficiency Notice. In the event Licensor does not deliver to Licensee an approval or issue a Preliminary Plans Deficiency Notice within said fifteen (15) business days of receipt of any Revised Preliminary Plans, Licensor shall be deemed to have rejected the Revised Preliminary Plans. In such event, Licensee shall have the right to further revise the Revised Preliminary Plans and resubmit them to Licensor in the same manner as set forth above.

(e) As to subsequent phases of the Property, Licensee shall deliver to Licensor preliminary plans for written approval by Licensor in the same manner as set forth in Section 3(d) above.

(f) Not less than thirty (30) days prior to Commencement of Construction (as herein defined) of each of the Buildings, Licensee shall submit its complete final plans and specifications therefor (the "**Final Plans and Specifications**"), including each of the items delineated in Sections 3(d)(i) through (vi) hereof, as well as Licensee's plans for (i) the engineering design of the Buildings to be constructed and all services of the Buildings; (ii) the interior signage, interior design (including, without limitation, lobbies, hallways and other common areas), and (iii) all furniture, fixtures, equipment and appliances, to Licensor. Following Licensee's submission of such Final Plans and Specifications to Licensor, Licensor shall review such Final Plans and Specifications within fifteen (15) business days of receipt thereof. Within fifteen (15) business days after review of the Final Plans and Specifications, Licensor shall deliver a report to Licensee, which either: (a) approves, in writing, the Final Plans and Specifications, which approval shall not be unreasonably withheld provided the Final Plans and Specification that are submitted are a natural progression (as reasonably determined by Licensor) of the Preliminary Plans (or Revised Preliminary Plans, as applicable) previously approved by Licensor and comply in all respects with the Development Standards and the Operating Standards, or (b) identifies in detail and with particularity each portion of the Final Plans and Specifications that does not comply with the Operating Standards or the Development Standards (the "**Final Plans Deficiency Notice**") and specifies what changes need to be made to the Final Plans and Specifications. Failure to respond during said fifteen (15) business day period shall be deemed a rejection by Licensor. Licensee shall thereafter diligently attempt to cure such deficiencies, and upon completion, shall



resubmit the revised Final Plans and Specifications to Licensor. Upon obtaining the revised Final Plans and Specifications, Licensor shall review the same, and within ten (10) business days after receipt thereof, shall either: (x) approve the revised Final Plans and Specifications or (y) issue another Final Plans Deficiency Notice. Commencement of Construction shall not occur unless and until Licensee obtains Licensor's written approval in the manner set forth herein. Once approved, Licensee shall construct or cause construction of the applicable Building substantially in accordance with the Final Plans and Specifications, as approved by Licensor, which shall adhere to and comply with the Operating Standards and the Development Standards.

(g) [INTENTIONALLY DELETED]

(h) Without limiting anything in this Section 3, the Amenity Package for each Building shall be subject to Licensor's prior written approval, it being recognized that the Amenity Package for the Property shall be developed in phases as deemed appropriate by Licensee and as approved by Licensor in writing, it being understood that each Building will include an Amenity Package sufficient to support such Building and in any case consistent with the Operating Standards. The Amenity Package for each such Building shall be submitted to Licensor at the time of submittal of the plans and specifications and approved in connection therewith. Further, the Plan, including the phasing plan, shall be subject to Licensor's prior written approval. Each such approval shall not be unreasonably withheld or delayed.

(i) To the extent that condominium units in any one Building are sold as hotel condominiums, Licensor and Licensee shall mutually agree upon the terms, method and manner of operation of the hotel within such Building which shall, in any event, be consistent with and subject to the Operating Standards, subject to the terms and conditions of this Agreement and the Hotel Management Agreement (as hereinafter defined). Licensee may enter into a hotel management agreement with a third party capable of managing and operating the hotel in accordance with the Operating Standards. However, if Licensor and Licensee mutually deem it appropriate to the success of the Property that Licensor's hotel management company manage the hotel condominium, Licensor and Licensee shall make every effort to negotiate in good faith a management agreement (the "**Hotel Management Agreement**") for the operation of the hotel, which will provide for a term of ten (10) years and will contain economic terms otherwise available to Licensee (based on evidence provided to Licensor by Licensee, which evidence shall be reasonably satisfactory to Licensor) from a first-class luxury hotel operator operating hotels whose operation and maintenance are commensurate with those listed in the Project Standard Set. In the event the parties are unable to agree upon the Hotel Management Agreement, Licensee shall have the right to enter into a management agreement with a first-class luxury hotel manager that operates at least two (2) hotels whose ownership, operations and maintenance are commensurate with the Project Standard Set, the identity of which hotel manager (and the terms of the management agreement with such hotel manager) shall be subject to the reasonable approval of Licensor (for the purpose of Licensor determining that the rights and privileges afforded to Licensor pursuant to this Agreement, including without limitation, Licensee's obligation and liabilities to Licensor hereunder shall be protected); and provided further

(without limiting any of Licensor's other rights and remedies under this Agreement) that Licensee shall use its best efforts to cause the hotel operator to incorporate suggestions of Licensor made to Licensee. In the event Licensor and Licensee are not able to agree upon the terms of the Hotel Management Agreement for any of the Buildings which contain any hotel component and Licensor does not approve the hotel manager that Licensee desires to enter into a management agreement with (and the terms of the management agreement) as required hereunder, Licensor shall have the right to terminate this Agreement in its entirety (i.e., with respect to all three (3) Buildings) and retain all License Fees theretofore paid to Licensor (in addition, Licensor shall thereafter have the right to receive any accrued fees pursuant to this Agreement). In the event there is a third party manager, such manager shall not be permitted to advertise or disclose, except to the extent required by law, that it is the manager of a hotel bearing the "Trump" name unless otherwise agreed to by Licensor. In any event, each and every Building shall be operated and maintained to the Operating Standards. In connection with any Building that is operated as a hotel and which is not managed by Licensor (or an affiliate thereof) pursuant to a Hotel Management Agreement, Licensee shall, on an annual basis, pay to Licensor a fee equal to one percent (1%) of the annual Gross Operating Revenue (as hereinafter defined) if only one Building is operated as a hotel, three-quarters of one percent (.75%) of the annual Gross Operating Revenue if two Buildings are operated as hotels and one-half of one percent (.50%) of the annual Gross Operating Revenue if three Buildings are operated as hotels. Payments to be made pursuant to the preceding sentence shall be due on each anniversary (beginning with the first anniversary) of the date upon which the operations of any hotel on the Property commence.

(j) The parties contemplate that the first Building shall be constructed without the inclusion of dedicated service elevator(s), and Licensee covenants and agrees that it shall exercise its best efforts to provide dedicated service elevator(s) in each of the second Building and the third Building. The parties further agree that any exception to and/or deviation from the Development Standards, the Operating Standards and the Project Standard Set, and Licensor's acceptance of or consent with respect to any such exception and/or deviation, shall not, in any case, act, or be construed as, the acceptance of or consent with respect to any further exception to, or deviation from, or any modification to or revision of, the Development Standards, the Operating Standards and the Project Standard Set which shall apply and pertain to each Building, and every feature thereof and/or service provided therein, notwithstanding any exception or deviation permitted by Licensor with respect to any feature of, or service provided in, such Building or any other Building.

(k) In the event Licensee determines it necessary to file a registration statement with the Securities and Exchange Commission or with the relevant Corporate Securities Agency applicable in Mexico, such statement, to the extent it discusses and describes the License Agreement or to the extent Licensor could be liable as a result thereof, shall be subject to Licensor's reasonable approval.

(l) To the extent permitted by law and provided Trump Mortgage Service LLC meets all necessary licensing and qualification requirements, the sales and

marketing staff shall make purchasers aware of the services of Trump Mortgage Service LLC for providing financing for the purchase of units in the Buildings.

4. **Consideration; Reports, Audit Rights.** (a) In consideration of the license rights granted hereunder, Licensee shall pay Licensor non-refundable license fees (collectively, the "Fixed License Fee") as set forth on Schedule 1 annexed hereto and made a part hereof, which amounts shall be payable in the manner set forth on Schedule 1. In addition to the Fixed License Fee, Licensee shall pay to Licensor for the rights granted to Licensee hereunder additional non-refundable license fees (collectively, the "Contingent License Fee") as provided in Schedule 1 attached hereto and made a part hereof. The Contingent License Fee shall be due and payable with respect to any amounts which are forfeited pursuant to a defaulted or terminated purchase contract with respect to any unit; provided, that, in the event that any such amounts are not received by Licensee but are credited to the balance of any indebtedness of Licensee, such amounts shall be deemed received by Licensee and shall be added to the Gross Sale Price of such unit at the Closing of such unit. The Fixed License Fee and the Contingent License Fee are collectively referred to herein as the "License Fee."

The calculation and payment of the License Fee shall be made as set forth on Schedule 1 annexed hereto and made a part hereof.

(b) Licensee shall furnish Licensor with the following reports (collectively, the "Reports"): (i) monthly progress reports with respect to the construction of each Building; and (ii) monthly sales and marketing reports for each of the Buildings. All reports shall be in form and shall contain such information as Licensor shall reasonably request.

(c) Licensor and its representatives shall have the right, on not less than five (5) days notice to Licensee, to examine and audit all of Licensee's books and records, wherever they may be located, in Los Angeles, California, with respect to the determination of the License Fee and any other fees payable to Licensor hereunder, Licensor shall have the right to copy and duplicate such information as Licensor may require. In addition, if Licensor requests, at Licensee's reasonable expense, Licensee shall deliver to Licensor, within five (5) business days following Licensor's request therefor, a certificate from Licensee's Chief Executive Officer or Chief Financial Officer certifying the accuracy of the information delivered by Licensee to Licensor. If any such audit discloses that the actual amount due to Licensor hereunder exceeds the amount reported, then Licensee shall immediately pay to Licensor all License Fees due to Licensor, and if the excess of such License Fees over the amount originally declared to Licensor shall be more than three (3%) percent, Licensee shall also then pay the cost of such audit and examination. If any audit shall be commenced by Licensor or if there shall arise a difference or dispute concerning the amount due to Licensor hereunder, then and in any such event Licensee's books and records (including any supporting data) shall be preserved and retained by Licensee until the later to occur of sixty (60) days following (i) the completion of such audit, or (ii) a final, unappealable resolution or final determination of such difference or dispute has occurred. In any event, Licensee's books and records shall be retained by Licensee for not less than three (3) years from closing of sale of the last unit in the final Building on the Property.

(d) Licensor agrees that Licensor will hold in confidence and not publicly disclose any non public information contained in the Reports, other than (i) to Licensor's employees,

attorneys and accountants who need to know such information; (ii) in connection with the enforcement of Licensor's rights under this Agreement; and (iii) as may be required by law.

(e) Licensee shall at all times use its good faith efforts to market and sell all of the units in each Building at the highest price then obtainable and in accordance with the Condominium Documents. Licensor shall provide prompt advice to Licensee with respect to the marketing of the Buildings, including advice regarding the groundbreaking ceremony, sales center opening, sales launch and promotional events.

(f) Licensee shall reimburse Licensor for the cost of Licensor's reasonable travel and miscellaneous expenses incurred by Licensor in connection with this Agreement, including, without limitation, first-class travel and miscellaneous expenses incurred by Licensor conducting site visits or attending meetings to negotiate this Agreement. Donald J. Trump, Jr. and/or Ivanka Trump shall make one (1) publicity visit to either the Property or to San Diego, California. Any such visits shall be subject to scheduling constraints of Donald J. Trump, Jr. and Ivanka Trump. Licensee shall reimburse such expenses within ten (10) days following Licensor's demand therefor.

(g) Licensee shall reimburse Licensor for the cost of reasonable travel expenses incurred by Donald J. Trump and two guests, Donald J. Trump, Jr. and one guest, Ivanka Trump and one guest, and other senior executives of Licensor and one guest in connection with travel to the Property, including, without limitation, first-class airfare, (x) at the request of Licensee for marketing and sales purposes or other matters under the purview of this Agreement, or (y) as reasonably required by Licensor to inspect the Property for compliance with the Operating Standards or other matters under the purview of this Agreement, such reimbursement to be shared with Licensor to the extent it or they conducts other business while so traveling to the Property or general regions (*i.e.*, Mexico) but otherwise paid within twenty (20) days after demand (together with reasonable supporting documentation therefor). For purposes of clarification, there shall be no travel obligations imposed on Licensor or any member of the Trump Family other than the one (1) trip identified in Section 4(f) above.

(h) If at Licensee's request, Licensor shall elect to negotiate, on Licensee's behalf, any fees and charges payable by Licensee in connection with any construction or other contracts relating to the Property (each, a "**Contract**"), Licensee shall pay Licensor, simultaneously with the execution by Licensee of the applicable Contract, a sum equal to thirty (30%) percent of the savings achieved by Licensor as a result of such negotiation by Licensor.

5. **Term.** The term of this Agreement shall commence on the date hereof and shall end on the date this Agreement shall terminate pursuant to any of its terms or provisions or as a consequence of the operation of law. The expiration or earlier termination of the term of this Agreement shall not affect Licensor's or Licensee's obligations that accrued at the time of or prior to such expiration or termination (including, without limitation, any obligation to pay all sums payable to Licensor by Licensee pursuant to Section 4 hereof or that accrue pursuant to Section 4 hereof after such expiration or termination).

6. **Licensor's Termination; Default.** (a) Notwithstanding anything to the contrary contained herein, in addition to any other right or remedy of Licensor hereunder,

Licensor shall have the absolute right to terminate this Agreement and the rights licensed hereunder, upon ten (10) days prior written notice of such termination to Licensee, if:

(i) Licensee files a petition in bankruptcy or is adjudged bankrupt by a court of competent jurisdiction; or

(ii) A petition in bankruptcy is filed against Licensee and not discharged within sixty (60) days; or

(iii) Licensee becomes insolvent, or makes an assignment for the benefit of its creditors or any arrangement pursuant to any bankruptcy or like law; or

(iv) A receiver is appointed for Licensee or its business; or

(v) Subject to the rights of an institutional lender or anyone acquiring through such institutional lender as set forth in Section 10(b) hereof, at least one of Adam Fisher or Jason Grosfeld or any entity wholly owned or controlled by either or both of them (collectively the "**Principals**") ceases to control the day to day activities, and/or own less than twenty-five percent (25%), by vote and by value, of the issued and outstanding equity interests, of Licensee; or

(vi) A substantial portion of the Property is damaged or destroyed by fire, act of terrorism or other casualty and all of the Buildings are not rebuilt in a diligent and expeditious manner and in compliance with the Development Standards and Operating Standards; or

(vii) The Property or any part thereof is taken in condemnation or eminent domain proceedings and the remaining portion of the Property and Land upon which it is located cannot be operated in a manner consistent with the Development Standards and Operating Standards; or

(viii) Commencement of Construction of the first Building shall not occur within eighteen (18) months of the date of execution hereof, unless such delay shall result from any strikes, lockouts or labor disputes, inability to obtain labor or materials or reasonable substitutes thereof, acts of God, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, riot or insurrection, fire or other casualty or other events similar to the foregoing beyond the reasonable control of Licensee (collectively, "**Unavoidable Delays**"), in which event such eighteen (18) month period shall be deemed extended one (1) day for each day of Unavoidable Delays which is contemporaneously documented by Licensee in writing to Licensor; or

(ix) A permanent certificate of occupancy (or local governmental equivalent) has not been issued for any of the Buildings within thirty-six (36) months from the date of Commencement of Construction (as hereinafter defined) of such Building, except as a result of Unavoidable Delays, in which event, such thirty six (36) month period shall be deemed extended one (1) day for each day of Unavoidable Delays, which is contemporaneously documented by Licensee in writing to Licensor; or

(x) There is not at least the minimum number of units under binding purchase agreements as may be required by Licensee's construction lender as a precondition to funding any construction loan for the first Building with deposits of at least ten (10%) percent of the total purchase price for the condominium unit (or such increased deposit as may be required by Licensee's construction lender in connection with any construction loan for the Building), within eighteen (18) months from the date hereof, except as a result of Unavoidable Delays, in which event, such eighteen (18) month period shall be deemed extended one (1) day for each day of Unavoidable Delay, which is contemporaneously documented by Licensee in writing to Licensor; or

(xi) If Licensee shall fail to obtain construction financing for the construction of the first Building (which construction financing shall (i) be fully closed and available for funding and (ii) be in an amount sufficient to construct the Building) within eighteen (18) months of the date hereof; or

(xii) If Licensee shall fail to obtain all construction approvals (including, without limitation, approved building plans necessary to permit Commencement of Construction of the first Building) within eighteen (18) months of the date hereof; or

(xiii) If the Hotel Management Agreement with Licensor or its affiliate is terminated other than by reason of a material default by Licensor which results in the termination of the Hotel Management Agreement, in which event, Section 3(i) hereof shall be applicable; or

(xiv) Without in any way limiting the provisions of Section 3(i) or Section 6(a)(xiii), if Licensee shall fail to comply with Section 3(i); or

(xv) Subject to Unavoidable Delays, Commencement of Construction of a second Building does not occur within sixteen (16) months after the substantial completion of construction of the first Building; or

(xvi) Any Licensee Party shall effect a Disposition that is not a Qualified Disposition as provided in Section 16 hereof.

Notwithstanding anything in this Agreement to the contrary, delays permitted hereunder as a result of Unavoidable Delays shall not exceed one hundred twenty (120) days in the aggregate.

Notwithstanding anything in this Agreement to the contrary, it is understood that in the event of any termination of this Agreement, whether pursuant to Sections 6 or 7 or any other provisions of this Agreement, no part of the License Fee theretofore paid to Licensor shall be returned to Licensee. In addition, Licensor shall thereafter have the right to receive any accrued fees pursuant to this Agreement. Specifically, and without limitation, in the case of any termination of this Agreement, Licensor shall be entitled to receive all Contingent License Fees on any units for which a contract has been executed during the term of this Agreement even if the Closing with respect to such units occurs after the term of this Agreement.

(b) If Licensor determines that the Development Standards or the Operating Standards are not being maintained or if Licensee has breached any other provision of this Agreement, including, without limitation, (i) Section 3(a) or 3(b) hereof, or (ii) if Licensee fails to pay Licensor any portion of the License Fee or any other fee payable to Licensor hereunder when due, or (iii) if Licensee transfers or assigns this Agreement in any manner except as expressly permitted pursuant to this Agreement, or (iv) if any representation made by Licensee is false or misleading in any respect, (collectively, a "**Breach**"), then Licensor may notify Licensee thereof in writing (the "**Default Notice**") and if Licensee shall fail to fully correct, to Licensor's reasonable satisfaction, any condition or cure any other Breach identified in the Default Notice, within thirty (30) days of the date of such Default Notice (ten (10) days in the case of a monetary failure), Licensor may immediately terminate this Agreement and all rights licensed hereunder by notifying Licensee in writing of such termination; provided however, that so long as the Breach cannot be cured solely by the payment of money and Licensee shall have commenced the curing of such Breach within such thirty (30) day period and shall diligently prosecute the curing thereof to completion, then Licensee shall have such reasonable additional period of time as shall be reasonably necessary to cure such Breach, but in no event more than sixty (60) days. Licensor shall not be required to send a Default Notice on more than two (2) occasions in any twenty-four (24) consecutive month period during the term hereof and in the event of a third (3rd) Breach within such twenty-four (24) month period, Licensor may immediately terminate this Agreement and all rights licensed hereunder by notifying Licensee in writing of such termination.

7. Licensee's Termination. Licensee shall have the right to terminate this Agreement upon ten (10) days prior written notice of such termination to Licensor, if

(i) Prior to the first to occur of Closing (as hereinafter defined) of the sale of seventy percent (70%) of the units in the first Building or substantial completion of the first Building, Donald J. Trump is convicted of a felony; or

(ii) Licensor (or Donald J. Trump) files a petition in bankruptcy or is adjudged bankrupt by a court of competent jurisdiction; or

(iii) A petition in bankruptcy is filed against Licensor (or Donald J. Trump) and not discharged within sixty (60) days; or

(iv) Licensor (or Donald J. Trump) becomes insolvent, or makes an assignment for the benefit of its creditors or any arrangement pursuant to any bankruptcy or like law; or

(v) A receiver is appointed for Licensor (or Donald J. Trump) or its business; or

(vi) Licensee is not able to use the Trump Mark by virtue of the expiration or other lawful termination of Licensor's rights to the Trump Mark; provided, however, so long as Licensor shall allow Licensee to utilize a different name utilizing the "Trump" name which shall be reasonably acceptable to Licensee, this termination right shall not apply.

8. **Discontinuation of Use of Marks.** Upon the expiration or termination of this Agreement for any reason, Licensee will immediately undertake its best efforts to discontinue any and all uses of the Trump Mark, and make no further use of the same whatsoever. If Licensee fails to so discontinue all such use within twenty (20) days of the expiration or termination of this Agreement, Licensor shall be entitled to immediate injunctive relief in addition to damages and all other applicable remedies.

9. **Indemnification; Insurance.** (a) Licensee hereby agrees to indemnify, defend, and hold free and harmless Licensor and each member of the Trump Family and each and any of their members, partners, affiliates, shareholders, employees, representatives, directors, officers, successors and assigns of all of the foregoing (collectively, the "**Licensor Indemnified Parties**") from and against any and all causes of action (including without limitation product liability actions and tort actions) and out-of-pocket expenses, including, without limitation, interest, penalties, reasonable attorneys' fees and expenses and third party fees, and all amounts paid in the investigation, defense, and/or settlement of any claims, suits, proceedings, judgments, losses, damages, costs, liabilities and the like (individually and collectively, "**Claims**"), which may be suffered, incurred or paid by the Licensor Indemnified Parties arising, in whole or in part, directly or indirectly, from or out of (i) Licensee's or Licensee's agents', servants' or employees' acts, or (ii) relating to the design, construction, maintenance, repair or operation of the Buildings, or (iii) any trademark infringement action, proceeding or claim, or threat of such action, proceeding or claim, arising from Licensee's use of the Trump Mark in violation of this Agreement or any trademarks not approved by Licensor; or (iv) any breach or inaccuracy of Licensee's representations, warranties and/or covenants of this Agreement.

(b) Licensee shall obtain, at Licensee's sole cost and expense, the insurance coverage set forth on Schedule 2 annexed hereto and made a part hereof.

(c) Licensee shall name, and shall cause the condominium association to name, the Licensor Indemnified Parties as additional insureds in all policies of liability insurance maintained by Licensee and each condominium association, for and in connection with the construction, operation, ownership and maintenance of the Property. Licensee and each of the condominium associations shall deliver to Licensor a certificate evidencing such coverage within fifteen (15) days of the issuance of each such policy of insurance or the renewal thereof.

(d) Licensor hereby agrees to indemnify, defend and hold free and harmless Licensee, its affiliates, and their respective employees, representatives, directors, members, partners, shareholders and officers (the "**Licensee Indemnified Parties**") from and against any Claims that may be suffered, incurred or paid by the Licensee Indemnified Parties arising from or out of, or relating to the breach of any of Licensor's representations and warranties set forth in Sections 12(a) (iv) and (vii) of this Agreement.

10. **Assignment.** (a) Licensor may assign this Agreement, without the prior consent of Licensee, to Donald J. Trump or an entity in which Donald J. Trump has an interest, provided the assignee assumes the terms and conditions of this agreement and owns or controls the Trump Marks. This Agreement and Licensee's use of the Trump Mark shall inure solely to



the benefit of Licensor and to any and all heirs, successors or assignees of Licensor who own or control the Trump Mark.

(b) Licensee may assign its rights under this Agreement, without the written consent of Licensor, only to (i) a duly established condominium Board of Managers or condominium association (the "Condominium") pursuant to the Condominium Documents. In order to effectuate the assignment of Licensee's rights hereunder to the Condominium, Licensor and the Condominium shall enter into a form of license agreement provided by Licensor to the Condominium (the "**Subsequent Condominium Agreement**"), which form shall contain substantially the same terms and conditions as set forth in this Agreement (other than Licensee's payment obligations pursuant to Section 4 hereof), or (ii) an institutional lender as collateral security in connection with any financing of the Property, so long as such institutional lender includes a clause materially similar to the clause set forth in Exhibit D annexed hereto and made a part hereof, in the loan documents and such lender acknowledges it is bound by the terms of this Agreement and that the loan documents are subject to the terms, conditions and restrictions of this Agreement. No assignment to the Condominium shall be effective (and the Condominium shall not have any rights to the Trump Mark), until such time as Licensor and the Condominium shall execute the Subsequent Condominium Agreement. Notwithstanding the foregoing, no such assignment by Licensee shall relieve the original named Licensee from its obligations under this Agreement, including, without limitation, Licensee's payment obligations pursuant to Section 4 hereof. Any assignee shall be bound by the terms of this Agreement, including Section 4 hereof. Notwithstanding the foregoing, in the event any Building is sold as a residential condominium development, once Licensee transfers its remaining interest in and to such Building being so sold to the Condominium Association, the Licensee shall be relieved of its obligations hereunder relating to the operation of such Building occurring after the transfer, provided that the Condominium Association assumes, in full, all obligations of Licensee under this License Agreement relating to the operation of such Building.

11. **Infringement.** (a) If during the term of this Agreement any trademark infringement action, proceeding or claim, or threat of such action, proceeding or claim, based solely on the use of the Trump Mark (exclusive of any Design Logos or Approved Logos) pursuant to the terms of this Agreement, is instituted against Licensee, Licensor hereby agrees, subject to the other provisions of this Section 11 to indemnify, defend, and hold free and harmless Licensee, its employees, representatives, directors, officers, permitted successors and assigns from and against any and all such causes of action and reasonable out-of-pocket expenses, including, without limitation, interest, penalties, attorney and third party fees which may be suffered, incurred or paid by Licensee. Licensee agrees to cooperate with Licensor in the defense of such action and to take no actions of any kind regarding such claim without the express prior written consent of Licensor. Licensor shall have the sole and absolute right to settle any such action and to negotiate and determine the settlement terms. Licensee shall take all steps reasonably recommended by Licensor to mitigate its damages incurred, including the removal of the Trump Mark from the Buildings and discontinuance of any use of the Trump Mark, if required by Licensor. The remedy provided in this Section 11 shall be the sole and entire remedy of Licensee, and Licensor shall not be responsible for any other damages of any kind, including special or consequential damages or projected lost sales or profit of Licensee or other expenditures of Licensee. Licensee shall promptly notify Licensor of any marks used by third parties that may be confusingly similar or otherwise damaging to the Trump Mark, but shall

take no other action of any kind with respect thereto, except by express prior written authorization of Licensor.

(b) If during the term of this Agreement any trademark infringement action, proceeding or claim, or threat of such action, proceeding or claim, based on use of the Trump Mark (exclusive of any Design Logos and Approved Logos) is instituted against Licensor, Licensor shall have, at Licensor's option, the right to: (i) defend itself against any such action, proceeding or claim; or (ii) enter into any settlement of any such action, proceeding or claim in its sole discretion.

12. **Representations and Warranties.** (a) Licensor represents and warrants to Licensee that:

(i) This Agreement constitutes a legal, valid and binding obligation of Licensor, enforceable against Licensor in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(ii) Licensor shall use commercially reasonable efforts to maintain in full force and effect the Trump Mark.

(iii) The Trump Marks (excluding the Approved Logos) are owned or controlled by Licensor.

(iv) This Agreement does not infringe or violate any existing licenses or agreements of Licensor.

(v) Licensor has the power and authority and, to Licensor's knowledge, all licenses, authorizations, consents and approvals to perform its obligations under this Agreement.

(vi) To Licensor's knowledge, there is no material claim, suit, action or proceeding pending or threatened, or that could be made, against Licensor with respect to the execution of this Agreement by Licensor or the performance of its obligations hereunder or the validity of any of the Trump Marks, Licensor's ownership of any of the Trump Marks, the infringement of any of the Trump Marks by any third party or the infringement of the rights of any third party arising out of the use of any of the Trump Marks, which, in each case, would deprive Licensee of any of its material rights granted to Licensee under this Agreement.

(vii) The execution, delivery and performance by Licensor of this Agreement has been duly authorized by all necessary corporate action and does not and will not contravene the terms of Licensee's charter documents, conflict with, or result in any breach or contravention of, any contractual obligation to which Licensor or any affiliate is a party or any order, injunction, writ or decree of any governmental authority to which Licensee or its property is subject.

(b) Licensee represents and warrants to Licensor that:

(i) Licensee is a company duly organized, validly existing and in good standing under the laws of Mexico. Licensee has the power and authority and all licenses, authorizations, consents and approvals to perform its obligations under this Agreement.

(ii) The execution, delivery and performance by Licensee of this Agreement has been duly authorized by all necessary corporate action, and does not and will not contravene the terms of Licensee's charter documents, conflict with, or result in any breach or contravention of, any contractual obligation to which Licensee is a party or any order, injunction, writ or decree of any governmental authority to which Licensee or its property is subject or violate any requirement of law.

(iii) This Agreement constitutes legal, valid and binding obligations of Licensee, enforceable against Licensee in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(iv) The Property is owned, operated and maintained in accordance and compliance with all applicable environmental laws and regulations, is free of all hazardous materials; and neither Licensee nor, to the best knowledge of Licensee, any other Person, has ever caused or permitted any hazardous material to be placed, held, located or disposed of on, under, at or in a manner to affect any part of the Property, and no part of the Property has ever been used (whether by Licensee or, to the best knowledge of Licensee, by any other Person) for any activities involving, directly or indirectly, the use, generation, treatment, storage, transportation, or disposal of any hazardous material.

(v) There was no broker or finder instrumental in consummating this Agreement and that no conversations or negotiations were had with any broker or finder, concerning the terms of this Agreement. Licensee agrees to indemnify, defend, save and hold harmless from and against any claims or suits for fees arising from Licensee's breach of the warranties and representations made by Licensee in this Section 12.

(c) The provisions of this Section 12 will survive the expiration or termination of this Agreement.

13. **Gaming Restriction.** In no event may any portion of the Property, be used for Casino and Gaming Activities without the prior written consent of Licensor, which may be withheld in Licensor's sole discretion. In the event of a breach of this Section 13, Licensor shall have the immediate right to terminate this Agreement (provided that any such termination shall not relieve Licensee from any of its obligations hereunder, including, without limitation, the payment by Licensee of any License Fees due hereunder). For purposes of this Agreement, the term "Casino and Gaming Activities" shall mean the business of owning, operating, managing or developing a casino or similar facility in which a principal business activity is the taking or

receiving of bets or wagers upon the result of games of chance or skill, including hotel, dockside, riverboat, cruise ship, transportation, entertainment, sports, resort, bar, restaurant and retail services in connection with any of the foregoing activities.

14. Notices. Any notice, election, request or demand which by any provision of this Agreement is required or permitted to be given or served hereunder shall be in writing and shall be given or served by (i) hand delivery against receipt; or (ii) by any nationally recognized overnight courier service providing evidence of the date of delivery; or (iii) by certified mail return receipt requested, postage prepaid; or (iv) by facsimile transmission, provided it is also concurrently sent by mail as provided in (iii) above, in each case addressed to:

(a) Licensee:

Adam Fisher  
c/o PB Impulsores, S. de R.L. de C.V.  
10880 Wilshire Boulevard, Suite 1460  
Los Angeles, CA 90024  
Fax: (310) 441-0762

With a copy to:

Richard J. Burstein, Esquire  
Honigman Miler Schwartz and Cohn LLP  
38500 Woodward Avenue, Suite 100  
Bloomfield Hills, MI 48304  
Fax: (248) 566-8431

(b) Licensor:

Donald J. Trump  
c/o The Trump Organization LLC  
725 Fifth Avenue  
New York, New York 10022  
Fax: (212) 755-3230

With copies to:

The Trump Organization LLC  
725 Fifth Avenue  
New York, New York 10022  
Attention: Jason D. Greenblatt, Esq.  
Fax: (212) 980-3821

and

The Trump Organization LLC  
725 Fifth Avenue  
New York, New York 10022  
Attention: Donald J. Trump, Jr.  
Fax: (212) 496-8172

or to such other address or addresses, or such other persons, as a Party shall from time to time designate by notice given and delivered as aforesaid. Any notice shall be deemed to have been rendered or given: (w) on the date hand delivered (or when delivery is refused), unless such hand delivery was not on a business day or was after 5:30 p.m. on a business day, in which event delivery shall be deemed to have been rendered on the next business day; (x) on the date delivered by a courier service (or when delivery is refused), unless such delivery was not on a business day or was after 5:30 p.m. on a business day, in which event delivery shall be deemed to have been rendered on the next business day; (y) three (3) business days from the date deposited in the mail, if mailed as aforesaid; and (z) the date sent by facsimile transmission, provided a copy is concurrently sent in the manner provided in subsection (ii) above.

15. **Financing.** In the event Licensor, or any of its affiliates acting at the request of Licensor, is responsible for securing any financing for the construction of any portion of the Property, Licensee shall pay Licensor (or such Licensor's affiliate) one percent (1%) of the amount of the financing, payable on the closing of the financing, out of the proceeds thereof.

16. **Licensee Transfer Rights.** (a) At the closing of any Disposition (as hereinafter defined), including, without limitation, any Qualified Disposition (as hereinafter defined), Licensee and the Principals shall, on a joint and several basis, pay Licensor twenty-five percent (25%) of the Profit (as hereinafter defined) received or deemed to be received by Licensee, the Principals and/or any and all affiliates of any of the foregoing (collectively, the "Licensee Parties") in and as a result of such Disposition. Notwithstanding anything to the contrary herein, except for sales of condominium units in the ordinary course of Licensee's business and in accordance and compliance with the terms hereof and the Condominium Documents, during the term of this Agreement, Licensee shall only have the right to enter into a Disposition that constitutes a Qualified Disposition, and neither this License Agreement nor any of the rights granted to the Licensee under this Agreement may be assigned to the purchaser in or counterparty to any Disposition (including, without limitation, any Qualified Disposition). The exercise by Licensor of its right to participate in, and share in the Profit from, any Disposition that is not a Qualified Disposition shall be in addition to, and shall not be in lieu of, or be, act or be construed as a waiver, limitation, or other qualification of, any other remedies that Licensor may have against the Licensee Parties under this Agreement and/or at law or equity as a result of such Disposition.

For purposes of this Section 16, the following terms shall have the following meanings:

"Disposition" shall mean any sale, lease, exchange, assignment, contribution, conveyance or other transfer or disposition of all or any portion of the Land and/or Property.

**"Qualified Appraiser"** means an individual or business meeting the following criteria: (a) such individual (and, if applicable, such individual's employer) or business (or any principal in such business) shall not be performing, and shall have not, during the five (5) year period ending upon the date of such individual's or business's appointment, performed services for any party to this Agreement, either of the Principals or any affiliate of any of the foregoing and shall have no financial or personal interest which would be directly or indirectly affected by valuation services to be provided by such individual or business pursuant to this Agreement (other than compensation for its services as a Qualified Appraiser hereunder), and (b) the individual, or, in the case of a business, the individual who will be principally involved in providing the valuation services on behalf of such business, shall have not less than five (5) years experience in valuing assets similar in kind to the assets such individual is being asked to value pursuant to the terms of this Agreement.

**"Qualified Disposition"** shall mean any Disposition in a transaction which meets the following conditions, among others, to the satisfaction of Licensor, in its sole discretion: (i) the Land or Property being conveyed in such transaction (the **"Conveyed Property"**) can and will be, prior to or contemporaneously with its Disposition, divided from the Land or Property being retained by Licensee (the **"Retained Property"**) in such a way that no portion of the Conveyed Property, or any of the roads and other means of access thereto, is or will be in any way identified or associated with Licensor (or any affiliate thereof), the Trump Mark, any Licensee Party or the Retained Property; (ii) all amenities related and/or appurtenant to the Retained Property are not and will not be shared or available to the Conveyed Property and/or the owners, occupants, licensees and tenants thereof; (iii) no Licensee Party shall directly or indirectly (A) have any interest in the purchaser or assignee of the Conveyed Property, or (B) retain any interest in or rights with respect to the Conveyed Property; and (iv) the purchaser or assignee of the Conveyed Property acknowledges in writing the foregoing clauses and that none of the rights of the Licensee under this Agreement are or will be in any way assignable or available to such purchaser or assignee.

**"Profit"** shall mean, with respect to any transaction described in this Section 8, the excess of the gross sales price received or deemed received by all Licensee Parties in such transaction over the actual amount of money actually paid by the Licensee Parties to parties unrelated to the Licensee Parties directly and solely in connection with the Property as reasonably determined by Licensor, consistent with Licensor's custom and practice. Licensee shall deliver a copy of the applicable Licensee Party(ies)' tax return and all other records of the Licensee Party(ies) which Licensor shall reasonably request, including, without limitation, the contract of sale and other documents entered into in connection with the sale of the Property (collectively, the **"Profit Records"**), within ten (10) days of Licensor's request therefor. The Profit Records shall be certified as true, correct and complete by the Chief Financial Officer and all Principals of the applicable Licensee Party(ies).

(b) In addition to Licensee's termination rights set forth in Section 7 hereof, Licensee shall, at any time prior to the Withdrawal Deadline (as hereinafter defined), have the right to terminate (the **"16(b) Termination Right"**) this Agreement upon thirty

(30) days prior written notice to Licensor (a "**Withdrawal Notice**") if Licensee reasonably determines that its development plans with respect to the first Building are no longer economically viable. Licensee shall, contemporaneously with its delivery of a Withdrawal Notice, deliver to Licensor a non-refundable termination fee in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00) (the "**Termination Fee**"), and shall waive and forfeit all License Fees previously paid by or on behalf of Licensee to Licensor pursuant to the terms of this Agreement. If Licensee shall fail to deliver the Termination Fee contemporaneously with its delivery of a Withdrawal Notice (**time being of the essence with respect thereto**) then the 16(b) Termination Right shall be void and of no further force or effect. For purposes of this Agreement, the term "**Withdrawal Deadline**" shall mean the date upon which Commencement of Construction of the first Building has commenced.

(c) In the event that Licensee shall deliver a Withdrawal Notice and terminate this Agreement pursuant to Section 16(b), Licensor's right to participate and share in the Profit from any Disposition as set forth in Section 16(a) above shall survive and continue in full force and effect for a period of two (2) years from and after Licensee's delivery of a Withdrawal Notice and payment in full of the Termination Fee to Licensor (the "**Residual Period**"). In the event that any Licensee Party, or any affiliate thereof, shall resume efforts to develop a project on the Land, or any portion thereof, that is in any way comparable or similar to the development project that is contemplated by this Agreement (a "**Comparable Project**") at any time during the Residual Period, the terms and conditions of this Agreement shall, in Licensor's sole discretion, be reinstated and the Property shall be developed and operated in accordance with the terms and conditions of this Agreement. In the event that Licensee, shall, after the delivery of a Withdrawal Notice, develop a project on the Land, or any portion thereof, that is not a Comparable Project, Licensor's rights pursuant to this Section 16(c) shall not apply thereto.

17. **Exclusive License.** So long as Licensee is not in default under this Agreement, and until the earlier of (i) the termination of this Agreement for any reason and (ii) the applicable Exclusive Expiration Date (as hereinafter defined), Licensor shall not use or permit the use of the Trump Mark by license or otherwise in connection with the sale and/or marketing or promotion (including, without limitation, the announcement, formally or informally, directly or indirectly of having procured the right to use the Trump Mark for such purpose presently or at a later date) of the following types of developments (the "**Excluded Developments**"): any residential condominium building, hotel condominium development, combination residential and hotel condominium building, hotel, time share development, or other similar development in the area depicted on Exhibit E attached hereto (the "**Excluded Area**"). For purposes of this Agreement, the term "**Exclusive Expiration Date**" shall mean the first to occur of (i) the Closing of seventy-five percent (75%) of the condominium and/or hotel condominium units in the first Building; or (ii) March 31, 2009 (the first of the foregoing to occur being hereinafter referred to as the "**Initial Date**"). If the Launch Date (as hereinafter defined) for the second Building occurs before the Initial Date, the Exclusive Expiration Date shall be extended and shall thereafter be and mean the first to occur of (i) the second anniversary of the Launch Date of the second Building; or (ii) the Closing of seventy-five percent (75%) of the condominium and/or hotel condominium units in the second Building (the first of the foregoing to occur being hereinafter referred to as the "**Second Date**"). If the Exclusive Expiration Date has been

extended pursuant to the preceding sentence and the Launch Date for the third Building occurs before the Second Date, the Exclusive Expiration Date shall be further extended and shall thereafter be and mean the first to occur of (i) the date that is eighteen (18) months from and after the Launch Date of the third Building; or (ii) the entering into of contracts of sale and/or Closing of seventy-five percent (75%) of the condominium and/or hotel condominium units in the third Building. For purposes of this Section 17, the seventy-five percent (75%) threshold shall, with respect to any Building, be met upon the first to occur of (i) the Closing, or, as applicable, upon the entering into of contracts of sale and/or Closing, with respect to seventy-five percent (75%) of the saleable square footage of such Building; or (ii) the Closing, or, as applicable, upon the entering into of contracts of sale and/or Closing, with respect to seventy-five percent (75%) of the total number of condominium and/or hotel condominium units in such Building. In the event that the conditions for any extension of the Exclusive Expiration Date have not been satisfied as of, as applicable, the Initial Date or the Second Date, the right to extend the Exclusive Expiration Date shall terminate and be of no further force or effect as of, as applicable, the Initial Date or the Second Date. For purposes of this Section 17, the term "**Launch Date**" shall mean, with respect to any Building, the date (as reasonably determined by Licensor in each case) upon which the later to occur of the following shall occur: (i) the offering plan (however characterized) for the marketing and sale of condominium units within such Building to the public has been approved in accordance and compliance with all applicable laws; or (ii) condominium units within such Building become the subject of purchase and sale agreements, signed by purchasers unrelated to Licensee, for which all statutory rights of rescission have been terminated or expired, and for which a deposit has been posted.

18. **Confidentiality.** Licensee covenants and agrees that, without the prior written consent of Licensor, unless required by law, Licensee will not, under any circumstances, disclose or permit to be disclosed the existence of this Agreement or any of its contents, to any person or entities for any purpose whatsoever, other than solely to its respective shareholders, directors, members, officers and other employees, attorneys, lenders and accountants (collectively, "**Affiliated Parties**"), in each such case, on a "need to know basis". All Affiliated Parties shall be deemed bound by the provisions of this Section 18 in connection with any such permitted disclosure to any Affiliated Parties.

19. **Additional Representations, Warranties and Covenants.** (a) Licensee shall notify Licensor immediately in writing if Licensee or any direct or indirect owner of any interest therein is or becomes (i) engaged in any money laundering scheme or activity in violation of the Patriot Act (as hereinafter defined) or (ii) a Prohibited Person (as hereinafter defined). Licensee (i) understands and acknowledges that Licensor is, or may in the future become subject to, AML Laws (as hereinafter defined) and agrees to execute instruments, provide information or perform any other acts as may be requested by Licensor for the purpose of: (A) carrying out due diligence as may be required by AML Laws to establish the identity of such Licensee, as well as the identity of any of Licensee's direct or indirect shareholders, partners, members, directors, officers, beneficiaries, (B) maintaining records of such identities or verifications or certifications as to the same and (C) taking any other actions as may be required to comply with and remain in compliance with AML Laws applicable to Licensor, (ii) authorizes and consents to Licensor contacting the bank or other financial institution with which Licensee maintains an account and verifying with such bank or other financial institution such Licensee's identity, (iii) authorizes and consents to Licensor releasing confidential information about Licensee and its direct or



indirect shareholders, partners, members, directors, officers, beneficiaries to the appropriate Governmental Authority (as hereinafter defined) (or to other financial institutions) if Licensor determines that it is in its best interest in light of applicable AML Laws and (iv) understands and acknowledges that if Licensor reasonably believes that Licensee (or any direct or indirect owner of any interest therein) is a Prohibited Person or Licensee (or any direct or indirect owner of any interest therein) has otherwise breached its representations and warranties hereunder as to its identity, Licensor may immediately terminate this Agreement. Licensee shall comply with all AML Laws.

(b) Licensee is not, nor is any direct or indirect owner of any interest in Licensee, (i) engaged in any money laundering scheme or activity in violation of the Patriot Act or (ii) a Prohibited Person.

(c) For the purpose of this agreement, the term "AML Laws" shall mean money laundering and anti-terrorist Laws and Regulations and policies, including the Patriot Act and those issued by the U.S. Office of Foreign Asset Control and the U.S. Department of Treasury, all as amended, modified, succeeded or replaced from time to time. For the purpose of this Agreement, the term "**Governmental Authority**" shall mean any foreign, national, federal, state, county, regional, local or municipal government (including any agency or political subdivision of any of the foregoing) and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or quasi-governmental issues (including any court). For the purpose of this agreement, the term "**Patriot Act**" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and the regulations promulgated thereunder, all as amended, modified, succeeded or replaced from time to time. For the purpose of this agreement, the term "**Prohibited Person**" shall mean (i) any Person listed in the Annex to, or who is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism, (ii) any Person that is named as a "**Specifically Designated National (SDN)**" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (<http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list or is named on any other Governmental Authority or regulatory list issued after September 11, 2001, (iii) any Person acting, directly or indirectly, in contravention of any AML Law, (iv) any terrorist organizations or narcotics traffickers, including those Persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended, modified, succeeded or replaced from time to time or (v) any Person that is owned or controlled by, or acting for or on behalf of, any Person described in any of clauses (i), (ii), (iii) or (iv) above. For purposes of this Agreement, the term "**Person**" shall mean any individual, sole proprietorship, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any Governmental Authority, endowment fund or any other form of entity.

20. Miscellaneous. (a) This Agreement shall be governed, both as to interpretation and enforcement, by the laws of the State of New York and, as necessary, in the courts in that State, without regard to any principles of conflicts of law. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the federal court or state court located in the County of New York in the State of New York, and each of the Parties hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or thereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. The Parties acknowledge that the courts of the State of New York are a convenient forum for a resolution of any disputes hereunder.

(b) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

(c) If any provision hereof, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remaining provision herein, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

(d) This Agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof and may not be amended except by an instrument in writing signed by a Licensor and Licensee. Failure of a Party hereto to complain of any act, omission, course of action, or continued acts or omissions, no matter how long such may continue, shall not be deemed a waiver by said Party of its rights hereunder, and all waivers of the provisions hereof shall be effective only if in writing, signed by the Party so waiving. No waiver of any breach of this Agreement shall be deemed a waiver of any other breach of this Agreement or consent to any subsequent breach of this Agreement.

(e) Notwithstanding anything to the contrary contained herein, including but not limited to the provisions of Section 3 hereof, Licensor shall not be responsible for and shall have no liability to Licensee or to any third parties for, any design, construction, repair, operation means, methods, techniques, sequences and procedures, or for security or safety precautions and programs, employed by or on behalf of Licensee with respect to the design, construction, repair, or operation of the Property, including any of the Buildings. It is further understood and agreed by Licensee that Licensor is not an architect, engineer, contractor, or other professional licensed by any state, city or municipal authority or any department or agency of any of the foregoing, and Licensor shall provide no services to Licensee in such capacity and shall have no liability to Licensee or to any third party as such. Any reviews, recommendations, approvals, and advice to be furnished by Licensor under this Agreement shall not be deemed to be warranties or guarantees or constitute the performance of professional services as aforesaid.

(f) The recitals set forth in this Agreement are incorporated herein.

(g) In the event of any default by Licensee, Licensor may, at its option, in addition to or in lieu of the termination rights granted pursuant to this Agreement, exercise any rights and remedies against Licensee under applicable law. The rights and remedies reserved to Licensor herein, including those not specifically described, shall be cumulative, and except as provided by any applicable law, Licensor may pursue any or all of such rights and remedies, at the same time or otherwise. The rights and remedies given to Licensor in this Agreement shall be in addition and supplemental to all other rights or remedies which Licensor may have under laws then in force. Without limiting the generality of the foregoing, Licensor shall have the right to seek monetary damages, specific performance, and/or injunctive relief for any default by Licensee of its obligations under this Agreement.

(h) In the event of any default by Licensor, Licensee may, at its option, in addition to or in lieu of the termination rights granted pursuant to this Agreement, exercise any rights and remedies against Licensor under applicable law. The rights and remedies reserved to Licensee herein, including those not specifically described, shall be cumulative, and except as provided by any applicable law, Licensee may pursue any or all of such rights and remedies, at the same time or otherwise. The rights and remedies given to Licensee in this Agreement shall be in addition and supplemental to all other rights or remedies which Licensee may have under laws then in force. Without limiting the generality of the foregoing, Licensee shall have the right to seek monetary damages, specific performance, and/or injunctive relief for any default by Licensor of its obligations under this Agreement. Notwithstanding anything in this Section 19(h) to the contrary, Licensor shall not, under any circumstances, be required or compelled to (i) pay any money damages in excess of the License Fee actually paid by Licensee to Licensor hereunder or (ii) with respect to any claims for equitable relief or any other relief (including, without limitation, equitable or injunctive relief) pay any amount in excess of the License Fee actually paid by Licensee to Licensor hereunder.

(i) Within ten (10) days following Licensor's request therefor, Licensee shall execute a memorandum of this Agreement, in recordable form, and in a form reasonably satisfactory to Licensor, which may specifically state the rights Licensor has pursuant to this Agreement, including, without limitation, that Licensor has the right to share in certain revenues of the Property, and Licensor's rights pursuant to Section 16 hereof, including, without limitation, Licensor's rights to the Termination Fee. Licensee shall cooperate with Licensor in connection therewith and reimburse Licensor for any recording charges incurred in connection with the recording of such memorandum within ten (10) days following Licensor's request therefor.

(j) In the event any payment to be made by Licensee hereunder is not paid when due, Licensee agrees to pay interest on such outstanding amount at the rate of the lesser of (a) the greater of (i) ten percent (10%) above the then published prime rate of Citibank, N.A. in New York City (or if Citibank, N.A. shall no longer publish a "prime rate," then the prime rate of a comparable bank in New York City), or (ii) eighteen percent (18%) per annum or (b) the maximum rate then permitted under applicable law, in any event calculated on the basis of actual days elapsed, based on a 365-day year, from the due date of such payments to (but not including) the date of payment.

(k) The Parties acknowledge Licensor's local counsel in Mexico ("**Local Counsel**"), shall review this Agreement for the purpose of determining that the rights and privileges afforded

to Licensor pursuant to this Agreement, including , without limitation, Licensee's liabilities and obligations to Licensor hereunder, shall be protected ("**Protections**") under applicable local law in Mexico ("**Local Law**"). Licensee shall make such modifications to this Agreement to ensure Licensor receives the Protections under Local Law (which protections shall be determined by Licensor in its sole discretion), which modifications shall be in the form of an amendment to this Agreement ("**Amendment**"). In the event Licensee does not agree to the modifications suggested by local counsel and Licensor insists that such changes be made and if Licensee is still unwilling to make such changes, either party shall have the right to terminate this Agreement and Licensor shall retain any portion of the License Fee paid to it.

(l) All references in this Agreement (including all Schedules to this Agreement) to dollar amounts, and uses of the symbol "\$" shall refer to the lawful currency of the United States of America. All amounts to be paid hereunder shall be paid in US Dollars including, without limitation, Licensor's share of the Profit.

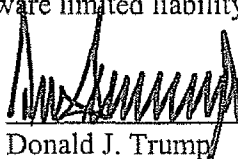
(m) Licensee acknowledges and agrees each and all of the Licensor Indemnified Parties are intended as third party beneficiaries of this Agreement and therefore entitled to enforce the provisions benefiting or otherwise related to them hereunder directly against the Licensee or any other applicable party.

(signatures begin on the following page)

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates and at the places set forth below effective as of the date first set forth above.

**LICENSOR:**

**TRUMP MARKS LLC,**  
a Delaware limited liability company

By:   
Donald J. Trump  
Its: Manager

**LICENSEE:**

**PB IMPULSORES, S. de R.L. de C.V.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ACKNOWLEDGED AND AGREED  
TO WITH RESPECT TO ALL  
PROVISIONS APPLICABLE TO  
PRINCIPALS, INCLUDING, WITHOUT  
LIMITATION, THE PROVISIONS OF  
SECTION 16 HEREOF:

\_\_\_\_\_  
ADAM FISHER

\_\_\_\_\_  
JASON GROSFELD

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates and at the places set forth below effective as of the date first set forth above.

**LICENSOR:**

**TRUMP MARKS LLC,**  
a Delaware limited liability company

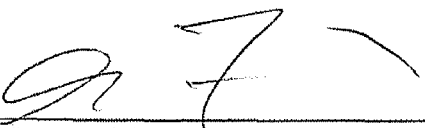
By: \_\_\_\_\_  
Donald J. Trump  
Its: Manager

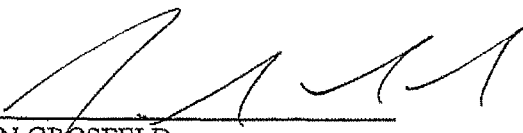
**LICENSEE:**

**PB IMPULSORES, S. de R.L. de C.V.**

By:  \_\_\_\_\_  
Name: ADAM FISHER  
Its: MEMBER

ACKNOWLEDGED AND AGREED  
TO WITH RESPECT TO ALL  
PROVISIONS APPLICABLE TO  
PRINCIPALS, INCLUDING, WITHOUT  
LIMITATION, THE PROVISIONS OF  
SECTION 16 HEREOF:

  
\_\_\_\_\_  
ADAM FISHER

  
\_\_\_\_\_  
JASON GROSFELD

**EXHIBIT A**  
**LAND**

Spanish legal description of the Punta Bandera property as it appears in the public deed evidencing title to such property.

SUPERFICIE DE SETENTA Y CINCO MIL SETENTA Y DOS METROS NOVENTA Y SEIS DECIMETROS CUADRADOS, y los siguientes linderos:

Partiendo del punto marcado como cero en el plano de referencia, con rumbo Sur ochenta grados oeste, se miden noventa y cinco metros veintitrés centímetros para llegar al punto uno prima colindando con el terreno del Señor Ingeniero Rodríguez Viedna.

De ahí, con rumbo Sur diez grados este se miden setenta y nueve metros cincuenta centímetros para llegar al punto uno doble prima con terreno del Señor Ingeniero Rodríguez Viedna.

De ahí, con rumbo Sur ochenta grados oeste se miden cuarenta y nueve metros para llegar al punto dos prima con terreno del Señor Ingeniero Rodríguez Viedna.

De ahí, con rumbo Sur seis grados treinta y cinco minutos oeste se miden veintitrés metros para llegar al punto dos.

De ahí, con rumbo Sur un grado treinta y ocho minutos oeste, se miden setenta y dos metros sesenta centímetros, para llegar al punto tres.

De ahí, con rumbo Sur veintidós grados quince minutos este, se miden cincuenta y cuatro metros, cincuenta y tres centímetros, para llegar al punto cuatro.

De ahí, con rumbo Sur treinta y tres grados veintidós minutos oeste, se miden cincuenta y un metros veinticinco centímetros, para llegar al punto cinco.

De ahí, con rumbo Sur diez grados once minutos este, se miden setenta y seis metros treinta centímetros, para llegar al punto seis.

De ahí, con rumbo Sur cuarenta y nueve grados treinta y cinco minutos oeste, se miden veintinueve metros, setenta y dos centímetros, para llegar al punto siete.

De ahí, con rumbo Sur cero grados cuarenta y tres minutos este, se miden veintitrés metros, veintiún centímetros, para llegar al punto ocho.

De ahí, con rumbo Sur setenta y seis grados veintinueve minutos este, se miden treinta y un metros, sesenta y nueve centímetros, para llegar al punto nueve.

De ahí, con rumbo Sur cuatro grados cincuenta y ocho minutos oeste, se miden treinta y ocho metros, para llegar al punto diez.

De ahí, con rumbo Sur seis grados cuarenta y un minutos este, se miden veinticinco metros dieciséis centímetros, para llegar al punto once, colindando por todos estos lados con la zona federal marítima del Océano (así) Pacífico.

De ahí, con rumbo Norte ochenta y nueve grados cincuenta y tres minutos este, se miden sesenta y seis metros cuarenta centímetros, para llegar al punto doce.

De ahí, con rumbo Norte setenta y dos grados cuarenta y dos minutos este, se miden ciento treinta y siete metros, diez centímetros, para llegar al punto trece. Colindando por estos dos lados con el terreno propiedad del Señor Humberto González Elizondo.

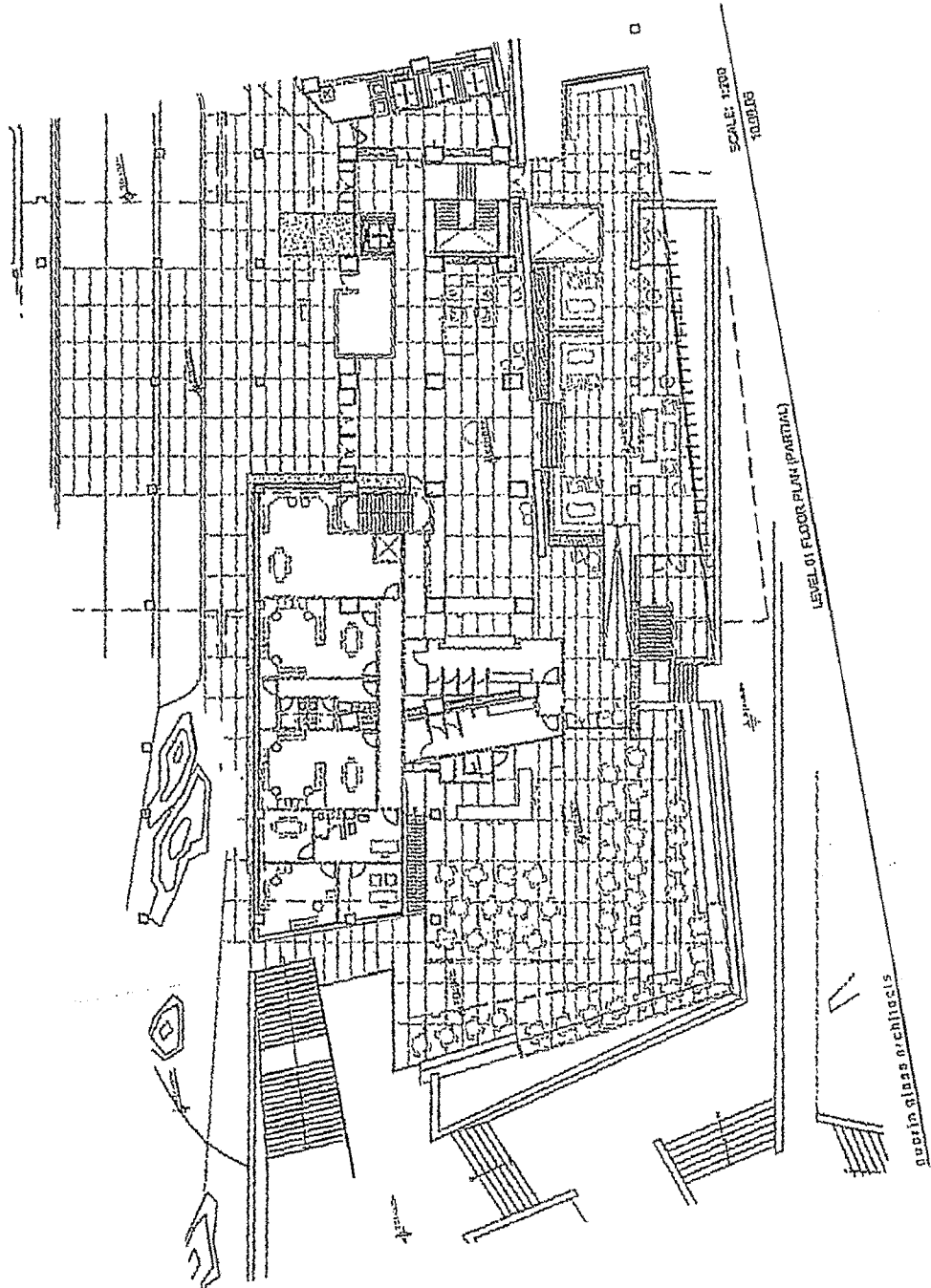
De ahí, con rumbo Norte diez grados oeste, se miden cuatrocientos cuarenta y cinco metros, para llegar al punto cero de partida.

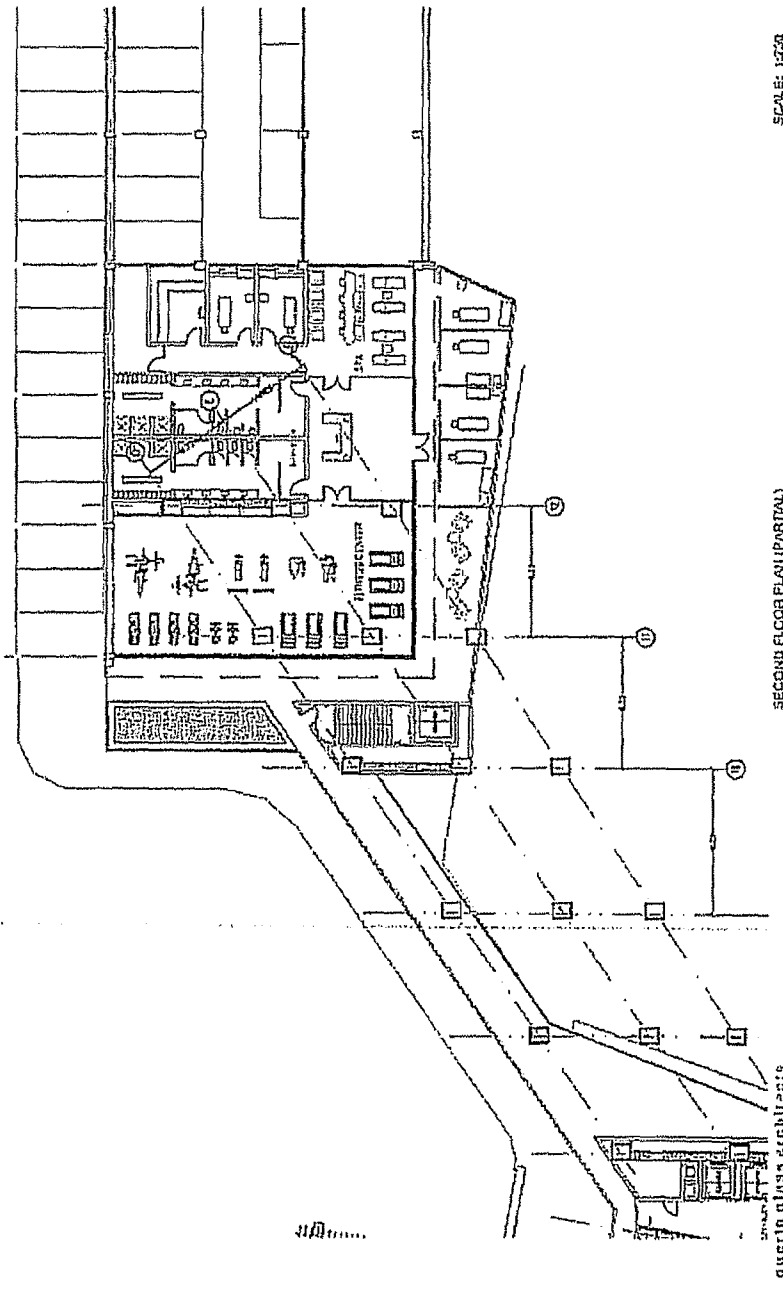
Cerrando así el polígono y colindando por este lado con la carretera escénica Tijuana a Ensenada.



**EXHIBIT B**  
**[INTENTIONALLY DELETED]**

**EXHIBIT C  
HEALTH CLUB/SPA  
[FOLLOWS THIS PAGE]**





**EXHIBIT D**  
**FINANCING CLAUSE**

The Borrower<sup>1</sup> does hereby assign grant, bargain and convey to Lender all of its right, title and interest in and to the trade name "Trump Ocean Resort Baja Mexico" (the "Trade Name"). This assignment of the Trade Name shall be in full force and effect as of the date hereof, but until the occurrence of an Event of Default and subject to the provisions of this subsection, the Borrower shall have the right to use and to take all actions with respect to the Trade Name. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, upon the occurrence of an Event of Default, the assignment of the Trade Name granted hereby shall constitute an irrevocable, non-exclusive license to use the Trade Name, subject to the terms and conditions of this Section. Upon the occurrence of an Event of Default, the Lender will have the irrevocable non-exclusive right to use the Trade Name solely in connection with (i) identifying the name of the Building; (ii) managing and operating the Building, and (iii) the offering and sale of Units at the Property, as long as (x) the Building is constructed, operated and maintained in a manner consistent with the terms of the License Agreement dated as of October 12, 2006, between Trump Marks LLC ("Licensor") and PB Impulsores, S. de R.L. de C.V. ("Licensee") (y) the exterior design of the Building is not altered in any respect (other than alterations approved by Licensor in writing), and (z) the interior design of the Building is not altered in any respect in a manner that diminishes the quality of the finishes thereof (other than alterations approved by Licensor in writing). The covenants set forth in clauses (x), (y) and (z) above shall constitute a real property encumbrance that shall run with the land and survive any foreclosure of the property pursuant to the mortgage and the other Loan Documents and any sale of the property following such foreclosure. In the event that the Lender or any such subsequent purchaser of the Land or any portion thereof breaches the conditions set forth in clauses (x), (y) or (z) above and continues to use the Trade Name, Licensor and/or Borrower shall have the right to seek injunctive relief (without the posting of a bond) with a court of competent jurisdiction to prevent the Lender or such subsequent purchaser from continuing to use the Trade Name. The provisions of this Section shall control all uses by the Lender or any subsequent purchaser of the Trade Name, notwithstanding any other provision in the Loan Documents to the contrary. The foregoing license of Lender to use the Trade Name shall terminate upon the repayment in full of the secured obligations. This section shall control all use of the Trade Name by Lender or any subsequent purchasers, notwithstanding any other provision in the Loan Documents to the contrary.

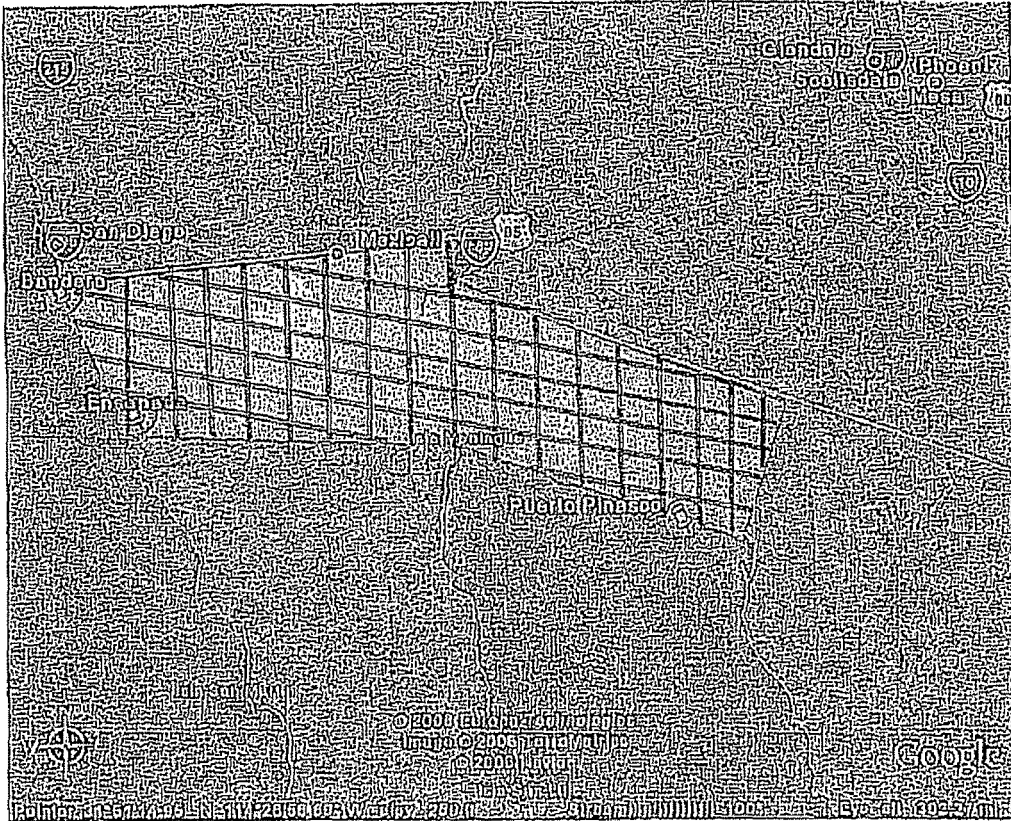
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<sup>1</sup> Borrower refers to the borrower under any financing (i.e., the original named Licensee in this Agreement).

EXHIBIT E  
THE AREA BELOW MARKED AS FOLLOWS:



CONSTITUTES THE EXCLUDED AREA



**SCHEDULE 1  
LICENSE FEE**

**FIXED PORTION OF THE LICENSE FEE**

Licensee shall pay to Licensor for the license of the Trump Mark, as herein provided, all of the following non-refundable Fixed License Fees:

\$250,000.00	Upon execution of this Agreement
\$250,000.00	Upon the earlier to occur of (i) Commencement of Construction (as hereinafter defined) of the first Building or (ii) March 31, 2007. For purposes of this Agreement the term " <b>Commencement of Construction</b> " shall mean the date of Licensee's initiation of construction of the applicable Building, which shall include, without limitation, the earliest to occur of any of the following: site clearing, excavation, driving of piles or drilling of caissons, pouring of foundations and/or footings.
\$250,000.00	Upon the closing of the sale of (i) eighty percent (80%) of the saleable square footage of the hotel condominium units being actively marketed in the first Building or (ii) eighty percent (80%) of the actual number of hotel condominium units and being actively marketed in the first Building, whichever shall occur first.
\$800,000.00	Upon the Commencement of Construction of the second Building.
\$1,000,000.00	Upon the Commencement of Construction of the third Building.

**CONTINGENT PORTION OF THE LICENSE FEE**

1. In addition to the Fixed License Fee, Licensee shall pay to Licensor the Contingent License Fee due with respect to each unit in the manner set forth herein. The Contingent License Fee that shall be due hereunder with respect to any unit shall be calculated by multiplying twenty percent (20%) by the product obtained by multiplying (A) the aggregate saleable square footage of such unit, by (B) the excess of such unit's Net Sales Price Per Square Foot (as hereinafter defined) over the Building Strike Price Per Square Foot for the Building in which such unit is located, which calculation shall, for all purposes hereof, be made with respect to each unit as of the date such unit is Under Contract (as hereinafter defined). The initial Building Strike Price Per Square Foot for the first Building shall be Four Hundred Thirty-Seven and 50/100 Dollars (\$437.50) as of the signing of this agreement, and shall thereafter be increased on each three month anniversary of the date hereof by the greater of one percent or the CPI Increase (as hereinafter defined) as of such anniversary date; provided that in no event shall the Building Strike Price Per Square Foot for the first Building exceed Four Hundred Eighty-One and 25/100 Dollars (\$481.25). The initial Building Strike Price Per Square Foot for the second

Building shall be equal to the Building Strike Price Per Square Foot applicable to the first Building as of the Launch Date of the second Building, and shall thereafter be increased on each three month anniversary of the Launch Date of the second Building by the greater of one percent or the CPI Increase as of such anniversary date; provided that in no event shall the Building Strike Price Per Foot for the second Building exceed Five Hundred Twenty-Nine and 37/100 Dollars (\$529.37). The initial Building Strike Price Per Square Foot for the third Building shall be equal to the Building Strike Price Per Square Foot applicable to the second Building as of the Launch Date of the third Building, and shall thereafter be increased on each three month anniversary of the Launch Date of the third Building by the greater of one percent or the CPI Increase as of such anniversary date; provided that in no event shall the Building Strike Price Per Foot for the third Building exceed Five Hundred Eighty-Two and 30/100 Dollars (\$582.30).

"Closing" shall mean the event when legal ownership of a unit passes to a purchaser.

"CPI" means, as of any date, the Consumer Price Index All Items for All Urban Consumers New York-Northern New Jersey-Long Island, NY-NJ-PA-CT with Base of (1982-1984=100) as published by the United States Department of Labor and Statistics; however, if publication of the CPI is discontinued, the parties hereto shall accept comparable statistics on the cost of living for the New York, New York area as computed and published by an agency of the United States government, or if no such agency computes and publishes such statistics, by any regularly published national financial periodical that does compute and publish such statistics.

"CPI Increase" means, as of any given date, the percentage increase in the CPI from (i) the date that is three months prior to such date to (ii) such date. For purposes of the preceding sentence, if the CPI is not published as of a given date, the most recent date on which such index has been published shall be used and substituted for such date.

"Gross Sales Price Per Foot" means, as to any unit, the quotient obtained by dividing the Gross Sales Price paid for such unit by the aggregate saleable square footage of such unit.

"Net Sales Price Per Square Foot" means, as to any unit, the quotient obtained by dividing the Net Sales Price paid for such unit by the aggregate saleable square footage of such unit.

"Under Contract" shall mean, in reference to any unit, any unit that is subject to the terms of a contract of sale, and the date such unit shall be deemed Under Contract shall be the date that such contract of sale is executed by any party thereto.

2. [INTENTIONALLY DELETED]

3. As used in this Agreement, including, without limitation, this Schedule 1:

a. the term "unit" means each condominium and/or hotel condominium unit in the applicable Building.

b. The term "Gross Sales Price" means, as to any unit, the total selling price of such unit, including balconies, and shall, subject to the following, also include consideration paid for furnishings, fixtures and equipment, as well as any amount paid for



parking rights, as well as any deposits forfeited by unit purchasers with respect to such unit, and the term "Net Sales Price" means, with respect to any unit, the Gross Sales Price of such unit as reduced by (i) the actual costs incurred by Licensee and actually paid to third parties for providing all furnishings, fixtures and equipment (including, without limitation, all costs actually paid by Licensee to third parties for specifications, ordering, sampling, purchasing, delivery and installation to such unit), provided that, to the extent the foregoing costs shall, with respect to any unit, exceed the Applicable Cap (as hereinafter defined), they shall not be included within the definition of Deductible Costs (as hereinafter defined), or the calculation of the Net Sales Price, of such unit (collectively as to any unit, and subject to the foregoing limitations, such unit's "FF&E Costs"); and (ii) the following: (A) third party sales commissions actually paid by Licensee with respect to such unit which are in excess of five percent (5%) but less than nine percent (9%) of the Gross Sales Price of such unit; (B) third party closing costs which are customarily borne by purchasers of units in comparable condominiums that Licensee has, as an incentive to the purchaser of the applicable unit, elected to pay and actually paid; and (C) fifty percent (50%) of the costs of financing the purchase of such unit which are customarily borne by purchasers of units in comparable condominiums that Licensee has, as an incentive to the purchaser of the applicable unit, elected to pay and actually paid; provided, that the aggregate costs and expenses in items (A), (B) and (C) in the preceding clause (ii) above shall not, to the extent that they exceed four percent (4%) of the Adjusted Gross Sales Price (as hereinafter defined) of any unit, be included within the definition of Deductible Costs, or the calculation of the Net Sales Price, of such unit (collectively as to any unit, and subject to the foregoing limitations, such unit's "Collateral Costs"). Notwithstanding the foregoing, upon such date (the "30% Cap Date") that units (1) with respect to which Licensee has, pursuant to the terms of the applicable purchase contract (or any agreement entered into contemporaneously or in connection therewith), agreed or become obligated to pay any Collateral Cost(s); and (2) representing thirty (30%) of the saleable square footage in any Building, are Under Contract, then Collateral Costs shall not be thereafter included within the definition of Deductible Costs, or in the calculation of the Net Sales Price, of any other unit (or portion thereof) within such Building. For purposes of clarification, as units are put Under Contract, any unit that is put Under Contract which (A) does not satisfy the conditions set forth in the foregoing item (1) shall be disregarded in the calculation of the foregoing item (2); and (B) satisfies the conditions set forth in the foregoing item (1) shall be included in the calculation of the foregoing item (2). Licensee shall, in addition to such other documentation as is described below, provide to Licensor, upon Licensor's request therefor, a copy of the purchase contract for any unit within ten (10) days after the date which such unit is put Under Contract. The FF&E Costs and, subject to the preceding sentence, the Collateral Costs shall be hereinafter referred to, collectively, as the "**Deductible Costs.**" Licensee shall, contemporaneously with the Closing of any unit, provide Licensor with evidence and documentation of any and all of the Deductible Costs with respect to such unit, and the payment thereof, that is reasonably satisfactory to Licensor, including, without limitation, invoices, statements, disbursement requests and/or receipts and one of the Chief Financial Officer or either Adam Fisher and Jason Grosfeld or another principal owning at least 50% of the interests of Licensee shall certify to Licensor in writing that all such evidence and documentation is true, correct

and complete. For purposes of this Paragraph 3(b), the term (i) "**Applicable Cap**" shall mean (1) Thirty-five Thousand Dollars (\$35,000.00) in the case of any unit that is a studio; (2) Seventy Thousand Dollars (\$70,000.00) in the case of any unit that is a one bedroom; (3) One Hundred Five Thousand Dollars (\$105,000.00) in the case of any unit that is a two bedroom; and (4) One hundred Forty Thousand Dollars (\$140,000.00) in the case of any unit that is a three bedroom or larger. The determination of which Applicable Cap applies as to any given unit shall be made by reference to the manner in which such unit was officially marketed in the applicable Condominium Documents; and (ii) "**Adjusted Gross Sales Price**" shall mean, with respect to any unit, the Gross Sales Price of such unit as reduced only by the FF&E Costs of such unit. Examples of the calculation of Net Sales Price are set forth on Schedule 1E annexed hereto and made a part hereof.

Licensee and its affiliates shall have no separate agreements or charges to improve units not included in the calculation of the Gross Sales Price of any unit. Notwithstanding any contrary provision contained or set forth in this Agreement, if the number of units in any Building increases at any time, such additional units shall be included in gross sales and the License Fee shall be payable with respect to such additional units.

c. the term "**saleable square footage**" shall be deemed to be the square footage of such unit as designated in the approved Condominium Documents, including balconies, (taking into account any amendments thereto); provided, however, such calculation shall not include any garage rights, common areas, common elements, limited common areas and limited common elements of each Building, including, without limitation, public corridors, any terraces or outdoor spaces, storage spaces, stairs, elevators and mechanical or electrical equipment space.

d. the term "**Escrow Agent**" shall mean a law firm or title company that Licensor and Licensee shall mutually agree upon.

4. In the event that, as of the first Closing to occur with respect to any Building (as to any Building, the "**Initial Closing**"), units representing less than ninety percent (90%) of the saleable square footage of such Building are Under Contract and subject to a non-refundable deposit of at least ten percent (10%) of the purchase price of such units, then, from such Initial Closing until such time that units representing ninety percent (90%) of the saleable square footage of such Building are Under Contract, a percentage of the Contingent License Fee due to Licensor at each Closing shall be placed in escrow with the Escrow Agent, and thereafter released from escrow, all in the manner set forth on, and subject to, Schedule 1B. If, however, as of the Initial Closing with respect to any Building, units representing ninety percent (90%) or more of the saleable square footage of such Building are Under Contract and subject to a non-refundable deposit of at least ten percent (10%) of the purchase price of such units, Schedule 1B shall not apply, and, from such Initial Closing until such Building's Third Release Date (as hereinafter defined), a percentage of the Contingent License Fee due to Licensor at each Closing shall be placed in escrow with the Escrow Agent, and thereafter released from escrow, all in the manner set forth on, and subject to, Schedule 1C. For purposes of clarification, the amount of the Contingent License Fee that shall be placed into and released from escrow from time to time

shall be determined for any Building by either Schedule 1B or Schedule 1C, and in no event by both Schedule 1B and Schedule 1C.

5. Licensee shall ensure that any lender which provides financing for each Building permits the applicable Licensee Fee to be paid to Licensor from the sales proceeds of each Unit closing (or other collection of fees by Licensee (e.g., rent being paid by a tenant) and the loan documents shall include an affirmative statement acknowledging same.

6. Licensor shall receive, for so long as the name "Trump" or any derivation thereof shall be the name of all or any portion of the Property and/or any of the Buildings and/or this License Agreement shall remain in effect, on a quarterly basis, one percent (1%) of the Gross Operating Revenue (hereinafter defined) without any deduction therefor from the operation of the hotel. Further, the provisions of this Paragraph 6 shall, at Licensor's option, be included in the Condominium Documents.

7. In addition to the foregoing, Licensee shall pay Licensor, as an additional License Fee, a percentage of the proceeds and/or other consideration that accrue and/or are actually received by Licensee or any affiliate or Principal of Licensee from the operation of the hotel(s) on the Property as herein provided. The percentage referred to in the previous sentence shall be as follows: For years one and two after the opening of the hotel, ten percent (10%) of such amounts; years three and four, fifteen percent (15%) of such amounts; years five and six, twenty percent (20%) of such amounts; and for subsequent years, twenty-five percent (25%) of such amounts.

8. In addition to, and without duplication of, the foregoing, Licensee shall pay Licensor, as an additional License Fee, four (4%) percent of Other Unit Gross Sales. For purposes of this Agreement, "**Other Unit Gross Sales**" shall mean the total selling price of each non-hotel condominium unit in the Building, including, without limitation, parking spaces (to be extent such parking spaces are sold and/or rented), commercial and retail units, including, without limitation, the so-called "front desk" or "hotel unit" (each, an "**Other Unit**"), without deduction therefrom whatsoever.

9. For purposes of this Agreement, the term "**Gross Operating Revenue**" shall mean, with respect to any period, all revenue and income of any kind derived directly or indirectly from operations at or relating to the hotel component of each of the Buildings and properly attributable to the period under consideration determined in accordance with GAAP (hereinafter defined), expressly including (x) rentals (including percentage rental) or other payments from any licensees, lessees, operators or concessionaires of space in the hotel component of the Building, but not gross receipts of such licensees, lessees, operators or concessionaires; (y) consideration for the provision of services or facilities, and services provided by third parties (such as outside cleaners and florists) to hotel guests and other occupants, paid to the hotel, including any so-called "access" or similar fees; and (z) the rental of all hotel rooms; but expressly excluding the following: (i) applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies or charges collected directly from patrons or guests, or as a part of the sales price of any goods, services, or displays, including gross receipts, admission, cabaret, or similar or equivalent taxes; (ii) receipts from the financing, sale or other disposition of capital assets not in the ordinary course of the Hotel's operations; (iii)

receipts from awards or sales in connection with any taking as a result of condemnation or eminent domain by any governmental authority or governmental unit, and other receipts in connection with any taking to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Hotel; (iv) proceeds of any insurance (excepting use and occupancy and business interruption insurance or other insurance proceeds representing compensation for loss of Gross Operating Revenue); (v) recoveries in legal actions for tortious conduct (other than the portion of such awards or receipts representing compensation for loss of Gross Operating Revenue); and (vi) rebates, discounts, or credits of a similar nature (not including charge or credit card discounts, which shall not constitute a deduction from revenues in determining Gross Operating Revenue, but shall constitute an operating expense). "GAAP" means generally accepted accounting principles in the United States of America as in effect as of the date of this Agreement including those set forth in (1) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (2) the statements and pronouncements of the Financial Accounting Standards Board, and (3) such other statements by such other entity as approved by a significant segment of the United States accounting profession.

**SCHEDULE 1A**  
**EXAMPLES OF THE CALCULATION OF THE CONTINGENT LICENSE FEE**

The following examples illustrate, for clarification purposes only, the calculation of the License Fee in accordance with Section 4(a) of the Agreement and detailed in Schedule 1 – Contingent Portion – Section 1, assuming a unit's aggregate saleable square footage is one thousand (1000) square feet at Closing:

- (i) First Building – The date the unit is Under Contract occurs in Month 1 at initial Building Strike Price Per Square Foot for the first Building

Assume a Net Sales Price of \$600,000 for a unit in the first Building. The initial Building Strike Price Per Square Foot for the first Building is \$437.50 totaling to \$437,500 for the unit. To calculate the Contingent License Fee, multiply (i) the aggregate saleable square footage of the unit (1,000) by (ii) the excess amount which is the difference between the Net Sales Price Per Square Foot of \$600.00 and the initial Building Strike Price Per Square Foot of \$437.50 (which in our example would equal \$162.50) by (iii) twenty percent (20%). The Contingent License Fee would equal \$32,500

*Calculation:* The excess difference in price per square foot ( $\$600.00 - \$437.50$ ) = \$162.50 is multiplied by the unit's SF (\* 1000 SF) is further multiplied by 20% (\* 0.20) = \$32,500.

Excel Calculation:  $(\text{Net Sales Price/SF} - \text{Initial Strike Price}) * \text{SF} * .20 = \text{Lic Fee}$

- (ii) First Building – The date the unit is Under Contract occurs in Month 8 and initial Building Strike Price Per Square Foot is Adjusted Quarterly by 4% Inflation Factor

Assume a Net Sales Price of \$600,000 for a unit in the first Building. The adjusted Building Strike Price Per Square Foot for the first Building would be \$446.29, calculated based off the initial Building Strike Price Per Square Foot of \$437.50 using 4% inflation compounded quarterly over 8 months period, for a total of \$446,293 for the unit. The Contingent License Fee would equal \$30,741

*Excel Calculation:* To determine the adjusted Building Strike Price Per Square Foot for the first Building:

$$\$437.50 * ((1 + .04/4) ^ n) = \$446.29$$

where "n" is the number of quarters since the initial month  
(in our specific example "n" = 2)

$$\text{Contingent License Fee: } (\$600.00 - \$446.29) * 1000 * 0.20 = \$30,741.$$

- (iii) First Building-- The date the unit is Under Contract occurs in Month 32 and initial Building Strike Price Per Square Foot for the first Building is adjusted Quarterly by 4% Inflation Factor

Assume a Net Sales Price of \$600,000 for a unit in the first Building. The Building Strike Price Per Square Foot for the first Building would have been \$483.27 as calculated in above example (ii). However, as stipulated in the Schedule, the Building Strike Price Per Square Foot for the first Building is capped at \$481.25 and that amount is substituted in the formula.

$$\text{Contingent License Fee: } (\$600.00 - \$481.25) * 1000 * 0.20 = \$23,750.$$

- (iv) Second Building -- The date the unit is Under Contract occurs in Month 10 after the Launch Date of the second Building and the Building Strike Price Per Square Foot for the second Building is adjusted Quarterly by 4% Inflation Factor

Assume a Net Sales Price of \$600,000 for a unit in the second Building. The initial Building Strike Price Per Foot for the second Building is assumed at \$473.75. Please Note: the initial Building Strike Price Per Square Foot for the second Building was established before the cap on the Building Strike Price Per Square Foot for the first Building was reached as noted above in example (iii).

*Excel Calculation:* To determine the Building Strike Price Per Square Foot for the second Building:

$$\$473.75 * ((1 + .04/4) ^ n) = \$488.11$$

where "n" is the number of quarters since the Launch Date of the second Building

(in our specific example "n" = 3)

$$\text{Contingent License Fee: } (\$600.00 - \$488.11) * 1000 * 0.20 = \$22,378$$

**4% INFLATION TABLE**

MONTH	"n" EXPONENT	STRIKE PRICE
01 - 03	0	\$437.50
04 - 06	1	\$441.88
07 - 09	2	\$446.29
10 - 12	3	\$450.76
13 - 15	4	\$455.26
16 - 18	5	\$459.82
19 - 21	6	\$464.42
22 - 24	7	\$469.06
25 - 27	8	\$473.75
28 - 30	9	\$478.49
31 - 33	10	\$483.27
34 - 36	11	\$488.11

SCHEDULE 1B  
CONTINGENT PORTION OF THE LICENSE FEE

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7	
TOTAL SALEABLE SF UNDER CONTRACT (AT THE TIME OF UNIT CLOSING) AS A PERCENTAGE OF TOTAL SALEABLE SF	PERCENTAGE OF CONTINGENT PORTION RELEASED TO LICENSOR AT EACH CLOSING	PERCENTAGE OF CONTINGENT PORTION ESCROWED AT CLOSING	ESCROW RELEASE BREAKPOINT	DESIGNATED ESCROW AMOUNT	AMOUNT OF LICENSE FEE ESCROW RELEASED TO LICENSOR WHEN THE MINIMUM % LIMIT NOTED IN COLUMN 1 IS REACHED	REPRESENTS RELEASE FORMULA NOTED ON SAME LINE IN COLUMN 6 FOR SUBSEQUENT LINE CALCULATION IN COLUMN 6	
LINE							
1	0% thru < 50%	50%	50%	NONE	A	NONE	
2	50% < 55%	50%	50%	1	B	50% * A	
3	55% < 60%	55%	45%	2	C	((5% / 50%) * A) + (5% / 50%) * B))	B)
4	60% < 65%	60%	40%	3	D	((5% / 45%) * C) + B)	C)
5	65% < 70%	65%	35%	4	E	((5% / 40%) * D) + C)	D)
6	70% < 75%	70%	30%	5	F	((5% / 35%) * E) + D)	E)
7	75% < 80%	75%	25%	6	G	((5% / 30%) * F) + E)	F)
8	80% < 85%	80%	20%	7	H	((5% / 25%) * G) + F)	G)
9	85% < 90%	85%	15%	8	I	((5% / 20%) * H) + G)	
10	90%	100%	NONE	9	NONE	100% OF THE AMOUNT REMAINING IN THE ESCROW ACCOUNT	
11	> 90%	100%	NONE	10	NONE	100% OF CONTINGENT LICENSE FEE AT TIME OF EACH CLOSING	

**KEYNOTES**

At each unit closing, the License Fee Escrow applicable to such unit is calculated as set forth above. These escrowed amounts are accumulated and categorized into the appropriate Escrow Release Breakpoint classification (i.e. Column 4) based on the Total Saleable SF Under Contract Percentage as delineated in Column 1.

As contract signings proceed, one moves from Escrow Release Breakpoint to Escrow Release Breakpoint (i.e., Column 4) as the minimum appropriate percentage set forth in Column 1 is achieved.

As each Escrow Release Breakpoint is reached, the algebraic sum of all License Fee Escrow amounts representing all closed units that fell within the prior row's "Saleable SF Under Contract" range (Column 1) will become a permanent number designated by the appropriate "Alpha Character" (intersecting a given row and column) designated in Column 5. This Alpha Character is fixed and is used in Column 6 for various escrow release calculations. FOR EXAMPLE: If the Total Saleable SF Under Contract is 73.5%, then the Designated Escrow Amount calculated for the latest contract closing will become part of Designated Escrow Amount (Column 6).

## SCHEDULE 1C

If, as of the Initial Closing with respect to any Building, units representing ninety percent (90%) or more of the saleable square footage of such Building are Under Contract and subject to a non-refundable deposit of at least ten percent (10%) of the purchase price of such units, at the time of such Initial Closing, and at each Closing that occurs prior to such Building's Third Release Date, fifty percent (50%) of the Contingent Licensee Fee due with respect to each such Closing (the "Initial Payment") shall be paid to Licensor in cash at, as applicable, the Initial Closing or each subsequent Closing prior to the Third Release Date, and the balance of such Contingent License Fee shall be placed in escrow with the Escrow Agent and held subject to the terms of this Schedule 1C (such amounts as are so held from time to time by the Escrow Agent in accordance with this Schedule 1C being hereinafter referred to as the "**Schedule 1C Escrowed Funds**"). Upon each applicable Release Date (as hereinafter defined), the Escrow Agent shall release to Licensor all of the Schedule 1C Escrowed Funds then held by the Escrow Agent less the aggregate Offset Amount (as hereinafter defined) as of such Release Date. At each Closing from and after the Third Release Date, one hundred percent (100%) of the Contingent License Fee due with respect to each such Closing shall be paid to Licensor in cash at each such Closing and no percentage thereof shall be placed in escrow or delivered to the Escrow Agent or otherwise be subject to adjustment. Notwithstanding the foregoing, or anything in this License Agreement to the contrary, no matter what the calculation of the aggregate Offset Amount as of any Release Date may be, Licensor shall at no time be obligated to refund money previously paid, or, as applicable, released to it pursuant to this Schedule 1C, including, without limitation, all or any portion of the Initial Payments previously made, or the Schedule 1C Escrowed Funds previously released, to Licensor.

For purposes of this Schedule 1C:

"**First Release Date**" shall mean, with respect to any Building, the earlier of (i) the date of the Closing of units representing thirty percent (30%) of the saleable square footage of such Building; or (ii) the date of the Closing of units representing thirty percent (30%) of the total number of units in such Building.

"**Offset Amount**" shall mean, with respect to any applicable unit, the amount calculated by multiplying (i) the aggregate saleable square footage of such unit, by (ii) the applicable Building Strike Price Per Foot for such unit less such unit's Gross Sales Price Per Foot; by (iii) twenty percent (20%). The aggregate Offset Amount as of any Release Date shall mean the sum of only those Offset Amounts which have been calculated and determined since the immediately prior Release Date, if any, and shall in no event include any Offset Amounts which have been previously considered in determining the amount of Escrowed Funds to be released to Licensor on any previous Release Date.

"**Release Date**" shall mean, with respect to any Building, any of the First Release Date, the Second Release Date or the Third Release Date with respect to such Building.

"**Second Release Date**" shall mean, with respect to any Building, the earlier of (i) the date of the Closing of units representing sixty percent (60%) of the saleable square footage of



such Building; or (ii) the date of the Closing of units representing sixty percent (60%) of the total number of units in such Building.

**“Third Release Date”** shall mean, with respect to any Building, the earlier of (i) the date of the Closing of units representing ninety percent (90%) of the saleable square footage of such Building; or (ii) the date of the Closing of units representing ninety percent (90%) of the total number of units in such Building.

**SCHEDULE 1D**  
**EXAMPLE OF THE CALCULATION OF AN OFFSET AMOUNT**

The following illustrates the calculation of the Offset Amount for a unit selling for a Gross Sales Price Per Foot that is less than such unit's applicable Building Strike Price Per Square Foot.

Assume the unit in question is in the first Building, and consists of one thousand (1,000) saleable square feet.

Assume further that the date such unit is Under Contract occurs when the Building Strike Price Per Square Foot for the first Building is \$437.50.

Assume a Gross Sales Price of \$410,000 for the unit. The unit's applicable Building Strike Price Per Square Foot is, as of the date such unit is Under Contract, \$437.50 totaling to \$437,500 for the unit. To calculate the Offset Amount for this unit, multiply (i) the aggregate saleable square footage of the unit (i.e., 1,000) by (ii) the amount which is the difference between the unit's applicable Building Strike Price Per Square Foot (i.e., \$437.50) and the unit's Gross Sales Price Per Foot (i.e., \$410.00) by (iii) twenty percent (20%). The Offset Amount for this unit would equal \$5,500.00.

*Calculation:* The difference in price per square foot ( $\$437.50 - \$410.00 = \$27.50$ ) is multiplied by the unit's SF ( $* 1000$  SF), then multiplied by 20% ( $* 0.20$ ) = \$5,500.0

SCHEDULE 1E

EXAMPLES OF THE CALCULATION OF NET SALES PRICE

Example 1:

Assume a three bedroom unit has a Gross Sales Price of \$745,000.00, and, as of the Closing of such unit, no other Closings in the Building in which such unit is located have occurred.

Assume further that the FF& E Costs with respect to such unit were \$120,000.00 and that Licensee has actually paid the items set forth in items 1, 2 and 3 below in connection with the Closing of such unit:

1. Third party sales commission equal to 7% of the Gross Sales Price;
2. Third party closing costs customarily borne by the unit purchaser of \$4,000.00;and
3. Financing costs customarily borne by the unit purchaser of \$3,500.00.

The Net Sales Price of the unit will be determined as follows:

Gross Sale Price:                   \$745,000.00

Less:

(i) FF&E Costs:                   \$120,000.00

Equals:

Adjusted Gross Sales Price:       \$625,000.00

Less:

- (ii) Collateral Costs:               \$20,650.00 as follows:
- (A) Third party sales commissions:   \$14,900.00<sup>1</sup>
  - (B) Closing costs:                   \$4,000.00
  - (C) Financing Costs:               \$1,750.00<sup>2</sup>

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<sup>1</sup> Third party commissions will only be allowed as Collateral Costs if, among other things, they are greater than 5%, but less than 9%, of the Gross Sales Price of a unit. So, in this case, of the 7% commission paid, only 2% (that portion which exceeds 5% of the Gross Sales Price) will be included as a Collateral Cost.

<sup>2</sup> Only 50% of the \$3,500.00 of financing costs which are normally borne by the purchaser of a unit and actually paid by Licensee will be included as a Collateral Cost.

Equals:

Net Sales Price: \$604,350.00

Example 2:

Assume the same facts as applied in Example 1 with the following variations:

1. The FF&E Costs for the unit are \$158,000.00;
2. Third party sales commissions equal to 11% of the Gross Sales Price.

The Net Sale Price for the unit will be determined as follows:

Gross Sales Price: \$745,000.00

Less:

(i) FF&E Costs: \$140,000.00<sup>3</sup>

Equals:

Adjusted Gross Sales Price: \$605,000.00

Less:

(ii) Collateral Costs: \$24,200.00<sup>4</sup>

(A) Third party sales commissions: \$29,800.00<sup>5</sup>

(B) Third-party closing costs: \$4,000.00

(C) Financing costs: \$1,750.00

Equals:

Net Sales Price: \$580,800.00

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<sup>3</sup> The Applicable Cap (for FF&E Costs) for a three bedroom unit is \$140,000.00. The reported costs for this line item (\$158,000.00) exceed the Applicable Cap, so only the costs to the extent of the Applicable Cap will be applied in calculating Net Sales Price.

<sup>4</sup> The calculation of the costs represented by items (A), (B) and (C) in Example 2 above yields a total of \$35,550. However, Collateral Costs will only include these items to the extent they do not exceed 4% of the Adjusted Gross Sales Price (\$605,000.00), or \$24,200.

<sup>5</sup> Again, third party commissions will only be allowed as Collateral Costs if, among other things, they are greater than 5%, but less than 9%, of the Gross Sales Price of a unit. So, in this case, of the 11% commission paid, only 4% (that portion which exceeds 5%, but is not greater than 9%, of the Gross Sales Price) will be included as a Collateral Cost.

Example 3:

Assume the same facts as applied in Example 1 with the following variations:

The date the unit was put Under Contract occurred subsequent to the 30% Cap Date for the applicable Building.

The Net Sale Price for the unit will be determined as follows:

Gross Sales Price: \$745,000.00

Less:

FF&E Costs: \$120,000.00

Equals:

Adjusted Gross Sales Price \$625,000.00

Less:

Collateral Costs: \$0.00<sup>6</sup>

(A) Third party sales commissions: \$14,900.00<sup>6</sup>

(B) Third-party closing costs: \$4,000.00<sup>6</sup>

(C) Financing costs: \$1,750.00<sup>6</sup>

Equals:

Net Sales Price: \$625,000

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<sup>6</sup> Because the date the unit being sold was put Under Contract occurred subsequent to the 30% Cap Date for the Building in which such unit is located, no portion of the costs represented by items (A), (B) and (C) in Example 3 above will be included in the calculation of Net Sales Price.

**SCHEDULE 2  
INSURANCE REQUIREMENTS**

It is recognized that insurance must be placed with insurance companies duly licensed to write coverage in Mexico. All **Insurance Requirements** are subject to change based upon the availability of coverage, terms, conditions and limits of liability in the Mexican marketplace.

**Prior to Commencement of Construction and During Construction:**

- i. Owner Controlled Insurance Program (OCIP) & Excess Liability coverage with total limits of the greater of (x) \$5M including completed operations or (y) an amount carried by other developers of high end luxury products similar to the Buildings, but in any event not less than the amount required by the lenders providing financing in connection with the Property, including, without limitation, Licensee's construction lender.

If an OCIP program is not available in the marketplace, the construction general contractor and EACH subcontractor (except as otherwise indicated) shall provide the following coverages

- a) General Liability: \$2M per occurrence / \$2M general aggregate including products and completed operations coverage for a minimum of five (5) years.
- b) Employer's Liability limit of \$500,000. (Note: Workers' Compensation insurance does not exist in Mexico).
- c) Auto Liability \$1M single limit.
- ii. Builders Risk Coverage on a completed value form with a deductible no greater than \$100,000, to include bushfire, earthquake, windstorm and flood.
- iii. Licensee shall cause the Architect and Engineers to obtain and maintain Architect's and Engineer's Professional Liability Insurance during the period commencing on the date of the Architect's Agreement and expiring no earlier than twenty-four (24) months after substantial completion of the Property. Such insurance shall be in an amount equal to at least \$2M per claim and in the aggregate.

**Post Construction of each Building**

- i. Special Perils Insurance: Licensee shall maintain property insurance against all risks of physical loss to the Property customarily referred to as "All Risk" or "Special Perils Form" in the United States of America. Coverage shall be written on the closest available Mexican policy form. Insurance coverage shall be on a Replacement Cost basis with a maximum deductible of \$100,000 per occurrence. Perils to include bushfire, earthquake, flood, windstorm. Glass curtain wall must be included within the physical loss.

- ii. **Liability Insurance:** Licensee shall maintain Civil Responsibility, as well as hotelkeepers liability, liquor liability insurance on a Mexican policy form reasonably equivalent to the Commercial General Liability policy available in the United States of America. The policy shall provide limits of \$5M each occurrence and in the aggregate. The policy shall also name the Licensor Indemnified Parties as Additional or Co-Insureds.
- iii. **Policy Requirements:** Licensee shall obtain all required insurance from insurer(s) authorized to do business in Mexico with an AM Best rating of A- or better.

In the event that a company providing any of the Required Insurance fails, at any time, to meet the requirements set forth, Licensee shall within thirty (30) days, replace the policies issued by such company with replacement policies issued by a company that satisfies the requirements set forth herein.

Licensee shall deliver to Licensor, binding certificates of insurance on all Required Insurance, certified as true and complete by the carrier or its authorized representative. At least 30 days before any policy expires, Licensee shall deliver evidence of renewal.

Notwithstanding the foregoing, certain insurance coverage as set forth above may not be available in Mexico without excessive cost and, to the extent not customarily purchased for projects or properties of this type, shall not be required hereunder.