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**From:** Ivanka Trump [/O=TRUMP ORG/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=ITRUMP]  
**Sent:** 5/17/2012 8:57:02 PM  
**To:** Jared [jkushner@observer.com]  
**Subject:** Fwd: TIHT Chicago Refi  
**Attachments:** TIHT Hotel Term Sheet 5.17.12.pdf; ATT00001.htm; TIHT Condo Term Sheet 5.17.12.pdf; ATT00002.htm

Sent from my iPhone

Begin forwarded message:

**From:** David Goodman <[david.goodman@db.com](mailto:david.goodman@db.com)>  
**Date:** May 17, 2012 4:07:38 PM EDT  
**To:** Ivanka Trump <[itrump@trumporg.com](mailto:itrump@trumporg.com)>, David Orowitz <[dorowitz@trumporg.com](mailto:dorowitz@trumporg.com)>  
**Cc:** Ed Adler <[ed.adler@db.com](mailto:ed.adler@db.com)>, "[vrablic@db.com](mailto:vrablic@db.com)" <[vrablic@db.com](mailto:vrablic@db.com)>, Tom-J Sullivan <[tom-j.sullivan@db.com](mailto:tom-j.sullivan@db.com)>  
**Subject:** TIHT Chicago Refi

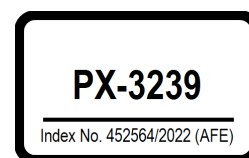
Ivanka and David,  
Attached please find term sheets for hotel and condo financings. Please feel free to contact me anytime with questions - we look forward to working with you.  
Regards,

David Goodman  
Deutsche Bank Securities  
60 Wall Street, 10th Floor  
New York, NY 10005  
212-250-0136  
732-544-6375 (Fax)

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## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

### *Summary of Terms and Conditions*

*The following is a preliminary summary of the indicative terms and conditions for the proposed financing (the "Loan"). These indicative terms and conditions reflect the current perception of market conditions by Lender and its respective affiliates as they relate to the Loan (based, in part, on information provided to Lender by Sponsor and/or Borrower), and are subject to change without notice. This is a preliminary summary and does not define all of the terms and conditions of the Loan, but is a framework upon which preliminary documentation for this transaction would be structured, and is a basis for further discussion and negotiation of such terms as may be appropriate. Under no circumstances shall the indicative terms and conditions constitute or be deemed to constitute a legally binding commitment on the part of Lender or any of its affiliates, nor shall it be construed as an offer or undertaking by Lender to issue or arrange or negotiate a commitment or the Loan or any other financing, or any commitment, offer, undertaking or agreement of any kind. The Loan, if any, shall be subject to the due diligence review the results of which must be satisfactory to Lender in its sole discretion, and completion of other matters described in this summary of terms and conditions (the "Term Sheet") in a manner acceptable to Lender in its sole discretion, the approval by Lender's credit authorities, satisfactory secondary market conditions, and the execution and delivery of documentation satisfactory in form and substance to Lender and Lender's legal counsel. Except as otherwise expressly provided in this Term Sheet, no rights, obligations or liabilities of any kind or nature whatsoever shall arise on the part of Lender or any of its affiliates as the result of the provisions of this Term Sheet. This Term Sheet is confidential, and the indicative terms and conditions shall not be discussed with, or delivered to other persons (other than legal counsel, tax advisors or officers and directors of Sponsor and Borrower) without the prior written consent of Lender.*

**Property:** The Commercial Condo Component of the Trump International Hotel & Tower, Chicago, Ill. The "Commercial Condo Component" consists of: (a) a full service hotel, including 339 condo-hotel rooms, of which 177 are Borrower-owned and collateral for the Loan and 162, are owned by third parties and not collateral for the Loan (the "Third Party Units") (b) approximately 38,000 square feet of F&B/Banquet space, (c) a 23,000 square foot spa, (d) a 285 space public parking garage, (e) the associated rental management fees payable to the Property Manager from the Third Party Units and (f) 85,000 square feet of retail (the "Retail Component"), collectively, the "Property".

The Property is part of a 92 story, 2.5 million square foot mixed use tower that also consists of 486 total residential condo units, 675 deeded parking spaces, and the associated storage units and common areas (the "Residential Condo Component"). The Residential Condo Component shall not be part of the collateral for the Loan.

**Purpose of Financing:** The Loan proceeds will be used by Borrower (i) to refinance any existing mortgage and mezzanine indebtedness secured directly or indirectly by the Property, (ii) to make such deposits into any reserve accounts required by Lender, (iii) to pay costs and expenses incurred in connection with the Loan, and (iv) to the extent any proceeds remain after satisfying clauses (i) – (iii) above, for such other general corporate purposes as Borrower shall designate.

**Borrower:** The borrower (the "Borrower"), shall be a newly formed special purpose, bankruptcy-remote, U.S. entity acceptable to Lender which satisfies all applicable rating agency criteria and is formed exclusively for the purpose of owning and operating the Property.

The organizational documents of Borrower and their appropriate constituent entities (the "SPE Component Entities") shall satisfy all applicable rating agency criteria, shall be acceptable to Lender in its sole and absolute discretion and shall contain customary single purpose provisions and separateness covenants. Borrower and the SPE Component Entities shall have two (2) independent directors or independent managers in accordance with rating agency requirements. The independent



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directors' or independent managers' responsibility will be limited solely to voting on matters involving insolvency and bankruptcy issues and such individuals' vote will be required to approve (x) any election by Borrower to voluntarily seek protection from creditors under any applicable bankruptcy or insolvency laws, and (y) the dissolution of Borrower.

Borrower shall deliver at closing of the Loan (the "Closing") a bankruptcy remoteness and non-consolidation opinion in form and substance satisfactory to Lender and in accordance with rating agency requirements.

- Sponsor:** Donald J. Trump and The Trump Organization, on a joint and several basis.
- Lender:** German American Capital Corporation or an affiliate.
- Loan Amount:** Up to \$56,000,000. The exact Loan Amount cannot exceed \$56,000,000 and will be calculated at the time of Rate Lock (defined below in Schedule "A") based on the Underwritten Net Cash Flow (defined below) for the Property at a minimum Debt Service Coverage Ratio ("DSCR") at closing of 1.50x, a minimum Debt Yield (described below) of no less than 10.18%, and subject to a maximum "Loan to Value Ratio" (described below) of 60%. If the required Loan to Value Ratio, Debt Yield or the DSCR are not satisfied, Lender may, in its sole and absolute discretion, reduce the Loan Amount or decline to make the Loan and terminate the Borrower's Loan request.
- Underwritten Net Cash Flow:** Lender will underwrite the Loan to determine "Underwritten Net Cash Flow" in its sole and absolute discretion.
- DSCR:** The DSCR shall be calculated by dividing the Underwritten Net Cash Flow by the debt service due on the Loan based on the actual interest rate on the Loan and assuming an amortization term of 30 years.
- Debt Yield:** The Debt Yield shall be calculated by dividing the Underwritten Net Cash Flow by the Loan Amount.
- Loan to Value Ratio:** The Loan to Value Ratio shall be established as the ratio of the amount of the Loan to the "as-is" value as shown in an MAI appraisal obtained by Lender at Borrower's cost and approved by Lender in form and substance.
- Security:** The Loan will be secured by, *inter alia*, (i) a first priority mortgage in the Borrower's fee simple interest in the Property, (ii) a first priority security interest in and, as applicable, assignment of all rents, permits, licenses, leases, contracts, agreements, accounts, receivables, personal property, furniture, fixtures and equipment and any other personal property relating to the Property, (iii) a first priority security interest in the associated rental management fees payable to the Property Manager with respect to the Third Party Units and (iv) such other collateral customary for a loan of this type, including without limitation appropriate assignment of all condominium documents and sponsor's rights thereunder (if applicable).

In the event that Lender elects to bifurcate the Loan as described below, Lender



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shall have the right to allocate the Security among various notes and/or tranches at its discretion.

Any mezzanine loan created will be secured by (i) a pledge of 100% of the direct and indirect ownership interests in the mortgage borrower, (ii) a first priority collateral assignment of interest rate hedge agreement, and (iii) such other collateral as may be specified in the Loan Documents.

- Bifurcation:** Provided that the initial economic and other material terms of the Loan shall remain the same for Borrower, Lender shall have the right to (i) bifurcate the Loan into one or more (a) participations, (b) component or other notes, such as B-Notes or (c) loans, including mezzanine loans secured by a pledge of direct and indirect ownership interests, and (ii) reallocate the principal amount and interest rate of the Loan among one or more mortgage loan and mezzanine loans. Sponsor agrees to cooperate with Lender in connection with the foregoing, which may require the creation of additional borrower entities. Borrower shall be responsible for the cost of bifurcation.
- Recourse:** The Loan will be non-recourse to Borrower, except that the Loan shall be recourse to Sponsor and Borrower (on a joint and several basis) for environmental hazards and Lender's standard recourse carve-outs and failure to pay any additional carry costs associated with the Retail Component. Borrower and Sponsor shall execute a guaranty and indemnity with respect to each of the foregoing.
- Throughout the term of the Loan, Sponsor shall maintain a minimum net worth (exclusive of any interest in the Property) of \$[100] and minimum liquidity of \$[10].
- Term:** The term of the Loan (the "**Term**") shall be ten (10) years from the initial closing of the Loan.
- Reserves:** Upfront and ongoing reserves including but not limited to reserves for real property taxes, Retail CAM, condominium assessments and any other condominium association payments, insurance, unpaid and ongoing tenant improvements and leasing commissions, free and/or abated rent, FF&E, seasonality, deferred maintenance, environmental, interest, etc., will be determined by Lender based on due diligence.
- Additional Reserves:** Subject to the results of Lender's due diligence, additional ongoing reserves may be required to be funded by Borrower on a monthly basis throughout the term of the Loan.
- Cash Management:** At closing, a lockbox and clearing account controlled by Lender (the "**Clearing Account**") shall be established by Borrower at a financial institution acceptable to Lender, into which all rents, revenues and receipts from the Property shall be deposited directly by the retail tenants. With respect the non-retail portion of the Property, all credit card receipts, payment from third parties, association payments and any other revenues other than over the counter cash receipts shall be deposited by credit card processing companies directly into the Clearing Account, and all over the counter receipts shall be directly deposited by Property Manager in the Clearing Account within one (1) business day of receipt thereof by Borrower or Manager. Amounts on deposit in the Clearing Account shall be transferred daily to an account



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controlled by Lender (the “CMA”). Provided no Trigger Event (as hereinafter defined) occurs, the CMA shall permit automatic transfers of deposits into Borrower's operating account following payment of all monthly amounts due under the Loan Documents (including, without limitation, taxes and insurance, debt service and required reserves) and approved property operating expenses. For purposes of this paragraph “**Trigger Event**” shall mean the occurrence of (i) an event of default under the Loan Documents or (ii) a Low Debt Service Trigger (as hereinafter defined). Once a Trigger Event occurs, automatic transfers into Borrower's operating account will cease and any excess funds shall be held by Lender as additional collateral for the Loan (provided that upon the occurrence of an event of default under the Loan Documents, such sums may be applied to amounts owed under the Loan Documents in such amounts, order and manner as Lender shall elect in its sole discretion).

**Low Debt Service Reserve:** Borrower shall maintain a DSCR of no less than 1.35x.

The DSCR will be tested by Lender quarterly. If the DSCR falls below 1.35x (a “**Low Debt Service Trigger**”), all excess cash flow after payment of all monthly amounts due under the Loan Documents (including, without limitation, taxes and insurance, debt service and required reserves) and approved budgeted property operating expenses will be swept to and held in a Lender-controlled account as additional collateral for the Loan. A Low Debt Service Trigger shall cease to exist if the DSCR exceeds 1.40x for two consecutive quarters.

**Prepayment, Repayment:**

Locked Out Period: From Month 1 through the earlier of (a) Month 36 or (b) two years after the securitization of the entire Loan -- Prepayment prohibited.

Structured Prepayment: After locked out period until 3 months before the maturity date -- Defeasance, as described below.

Open Period: Prepayment in whole without penalty permitted on any payment date during the last 3 months of the Loan term.

Repayment Date: End of Loan term.

The Borrower may defease (“Defeasance”) the Loan, upon 60 days written notice to Lender, by (i) depositing an amount sufficient to purchase U.S. Treasury securities whose cash flows are equal to and occur on or before the successive remaining scheduled interest and principal payment dates required under the Loan including the full outstanding principal amount due on the maturity date; (ii) granting Lender a perfected first priority security interest in the securities with an opinion of counsel to such effect; (iii) paying all costs incurred in such transfer and (iv) such other terms as more particularly set forth in the Loan documentation.

**Pledges/Transfers:**

No transfer or pledge in the direct or indirect ownership of the Borrower or collateral shall be permitted, except up to 49% of the non-controlling ownership interests in the Borrower may be transferred or pledged to a qualified buyer subject to standard transfer conditions, including, without limitation, no event of default, prior written notice, and subject to the Sponsor maintaining control and management of the Borrower and the Property.



## Trump International Hotel & Tower - Commercial

### Up to \$56,000,000 Financing

<b>Loan Assumption:</b>	The Loan is assumable, subject to standard transfer conditions, including, without limitation, the following: (i) Lender’s prior written consent; (ii) confirmation from the rating agencies that such assumption shall not result in a downgrade of any securities backed in part or whole by the Loan; (iii) evidence that the new borrower complies with all of the single purpose and bankruptcy remote entity requirements set forth in the Loan documentation which may include without limitation, a nonconsolidation opinion; (iv) evidence that the new borrower is of good repute and qualified to own a property of this type; (v) customary legal documentation including any necessary legal opinions; (vi) payment of all related expenses including any rating agency fees and an assumption fee of 1%; and (vii) no event of default has occurred.
<b>Releases:</b>	Subject to acceptable completion of Lender’s due diligence, Borrower shall have the right to release the Retail Component pursuant to terms and conditions set forth in the Loan Documents and satisfaction of any REMIC requirements, and provided that the Retail Component is a separate legally subdivided parcel. No other releases shall be permitted.
<b>Interest Rate, Fees, etc.:</b>	As outlined on <b>Schedule A</b> .
<b>Conditions to Closing:</b>	As outlined on <b>Schedule B</b> .
<b>No Additional Indebtedness:</b>	<p>No additional debt, whether unsecured or secured by any direct or indirect interest (actual, economic or otherwise) in either the Property or Borrower is permitted without the prior written consent of Lender, which may be granted or withheld in Lender’s sole and absolute discretion.</p> <p>Notwithstanding the foregoing, the Sponsor shall be permitted one time during the term of the Loan to obtain a mezzanine loan in an amount not to exceed \$20,000,000, from and after the securitization of the Loan, from a mezzanine lender approved by Lender in its sole and absolute discretion (an “Approved Mezzanine Lender”) secured by a pledge in the equity interests in Borrower (or the mezzanine borrower’s, if Lender has bifurcated a portion of the Loan into a mezzanine loan), provided that: (i) the Approved Mezzanine Loan shall be in an amount that when added to the Loan will result in (A) a combined loan to “as is” appraised value of the Property of no more than 55%, (B) a combined DSCR (utilizing the actual debt service of both the Loan and the proposed mezzanine loan) of not less than 1.60:1.00, and (C) a combined debt yield (based upon the Underwritten Net Cash Flow and the combined amount of the Loan and the proposed mezzanine loan) of no less than 11.0%; (ii) the Approved Mezzanine Loan will be secured by an equity pledge encumbering direct and indirect ownership interests in the Borrower (and will not be secured by any collateral securing the Loan); (iii) the Approved Mezzanine Loan will be coterminous with the Loan; (iv) the Approved Mezzanine Loan and organizational structure of the mezzanine borrower will otherwise be on terms and conditions and subject to documentation acceptable to Lender and in accordance with rating agency requirements; and (v) the Approved Mezzanine Lender shall enter into an intercreditor agreement with Lender satisfactory in all respects to Lender in its sole and absolute discretion and any applicable rating agency. Additionally, such financing shall be subject to receipt by Lender of Rating Agency Confirmations from the applicable rating agencies. All costs and expenses incurred by Lender in connection with such financing (including, without limitation, legal fees) shall be the sole obligation of Borrower. The Approved</p>



## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

Mezzanine Lender may in no way be affiliated with the Borrower.

- Property Management:** The Property must at all times be managed by an operator approved by Lender (a "**Property Manager**") pursuant to a property management agreement in form and substance satisfactory to Lender (a "**Management Agreement**"). The Property Manager's rights under the Management Agreement (including any right to fees thereunder) shall be subordinate to Lender's lien. Lender shall have the right to terminate and replace the Property Manager and/or terminate the Management Agreement (i) subsequent to an event of default under the Loan Documents (after appropriate cure periods have lapsed), (ii) for cause, including but not limited to fraud, gross negligence, willful misconduct, or misappropriation of funds by the Property Manager, (iii) if the Property Manager becomes insolvent or a debtor in a bankruptcy proceeding, (iv) for a default under the Management Agreement. Borrower shall not make any material modification to the Management Agreement without Lender's approval and, following a securitization, receipt of a rating agency confirmation.
- Budgets:** At closing, Borrower shall provide to Lender a budget for the Property delineating operating cash flows and operating costs expected to be incurred during the Term. Such budget shall be subject to Lender's approval. On an annual basis, Borrower shall furnish to Lender, for Lender's approval, an updated budget for the Property. If the debt service coverage ratio is less than 1.35x Lender may require, on a quarterly basis that Borrower furnish to Lender for approval an updated budget for the Property.
- Insurance:** Borrower will be required to maintain and provide evidence of property, casualty, liability, business interruption, windstorm, earthquake and other applicable insurance in all cases with no exclusion for acts of terrorism and with an agreed upon deductible from an insurer having a rating acceptable to Lender.
- Leasing:** Lender shall have approval rights over Major Leases and any material modification or termination of Major Leases. A Major Lease means a lease which (i) when aggregated with all other leases at the Property with the same Tenant, and assuming the exercise of all expansion rights and all preferential rights to lease additional space contained in such lease, is expected to cover more than 5,000 rentable square feet, (ii) contains an option or preferential right to purchase all or any portion of the Property, (iii) is with an affiliate of Borrower as Tenant, or (iv) is entered into during the continuance of an Event of Default or Trigger Period.
- Sale, Assignment, Participation:** Lender will have the right to sell, assign, syndicate, securitize or participate the Loan, in whole or in part, without the consent of Borrower or Sponsor. Borrower and Sponsor shall promptly cooperate with any such sale, assignment, syndication, securitization or participation. This includes but is not limited to meeting with rating agencies and third party investors.
- Securitization:** Lender shall have the right to securitize the Loan through the issuance of certificates of interest therein, which will be rated by rating agencies, as well as certain unrated classes of certificates. Borrower shall cooperate in all respects with Lender and the rating agencies in connection with such securitization.
- Governing Law:** The Loan shall be governed by the laws of the State of New York (without regard to



## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

the choice-of-law rules thereof).

**U.S. Patriot Act:**

To help fight the funding of terrorism and money laundering activities, pursuant to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (Public Law Pub.L. 107-56) (the "Patriot Act"), Lender and its affiliates obtain, verify, and record information that identifies each person and entity (or than an affiliate) with whom Lender enters into a business relationship. Pursuant to Patriot Act, when you enter into the business relationship with Lender, verification will include (but is not limited to) name, address, corporate tax identification number, date of birth, (applicable to an individual), and other information that will allow us to identify you. We may also ask to see corporate resolutions or other identifying documents from you.

**Title Insurance:**

Borrower shall obtain a mortgagee's policy of title insurance (including, if requested by Lender, a mezzanine endorsement to the owner's policy of title insurance, if applicable) and Eagle 9 insurance from a title insurance company selected by Lender.

**Brokers:**

Borrower and Sponsor each represent and confirm that it has not engaged or worked with a broker or agent in arranging with the financing for this transaction. Accordingly, it is hereby agreed that all costs, finders' fees, commissions, concessions remuneration or similar fees or compensation relating to the financing are the sole and absolute responsibility of Borrower and Sponsor. Borrower and Sponsor each agree (on a joint and several basis) to indemnify and hold Lender and its affiliates harmless from and against any and all compensation sought by any party who makes claim for commission or compensation related to the Loan. This section shall be binding upon Sponsor and Borrower.

**Exclusivity:**

For a period of ninety (90) days following execution of this Term Sheet, Lender shall have the exclusive right to provide the Loan to Borrower. If this Exclusivity provision is violated, Lender shall be entitled to retain the entire Good Faith Deposit and, in such case, Sponsor shall, upon demand, pay the Exclusivity Fee to Lender. As used herein, "Exclusivity Fee" shall mean 1.00% of the principal amount of the Loan. This section shall be binding upon Sponsor and Borrower.

**Expiration:**

In the event that the Loan is not closed and funded within 45 days from the date hereof, the Term Sheet shall automatically expire and be of no further force and effect, other than with respect to the sections hereof titled "Exclusivity" and "Out of Pocket Expenses," which shall survive the expiration of this Term Sheet.

\* \* \* \* \*





## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

As an acknowledgement of your acceptance of the terms and conditions presented in this Term Sheet, please sign in the place indicated below and return an executed original of this Term Sheet together with the Good Faith Deposit not later than 4:00pm prevailing Eastern Time on \_\_\_\_\_, 2012

ACCEPTED THIS \_\_\_ DAY OF \_\_\_\_\_, 2012

SPONSOR:

\_\_\_\_\_, a \_\_\_\_\_,  
on behalf of itself and the Borrower

By: \_\_\_\_\_  
Name:  
Title:



## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

### Schedule A – Interest Rate, Fees, etc.

**Interest Rate:**

The "Interest Rate" shall be calculated at Rate Lock (see below) by adding 345 basis points (the "Spread") to the yield on the ten (10) year on-the-run swap rate, however, in no event shall the Interest Rate be less than 5.28%. The on-the-run ten (10) year swap rate is the ten (10) year U.S. Treasury rate, plus the ten (10) year swap spread. The ten (10) year swap rate as of May 17th, 2012 is approximately 193 bps. Lender may adjust the Spread upward to reflect market spreads at the time of closing as determined in Lender's sole discretion. Interest on the outstanding Loan Amount, based on the Interest Rate, shall be payable monthly in arrears, calculated on the basis of the actual number of days in the month and a 360-day year.

**Amortization:**

A constant monthly payment of principal and interest will be due and payable on each Payment Date in an amount sufficient to fully amortize such Loan over a 30-year amortization schedule.

**Administrative Fee/Servicer:**

The Loan shall be serviced by a servicer designated by Lender ("Servicer"). Borrower shall pay any fees and expenses (at closing or ongoing, excluding any annual master servicing fees under the servicing agreement) of the Servicer and any third-party fees and expenses, including, without limitation, special servicing fees, operating advisor fees, work-out fees and attorneys fees and disbursements, in connection with a prepayment, release of the Property, assumption or modification of the Loan, special servicing or work-out of the Loan or enforcement of the Loan Documents.

**Good Faith Deposit:**

\$250,000 payable at the execution of this Summary of Terms and Conditions.

**Out-of-pocket expenses:**

Sponsor and Borrower shall pay all out-of-pocket expenses incurred by Lender and its affiliates in connection with the Loan, whether or not the Loan closes. Such expenses may include, without limitation, legal fees, consultant fees, third party vendor fees, travel expenses, a loan production fee, syndication fees, printing fees, due diligence costs, underwriting costs and other miscellaneous expenses. If at any time Lender reasonably determines that the funds on deposit with Lender will not be sufficient to cover Lender's anticipated expenses, upon request, Sponsor shall promptly deposit such additional funds as Lender may reasonably determine are necessary to cover such expenses.

**Standard Rate Lock; Loan Terms:**

Subject to (i) the execution by Sponsor of Lender's standard Interest Rate Lock Agreement and (ii) the delivery to Lender of a deposit equal to 2.0% of the Loan Amount, which will be refunded to Sponsor if and when the Loan closes, the Sponsor may lock the rate of the Loan ("Rate Lock") prior to the closing date of the Loan. Borrower and Sponsor will bear all costs of any Rate Lock, including, without limitation, all hedging and breakage costs and per diem carrying expenses incurred in connection with the Rate Lock.

If the Loan does not close on or before the expiration of the Rate Lock Period (as defined in the Interest Rate Lock Agreement), the Rate Lock shall terminate in Lender's sole and absolute discretion and be of no further force and effect and



## **Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing**

Borrower and Sponsor shall be jointly and severally liable for any and all hedging and breakage costs and per diem carrying expenses incurred by Lender.



## Trump International Hotel & Tower - Commercial Up to \$56,000,000 Financing

### Schedule B – Conditions to Closing

Closing of the Loan will be subject to the fulfillment of certain conditions usual and customary for a financing of this type, including but not limited to the following:

1. Satisfactory completion of all entity level due diligence, including review of financial condition, cash flow projection assumptions, organization documents (including an organizational structure chart listing all persons and entities having a direct or indirect ownership interest in Borrower) and business history (including, without limitation, references, credit and other background reports and searches) of Borrower, Sponsor and all other material loan parties.
2. Satisfactory completion of UCC, lien, judgment, litigation and bankruptcy searches with respect to Borrower, Sponsor and all other material loan parties.
3. Satisfactory completion of real estate and Property due diligence including, title, survey, tax, environmental (including a Phase I ESA), engineering, property condition, legal, zoning, certificate of occupancy, liquor license (if any) and other entitlement due diligence.
4. Approval of Lender's credit authorities.
5. Receipt of a satisfactory FIRREA compliant appraisal of the Property.
6. Satisfactory inspection of the Property by Lender.
7. Lender's satisfactory review and approval of all material agreements, including, without limitation, the Management Agreement, reciprocal easement agreements, Franchise Agreements (with acceptable remaining term and extension options), comfort letters, condominium documentation and estoppel certificate from the condominium association, operating and service agreements, and all other documents, agreements or other instruments material to the Property or Borrower's interest therein.
8. Lender's satisfactory review and approval of all commercial leases, including, without limitation, parking agreements (if any), REAs and long-term leases. Borrower shall deliver estoppel certificates and SNDAs from each such tenant, in form and substance acceptable to Lender.
9. Receipt and approval by Lender of (i) title, (ii) property, (iii) rent loss/business interruption, (iv) builders risk, (v) workers compensation, (vi) terrorism, (vii) wind, (viii) flood, (ix) earthquake and (x) liability insurance as well as any other insurance deemed necessary by the Lender.
10. Confirmation of all financial, legal and factual premises upon which the terms and conditions of the Loan are based.
11. The preparation, execution and delivery of loan documentation, opinions of Borrower's and Sponsor's counsel covering such matters as Lender may require, and all other contracts, instruments, addenda and documents deemed necessary by Lender to evidence the Loan and the Collateral (the "Loan Documents"), including a loan agreement, all satisfactory in form and substance to Lender.
12. Absence of (i) any change, occurrence, or development that could, in the opinion of the Lender, have a material adverse effect on the business condition (financial or otherwise), operation, or performance of the Borrower or the Sponsor; (ii) any material adverse change in or material disruption of conditions in the financial, banking or capital markets; (iii) any event, circumstance,



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or information or matter which in the Lender's judgment is inconsistent in a material adverse manner with any event, circumstance, or information or other matter disclosed to Lender by Sponsor prior to the date hereof; or (iv) any change which could reasonably be expected to have a materially adverse effect on the value or marketability of the Loan or any security derived in whole or in part there from.

13. Both prior to funding and throughout the term of the Loan, Borrower shall also deliver additional financial information regarding itself, the Sponsor, the guarantor, the Property and the tenants as is necessary from time to time to comply with the terms of Regulation A/B Requirements.
14. Receipt of all final approvals from Lender's credit committee.
15. Lender's satisfactory review and approval of all pertinent Property financial information, including but not limited to monthly operating statements, rent rolls, budgets, letters of intent, tax bills, etc.



## Trump International Hotel & Tower - Condo Up to \$75,000,000 Financing

### *Summary of Terms and Conditions*

*The following is a preliminary summary of the indicative terms and conditions for the proposed financing (the "Loan"). These indicative terms and conditions reflect the current perception of market conditions by Lender and its respective affiliates as they relate to the Loan (based, in part, on information provided to Lender by Sponsor and/or Borrower), and are subject to change without notice. This is a preliminary summary and does not define all of the terms and conditions of the Loan, but is a framework upon which preliminary documentation for this transaction would be structured, and is a basis for further discussion and negotiation of such terms as may be appropriate. Under no circumstances shall the indicative terms and conditions constitute or be deemed to constitute a legally binding commitment on the part of Lender or any of its affiliates, or any other person, nor shall it be construed as an offer or undertaking by Lender to issue or arrange or negotiate a commitment or the Loan or any other financing, or any commitment, offer, undertaking or agreement of any kind. The Loan, if any, shall be subject to the due diligence review the results of which must be satisfactory to Lender in its sole discretion, and completion of other matters described in this summary of terms and conditions ("Term Sheet") in a manner acceptable to Lender in its sole discretion, the approval by Lender's credit authorities, and the execution and delivery of documentation satisfactory in form and substance to Lender and Lender's legal counsel. Except as otherwise expressly provided in this Term Sheet, no rights, obligations or liabilities of any kind or nature whatsoever shall arise on the part of Lender or any other person as the result of the provisions of this Term Sheet. This Term Sheet is confidential, and the indicative terms and conditions shall not be discussed with, or delivered to other persons (other than legal counsel, tax advisors or officers and directors of Sponsor and Borrower) without the prior written consent of Lender.*

- Property:** The unsold for-sale residential condominium component of Trump International Hotel & Tower, Chicago, which includes: (1) 127 unsold residential condominium units (486 total units) consisting of approximately 229,730 sellable square feet, (2) [ ] deeded parking spaces, (3) [ ] storage units and (4) the associated common areas (collectively, the "Property") (The number of each of these units may be adjusted prior to Closing to reflect sales during the closing period). The specific units which comprise the Property are scheduled on Exhibit A attached hereto. The Property is part of a 92 story, 2.5 million square foot mixed use tower that also consists of 85,000 square feet of retail, 339 hotel rooms, a 23,000 square feet spa and 38,000 square feet of F&B/banquet space (the "Commercial Space" and collectively with the Property, the "Project"). The Commercial Space shall not be part of the collateral for the Loan.
- Purpose of Financing:** The Loan proceeds will be used by Borrower (i) to refinance any existing mortgage and mezzanine indebtedness secured directly or indirectly by the Property, (ii) to make such deposits into any reserve accounts required by Lender, and (iii) to pay costs and expenses incurred in connection with the Loan.
- Borrower:** The borrower (the "Borrower"), shall be a newly formed special purpose, bankruptcy-remote, U.S. entity acceptable to Lender which satisfies all applicable rating agency criteria and is formed exclusively for the purpose of owning and operating the Property.
- The organizational documents of Borrower and their appropriate constituent entities (the "SPE Component Entities") shall satisfy all applicable rating agency criteria, shall be acceptable to Lender in its sole and absolute discretion and shall contain customary single purpose provisions and separateness covenants. Borrower and the SPE Component Entities shall have two (2) independent directors or independent managers in accordance with rating agency requirements. The independent directors' or independent managers' responsibility will be limited solely to voting on matters involving insolvency

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and bankruptcy issues and such individuals' vote will be required to approve (x) any election by Borrower to voluntarily seek protection from creditors under any applicable bankruptcy or insolvency laws, and (y) the dissolution of Borrower.

Borrower shall deliver at closing of the Loan (the "Closing") a bankruptcy remoteness and non-consolidation opinion in form and substance satisfactory to Lender and in accordance with rating agency requirements.

- Sponsor/Guarantor:** Donald J. Trump and The Trump Organization, on a joint and several basis.
- Lender:** German American Capital Corporation or an affiliate.
- Loan Amount:** The lesser of (a) \$75,000,000, (b) the product of the (x) unsold condo square footage as of the Closing Date and (y) the loan basis for such units as set forth on Exhibit A (which shall initially blend to \$326 per square foot) and (c) 55% of the "as is" appraised value of the Property as determined by an MAI appraisal obtained at Closing by Lender at Borrower's cost and approved by Lender in form and substance (the "Loan" or the "Loan Amount").
- Initial Term:** The initial term of the Loan (the "Term") shall be two (2) years from the first Payment Date.
- Extension Options:** One (1) extension option of twelve (12) months exercisable by Borrower but subject to the satisfaction of the following conditions: (a) the Loan not being in default (after any notice and cure period, if applicable, so long as such period shall not exceed the initial maturity date of the Loan); (b) Borrower's purchase of an interest rate cap for the Extension Option period providing for a cap on LIBOR for such extension term under the same terms as the original cap on LIBOR (see Interest Rate Hedge Agreement provision); (c) payment of an extension fee in an amount equal to the Extension Fee as defined in Schedule A (attached hereto) multiplied by the then-outstanding principal balance of the Loan; (d) Borrower's replenishment of the Carry Cost Reserve up to the Carry Cost Minimum Amount, and (e) the then outstanding Loan balance shall be no greater than [\$20] million. In addition, Borrower shall not be permitted to exercise the extension option applicable to any Mezzanine Loan without simultaneously extending the Loan or to exercise the extension option with respect to the Loan without simultaneously extending the Mezzanine Loan.
- For the avoidance of doubt, Borrower may satisfy clause (e) above by paying down the principal balance of the Loan together with the applicable Yield Maintenance Premium (as defined below).
- Security:** The Loan will be secured by, *inter alia*, (i) a first priority mortgage in the Borrower's fee simple interest in the Property, (ii) a first priority security interest in and, as applicable, assignment of all rents, permits, licenses, leases, contracts, agreements, accounts, receivables, personal property, furniture, fixtures and equipment and any other personal property relating to the Property, (iii) a first priority collateral assignment of interest rate hedge agreement, (iv) an assignment and subordination of the Management Agreements, (v) a pledge of the equity interests in the Borrower (unless a mezzanine loan shall be in place at closing in connection with a bifurcation of the Loan as described below) and (vi) such other



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collateral customary for a loan of this type, including without limitation appropriate assignments of all condominium documents and Sponsor's rights thereunder.

In the event that Lender elects to bifurcate the Loan as described herein, Lender shall have the right to allocate the Security among various notes and/or tranches at its discretion.

Any Mezzanine Loan will be secured by (i) a pledge of 100% of the direct ownership interests in the mortgage borrower and such other collateral as customary for a mezzanine loan, and (ii) a first priority collateral assignment of interest rate hedge agreement for such mezzanine loan.

### **Bifurcation:**

Provided that the initial economic and other material terms of the Loan shall remain the same for Borrower, Lender, at no additional out of pocket cost to Borrower if any such bifurcation takes place subsequent to closing, shall have the right to (i) bifurcate the Loan into one or more (a) participations, (b) component or other notes, such as B-Notes or (c) loans, including mezzanine loans secured by a pledge of direct and indirect ownership interests, and (ii) reallocate the principal amount of the Loan among one or more mortgage loan and mezzanine loans. Sponsor agrees to cooperate with Lender in connection with the foregoing, which may require the creation of additional borrower entities.

### **Carry Cost Reserve:**

Borrower shall establish and fund on the Closing Date a reserve (the "Carry Cost Reserve") in an amount to be determined prior to the Closing Date. Lender's current estimate of the initial Carry Cost Reserve is \$[TBD] million. Following the Closing Date, the Borrower shall be permitted to request the release of funds from the Carry Cost Reserve for payment of operating expenses reasonably incurred in accordance with the Lender approved budget (to the extent Property net cash flow is insufficient to cover such expenses), provided that Borrower shall be obligated to retain in the Carry Cost Reserve at all times during the term of the Loan the "Carry Cost Minimum Amount," which is Lender's estimate of the minimum amount sufficient to cover:

(1) the next six months of Lender's projected amount of debt service, which shall be equal to the product of: (a) the then outstanding balance of the Loan, (b) the then applicable monthly interest rate due on the Loan (based on the Spread plus the capped LIBOR Rate divided by 12) and (c) six (6); **plus**

(2) Lender's projected amount of six months of carry costs, which shall equal the pro rata share (based on the unsold square footage from time to time) of the annual common charges, real estate taxes, HOA fees, insurance and all other carry costs (to be detailed on a Lender approved operating budget) related to the residential condo units;

If Lender determines in its sole and absolute discretion, that at any time the Carry Cost Reserve is less than the Carry Cost Minimum Amount, Borrower shall fund into the Carry Cost Reserve an amount equal to such shortfall within five (5) business days. The Carry Cost Reserve shall be held as additional collateral for the Loan and may be disbursed to fund carry costs and debt service during the Loan Term, subject to maintaining the Carry Cost Minimum Balance in the Carry Cost Reserve, as described above.

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- Recourse:** The Loan will be non-recourse to Borrower, except that the Loan shall be recourse to Sponsor and Borrower (on a joint and several basis) for environmental hazards and Lender’s standard recourse carve-outs. Borrower and Sponsor shall execute a guaranty and indemnity with respect to each of the foregoing.
- Throughout the term of the Loan, Sponsor shall maintain a minimum net worth (exclusive of any interest in the Property) of \$[TBD] and minimum liquidity of \$[TBD].
- Reserves at Closing:** In addition to the Carry Cost Reserve, Lender may require upfront and ongoing reserves including but not limited to reserves for real property taxes, insurance, free rent, tenant improvements and leasing commissions, deferred maintenance, environmental, common charges or any other condominium related payments and such additional ongoing reserves as may be determined by Lender based on due diligence.
- Cash Management:** Lender may elect to have Borrower establish a hard lockbox account structure satisfactory to Lender.
- Application of Net Sales Proceeds:** “Net Sales Proceeds” shall mean an amount equal to gross sales proceeds less third party out-of-pocket expenses actually incurred by the Borrower in connection with the sale of a condominium unit. Expenses described in the foregoing clause may not exceed 5% of the gross sales proceeds for any unit (the “Closing Cost Cap”).
- The “Minimum Release Price” for each unsold condominium unit shall be the greater of (a) to be determined fixed price per unit and (b) 100% of Net Sales Proceeds.
- Prior to an Event of Default, the Minimum Release Price and forfeited condo deposits released to Borrower (collectively “Project Sales Cash Flow”) shall be applied to amortize the Loan and towards payment of the Yield Maintenance Premium (if applicable).
- From and after an Event of Default, Lender may apply Project Sales Cash Flow as it may determine in its sole and absolute discretion.
- Loan Assumption/ Pledges/Transfers:** The Loan is not assumable and direct or indirect interests of the Property or in the Borrower are not transferable without the prior written consent of Lender, which may be granted or withheld in Lender’s sole and absolute discretion.
- Amortization Hurdles:** The Loan shall be deemed to be “Milestone Compliant” if the outstanding balance of the Loan is less than or equal to \$250 per square foot on the twelve month anniversary of the Closing Date (the “Milestone Date”). If the Loan is not Milestone Compliant on the Milestone Date, then it shall be considered an Event of Default.
- Loan Interest Rate, Fees, etc.:** As outlined on **Schedule A**.

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- Conditions to Closing:** As outlined on **Schedule B**.
- No Additional Indebtedness:** No additional debt (excluding trade payables to the extent permitted under the Loan Documents), whether unsecured or secured by any direct or indirect interest (actual, economic or otherwise) in either the Property or Borrower is permitted without the prior written consent of Lender, which may be granted or withheld in Lender's sole and absolute discretion.
- Property Management:** The Property must at all times be managed by operators approved by Lender (a "**Property Managers**") pursuant to property management agreements in form and substance satisfactory to Lender (the "**Management Agreements**"). The Property Managers' rights under the Management Agreements (including any right to fees thereunder) shall be subordinate to Lender's lien and to the terms and conditions of the Loan. Lender shall have the right to terminate and replace the Property Managers and/or terminate the Management Agreements (i) subsequent to an event of default under the loan documents (after appropriate cure periods have lapsed), (ii) for cause, including but not limited to fraud, gross negligence, willful misconduct, or misappropriation of funds by the manager, (iii) if the Property Managers become insolvent or a debtor in a bankruptcy proceeding, and (iv) for a default under the applicable management agreement. Borrower shall not make any material modification to the Management Agreements without Lender's approval and, following a securitization, receipt of a rating agency confirmation.
- Budgets:** At closing, Borrower shall provide to Lender a budget for the Property delineating operating cash flows and operating costs expected to be incurred during the Term. Such budget shall be subject to Lender's approval. On an annual basis, Borrower shall furnish to Lender, for Lender's approval, an updated budget for the Property.
- Insurance:** Borrower will be required to maintain and provide evidence of property, casualty, liability, business interruption, windstorm and other applicable insurance in all cases with no exclusion for acts of terrorism and with an agreed upon deductible from an insurer having a rating acceptable to Lender.
- Leasing:** Lender shall have approval rights over all Commercial Leases and any material modification or termination of existing Leases.
- Sale, Assignment, Participation:** Lender will have the right to sell, assign, syndicate, securitize or participate the Loan, in whole or in part, without the consent of Borrower or Sponsor. Borrower and Sponsor shall promptly cooperate with any such sale, assignment, syndication, securitization or participation, all at no material out-of-pocket cost to Borrower or Sponsor for costs incurred after the Closing of the Loan. This includes but is not limited to meeting with rating agencies and third party investors.
- Securitization:** Lender shall have the right to securitize the Loan through the issuance of certificates of interest therein, which will be rated by rating agencies, as well as certain unrated classes of certificates. Borrower shall cooperate in all respects with Lender and the rating agencies in connection with such securitization, all at

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no out-of-pocket cost to Borrower or the Sponsor for costs incurred after the Closing of the Loan.

- Governing Law:** The Loan shall be governed by the laws of the State of New York (without regard to the choice-of-law rules thereof).
- U.S. Patriot Act:** To help fight the funding of terrorism and money laundering activities, pursuant to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (Public Law Pub.L. 107-56) (the "**Patriot Act**"), Lender and its affiliates obtain, verify, and record information that identifies each person and entity (or than an affiliate) with whom Lender enters into a business relationship. Pursuant to Patriot Act, when you enter into the business relationship with Lender, verification will include (but is not limited to) name, address, corporate tax identification number, date of birth, (applicable to an individual), and other information that will allow us to identify you. We may also ask to see corporate resolutions or other identifying documents from you.
- Title Insurance:** Borrower shall obtain a mortgagee's policy of title insurance (including, if requested by Lender, a mezzanine endorsement to the owner's policy of title insurance, if applicable) and Eagle 9 insurance from a title insurance company selected by Lender.
- Brokers:** Borrower and Sponsor each represent and confirm that it has not engaged or worked with a broker or agent in arranging with the financing for this transaction. Accordingly, it is hereby agreed that all costs, finders' fees, commissions, concessions remuneration or similar fees or compensation relating to the financing are the sole and absolute responsibility of Borrower and Sponsor. Borrower and Sponsor each agree (on a joint and several basis) to indemnify and hold Lender and its affiliates harmless from and against any and all compensation sought by any party who makes claim for commission or compensation related to the Loan. This section shall be binding upon Sponsor and Borrower.
- Exclusivity:** For a period of ninety (90) days following execution of this Term Sheet, Lender shall have the exclusive right to provide the Loan to Borrower, provided, however, that such exclusivity period shall no longer apply from and after the date Lender indicates to Borrower that it is no longer prepared to proceed with the financing pursuant to the terms described herein. If this Exclusivity provision is violated, Lender shall be entitled to retain the entire Good Faith Deposit and, in such case, Sponsor shall, upon demand, pay the Exclusivity Fee to Lender. As used herein, "Exclusivity Fee" shall mean 1.00% of the principal amount of the Loan. This section shall be binding upon Sponsor and Borrower.
- Expiration:** In the event that the Loan is not closed by 60 days from the date of the execution of this Term Sheet, this Term Sheet shall automatically expire and be of no further force and effect, other than with respect to the sections hereof titled "Exclusivity" and "Out of Pocket Expenses, which shall survive the expiration of this Term Sheet.

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ACCEPTED THIS \_\_\_ DAY OF OCTOBER, 2011

As an acknowledgement of your acceptance of the terms and conditions presented in this Term Sheet, please sign in the place indicated below and return an executed original of this Term Sheet together with the Good Faith Deposit not later than 4:00pm prevailing Eastern Time on \_\_\_\_\_, 2012

**SPONSOR:**

\_\_\_\_\_, a \_\_\_\_\_,  
on behalf of itself and the Borrower

By: \_\_\_\_\_

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### Schedule A – Interest Rate, Fees, etc.

<b>Loan Interest Rate:</b>	Loan Interest Rate payable on the Loan shall be the sum of (i) the Benchmark and (ii) the Spread calculated on the actual number of days elapsed in a 360-day year. Interest will accrue on the actual number of days elapsed in a 360-day year.
<b>Spread:</b>	800 basis points.
<b>Benchmark:</b>	One-month LIBOR as reflected on telerate or, in certain instances, an average of London interbank offered rates ("LIBOR") for dollar deposits in an amount equal to \$1,000,000 offered in the London interbank Euro-dollar market for a term of one month.
<b>Extension Fee:</b>	50 basis points.
<b>Loan Interest Rate Reset Frequency:</b>	The Interest Rate shall be reset monthly two London Banking Days prior to the 15th day of the calendar month occurring within the applicable Accrual Period, provided that Lender shall have the right to reset the Interest Rate two (2) days prior to the closing of a securitization that includes the Loan.
<b>Payment Date:</b>	Payments of interest only will be due on the 9th day of each month (the "Payment Date") or if the 9th is not a business day then the preceding business day. There are no grace periods.
<b>Accrual Methodology:</b>	Interest is payable on the Loan both in arrears and in advance for the period from and including the 15th day of each month through and including the 14th day of the following month. The first accrual period will commence on the next succeeding 15th of the month after the Closing Date, with a stub interest payment made at closing to pay interest due for the period from the Closing Date through the start of the first accrual period. Lender reserves the right to adjust the Payment Date and Accrual Period prior to Securitization of the Loan.
<b>Prepayment, Repayment:</b>	The Borrower may prepay the Loan in whole at any time subject to the Yield Maintenance Premium. The Borrower may prepay the Loan in part from time to time with a any Yield Maintenance Premium allocable to such prepayment accruing and payable in accordance with the Section entitled "Yield Maintenance Premium" below.
<b>Yield Maintenance Premium:</b>	The Yield Maintenance Premium (the "Yield Maintenance Premium") shall be payable upon the earlier of (a) the full repayment of the Loan and (b) the final extended maturity date. The Yield Maintenance Premium will be defined as an amount sufficient to make the ratio of: (a) the sum of Lender's Underwriting Fee, all interest accrued and paid over the Loan Term and the Yield Maintenance Premium, to (b) the initial Loan Amount, equal to 1.10 to 1.00.
<b>Underwriting Fee:</b>	1.00% of the principal amount of the Loan payable at Closing.
<b>Administrative Fee/Service:</b>	\$125,000 per annum, payable to Lender quarterly in advance.



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- Good Faith Deposit:** \$250,000 payable at the execution of this Summary of Terms.
- Interest Rate Hedge Agreement:** Borrower shall be required to purchase and pledge as collateral, an interest rate cap acceptable to Lender for the Loan Term and if Borrower elects an Extension Option, for such elected Extension Term, in a notional amount equal to the Loan Amount and providing for a cap on LIBOR at [TBD]% and shall be purchased from a counter-party acceptable to Lender in its sole and absolute discretion. . An affiliate of Lender shall have the right to match the best economic terms available to Borrower, and provide the cap subject to the requirements of this paragraph. The rate cap provider must have a minimum rating of "AA" by S&P, and must deliver to Lender a legal opinion addressing certain matters. The rate cap documentation and legal opinion shall be compliant with rating agency criteria.
- Out-of-pocket expenses:** Sponsor and Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender and its affiliate in connection with the Loan, whether or not the Loan closes. Such expenses may include, without limitation, legal fees, consultant fees, third party vendor fees, travel expenses, a loan production fee, syndication fees, printing fees, due diligence costs, underwriting costs and other miscellaneous expenses. If at any time Lender reasonably determines that the funds on deposit with Lender will not be sufficient to cover Lender's anticipated expenses, upon request, Sponsor shall promptly deposit such additional funds as Lender may reasonably determine are necessary to cover such expenses.

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### Schedule B – Conditions to Closing

Closing of the Loan will be subject to the fulfillment of certain conditions usual and customary for a financing of this type, including but not limited to the following:

1. Satisfactory completion of all entity level due diligence, including review of financial condition, cash flow projection assumptions, organization documents (including an organizational structure chart listing all persons and entities having a direct or indirect ownership interest in Borrower) and business history (including, without limitation, references, credit and other background reports and searches) of Borrower, Sponsor and all other material loan parties.
2. Satisfactory completion of UCC, lien, judgment, litigation and bankruptcy searches with respect to Borrower, Sponsor and all other material loan parties.
3. Satisfactory completion of real estate due diligence including, title, survey, tax, and environmental (including a Phase I ESA) engineering, property condition, legal, zoning, certificate of occupancy, liquor license (if any) and other entitlement due diligence.
4. Approval of Lender's credit authorities.
5. Receipt of a satisfactory FIRREA compliant appraisal of the Property which will indicate a Loan to Value ratio of no more than 55%.
6. Satisfactory inspection of the Property by Lender.
7. Lender's receipt and approval of a rent roll for the Property.
8. Lender's satisfactory review and approval of all material agreements, including, without limitation, the Management Agreement, reciprocal easement agreements, Franchise Agreements, comfort letters, operating and service agreements, and all other documents, agreements or other instruments material to the Property or Borrower's interest therein.
9. Lender's satisfactory review and approval of the Ground Lease and any material documentation related thereto. Borrower shall deliver an estoppel certificate and SNDA from the Ground Lessor, in form and substance acceptable to Lender. Lender's satisfactory review and approval of all commercial leases, including, without limitation, parking agreements (if any), REAs and long-term leases. Borrower shall deliver estoppel certificates and SNDAs from each such tenant, in form and substance acceptable to Lender.



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10. Receipt and approval by Lender of (i) title, (ii) property, (iii) rent loss/business interruption, (iv) builders risk, (v) workers compensation, (vi) terrorism, (vii) wind, (viii) flood, (ix) earthquake and (x) liability insurance as well as any other insurance deemed necessary by the Lender;
11. Confirmation of all financial, legal and factual premises upon which the terms and conditions of the Loan are based.
12. The preparation, execution and delivery of loan documentation, opinions of Borrower's and Sponsor's counsel covering such matters as Lender may require, and all other contracts, instruments, addenda and documents deemed necessary by Lender to evidence the Loan and the Collateral ("Loan Documents"), including a loan agreement ("Loan Agreement"), all satisfactory in form and substance to Lender; and
13. Absence of (i) any change, occurrence, or development that could, in the opinion of the Lender, have a material adverse effect on the business condition (financial or otherwise), operation, or performance of the Borrower or the Sponsor; (ii) any material adverse change in or material disruption of conditions in the financial, banking or capital markets; (iii) any event, circumstance, or information or matter which in the Lender's judgment is inconsistent in a material adverse manner with any event, circumstance, or information or other matter disclosed to Lender by Sponsor prior to the date hereof; or (iv) any change which could reasonably be expected to have a materially adverse effect on the value or marketability of the Loan or any security derived in whole or in part therefrom.
14. Borrower shall also deliver additional financial information regarding itself, the guarantor, the property and the tenants as is necessary from time to time to comply with the terms of Regulation A/B Requirements.
15. Receipt of all final approvals from Lender's credit committee.
16. Borrower shall deliver evidence reasonably acceptable to Lender that Borrower has a minimum equity investment at closing of no less than \$[15 million].
17. Lender's satisfactory review and approval of all pertinent Property financial information, including but not limited to monthly operating statements, rent rolls, budgets, leases, letters of intent, tax bills, etc.
18. Lender's confirmation that a permanent Certificate of Occupancy has been obtained for the Property.
19. Lender's satisfactory review of all condominium documentation, sales agents agreements and any other documents pertaining to the sale of condominium units.

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Exhibit A

TBD

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Deutsche Bank



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