# Management Discussion on Results and Operations

As of December 31st, 2009

**Trump Ocean Club will host a conference call to discuss its year-end results for 2009, on March 31st, 2010.**

## SAFE HARBOR STATEMENT

This presentation contains forward-looking information that is based on management's beliefs, assumptions, estimates and projections and reflects our current views with respect to future events. All statements, other than statements of historical facts, included in this presentation are forward-looking statements and involve significant risks and uncertainties. This information is not a guarantee of the Company's future performance and may change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and you should carefully consider the following factors that could cause actual results to vary from our financial projections, assumptions and other forward-looking statements:

- Political, economic and other conditions in Panama and globally;
- Delays or unexpected casualties related to the construction of the Trump Ocean Club International Hotel & Tower, Panama;
- Increases in costs and decreases in availability of raw materials;
- Our limited sales and operating history;
- Natural disaster-related losses which may not be fully insurable;
- Any loss of key personnel;
- Our significant transactions with related parties;
- Our ability to attract and retain sales executives or real estate brokerage firms;
- Potential non-performance of contractual obligations by our customers;
- Our ability to collect on our receivables and to deliver real estate products to our customers;
- Competition in the luxury real estate development industry;
- The loss of tax exemptions granted to the project and other changes in applicable tax laws;
- Changes in interest rates or foreign exchange rates; and
- Various other factors that may emerge from time to time.

All financial projections, assumptions and other forward-looking statements contained in this presentation and in the discussions relating to this presentation to be held by the company with the Note holders are qualified in their entirety by these risks, uncertainties and other factors. We disclaim any obligation or undertaking to update publicly or revise any financial projections, assumptions and other forward-looking statement contained in this presentation or in the discussions held by the company relating to this presentation, whether as a result of new information, future events or otherwise. It is not possible for us to predict new factors which may arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors may cause actual results to differ materially from historical results or those contained in any forward-looking statements.

## PROJECT HIGHLIGHTS

- Sales from January to December 2009 amounted to US$ 41.1 million excluding the effect of the defaulted units returned to the remaining inventory. These sales were adequate to maintain collateralization ratio above 1.25.

- For the first semester 2010, Management expects sales for US$ 18.1 million, which include the sale of a second portion of the casino in addition to sales of other type of units at an average pace of US$ 1.3 million per month.

- Due to the higher pace of collections with respect to the generation of receivables associated with new sales, eligible receivables had a reduction of US$ 3.1 million during 2009. Nevertheless the collateralization ratio was successfully maintained above 1.25x level.

- Collections for the year 2009 amounted to US$ 35.7 million, providing enough funds to cover working capital needs and to make interest payments on the notes on May 15th and November 15th, 2009. Management expects collections for the first semester 2010 of approximately US$ 16.1 million including those derived from the accelerated discount program. This cash will allow the company to fully replenish the DSRA by July 2010, thus having enough funds to cover the November 2010 coupon and also to cover working capital needs.

- As per December 31st, 2009, Newland reported a restricted cash balance of US$ 66.6 deposit mainly in the Construction Escrow Account (US$ 55.6 million) and the Debt Service Reserve Account (US$ 10.5 million).

- Construction schedule has been reassessed due to several factors. The delivery of units will start by the end of 2010 and the hotel opening has been rescheduled for February 2011. The new closing pattern arising from this schedule will not affect the project's ability to make interest payments on time.

- In January 2010, the Contractor submitted to Newland, a change order request for US$ 11.3 million, which increased the value of the construction contract from US$ 228.3 million to US$ 239.6 million (US$ 212.5 million construction costs and US$ 27.1 million construction and management fees). As a consequence, the available contingency fund in the CEA (cushion) was reduced from US$ 15.1 million to US$ 3.8 million.

- In March 2010, Newland was informed by the Contractor that, after considering the increases and decreases of the different chapters of the construction budget and after receiving relevant information from the architectural designers especially in the Finishes and FF&E – OS&E categories, his current estimation of the cost to complete the building is US$ 238.9 which is higher than the US$ 212.5 million reported to the Independent Engineer in January, 2010 and produces to a Construction Shortfall of US$ 26.9 million.

- The Developers are aware of their obligations under the CCSA and have informed Management that they are working towards funding the Construction Shortfall directly to the Construction Escrow Account on the required date as stated in the CCSA and the Indenture.

- As stated in the Independent Engineer's Report issued on February 2010, the project specifications have been successfully maintained.

- The project's safety records remain within the best standards.

## FINANCIAL HIGHLIGHTS[1]

| | As of | | | | |
|---|---|---|---|---|---|
| | December 31st 2007 | December 31st 2008 | June 30th 2009 | December 31st 2009 | February 28th 2010 |
| **Sales (*)** | 294.4 | 375.3 | 392.9 | 413.7 | 415.7 |
| **Eligible Receivables (*)** | 229.1 | 280.6 | 275.6 | 277.5 | 275.7 |
| **Client's Deposits (*)** | 58.4 | 94.0 | 114.4 | 129.8 | 132.8 |
| **Construction disbursements (*)** | 15.1 | 74.2 | 106.3 | 161.1 | 175.5 |
| **Balance on CEA (**)** | 201.2 | 142.1 | 110.4 | 55.6 | 41.2 |
| **Withdrawal Ratio** | 12.20 | 3.60 | 2.51 | 1.69 | 1.54 |
| **Collateralization Ratio** | 1.04 | 1.28 | 1.25 | 1.26 | 1.25 |

(*) (US$ million)
(**) CEA = Construction Escrow Account

1 $WR = \dfrac{Receivables + 1.25 \times Investment\ Acc}{220{,}000{,}000 - CEA - DSRA(Principal Portion)}$ $CR = \dfrac{Receivables + 1.25 \times Investment\ Acc}{220{,}000{,}000}$

## PANAMA REAL ESTATE MARKET[2]

During the year 2009, the Panamanian economy grew at an annual rate of 2.4% with respect to 2008. Even though the increase in the economic activity was moderate when compared to previous years (GDP growth: 12.1% in 2007 and 10.7% in 2008), there is a favorable outcome: Panamanian economy growth rate is still one of the strongest rates in Latin America. Another important economic variable, the unemployment rate, increased slightly from 5.6% to 6.6% over the course of the year. Furthermore, inflation decreased dramatically, from nearly 9% in 2008 to only 2.4% in 2009. In 2009, the government enacted tax reforms and negotiated free trade agreements that - together with the Canal expansion and other important infrastructure projects- will support robust growth during the upcoming years.

The former was recognized in Fitch's recent upgrade of Panama's long-term foreign and local currency IDRs that reflected "a sustained improvement in public finances supported by recent tax reforms and the resilience of the economy to the global crisis and the associated recession".

The Panama City Class A residential[3] building market had a moderate performance during the year 2009 and especially during the second semester. Clearly, supply did not increase dramatically throughout 2009 and few constructions began during this period. Some projects are still in the planning stages and others have started construction. As per June 2009, the absorption rate[4] for this market was of 76% (71% by the end of 2008) and increased - due to the slow pace of growth in the supply - nearly 2 percentage points to 78% in December of last year.

By the end of 2009, there were 7,523 class A apartments of which 5,174 were under construction. Specifically in the Coastline Submarket (where the Trump ocean Club building is located), units totaled 4,640 of which 3,550 were under construction. The Coastline Submarket – the highest priced in the city – showed an absorption rate of 77% by the end of last year. The residential condominiums built in the Coastline decreased from 14 in 2007 to 11 during 2008 and finally to 10 during 2009. Given the improving economy and the slow growth of the supply, Panamanian real estate brokers and consultants are expecting prices to increase slightly during the first half of 2010.

The Office market in Panama performed well during the end of 2009. Vacancy rate for class A offices fell from 9.3% in the first half of 2009 to 2.7% by December 2009. Approximately 264,000 $m^2$ of office space were under construction during the last half of 2009 in modern buildings with superior amenities with product deliveries expected for 2010 and 2011. No new projects were started during the second half of 2009.

The Retail Real Estate market also performed well during the second half of 2009. Retail vacancy rate fell from 8.6% to 4.2% during the second half of last year. Nearly 82,000 $m^2$ came to the market and were quickly absorbed during the latter half of the year. Currently, there are nearly 138,000 $m^2$ of retail space under construction which will be delivered in 2010 and 2011. In the Costa Pacifica location there is no offer of retail spaces for sale, except for the ones in the Trump Ocean Club.

As seen in the set of the project`s actual photographs attached to this document, the Trump Ocean Club, showing a breath taking architecture and located in one of the best places of Panama, emerges as an important icon of the city.

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[2] *Sources: Economic Data: National Statistics Department Contraloria de la Nacion. Real Estate Market Data: CBRE Market View September 2009. Tourist and Hotel Data: National Statistics Department Contraloria de la Nacion, Ipat.*
[3] *Class A Residences: residences in prime locations, high occupancy rate and also offering important amenities.*
[4] *Absorption Rate: The rate at which properties are able to be leased or sold in a given area.*

## TOTAL SALES AND EXPECTED SELLOUT

The following is the breakdown of total units sold as per February 28th, 2010 and expected total Sellout:

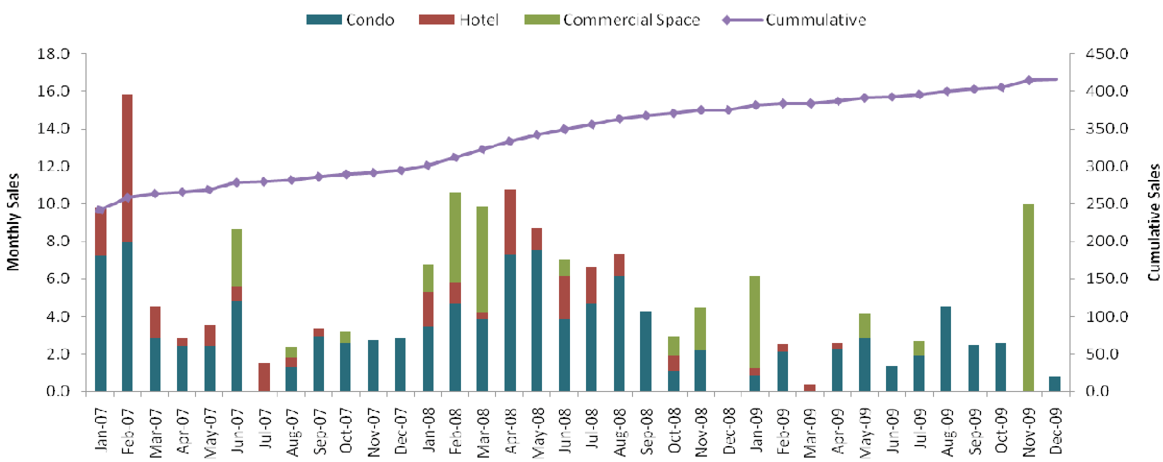
| Units Sold by Product Offering | Total Sellout Units | For the Year Ended December 31st, 2006 | 2007 | 2008 | 2009 | Cumulative through Dec 31st, 2009 | For the two months ended Feb 28th, 2010 | Cumulative through Feb 28th, 2010 | % Sold as of Dec 2009 |
|---|---|---|---|---|---|---|---|---|---|
| ***Residential condominium units:*** | | | | | | | | | |
| One bedroom units | 156 | 142 | 6 | 4 | 3 | 155 | - | 155 | 99.4% |
| Two bedroom units | 200 | 119 | 11 | 7 | 5 | 142 | 2 | 144 | 71.0% |
| Three bedroom units | 74 | 47 | 11 | 13 | - | 71 | - | 71 | 95.9% |
| Three bedroom combo units | 13 | 3 | 3 | 4 | 2 | 12 | - | 12 | 92.3% |
| Penthouse units | 1 | - | - | - | 1 | 1 | - | 1 | 100.0% |
| Curve units | 65 | 14 | 8 | 9 | 10 | 41 | - | 41 | 63.1% |
| Bay lofts | 126 | - | 28 | 36 | 32 | 96 | 2 | 98 | 76.2% |
| Subtotal | 635 | 325 | 67 | 73 | 53 | 518 | 4 | 522 | 81.6% |
| ***Hotel condominium units:*** | | | | | | | | | |
| One bedroom suite units | 10 | 8 | - | - | - | 8 | - | 8 | 80.0% |
| Curve units | 39 | 5 | 13 | 2 | - | 20 | - | 20 | 51.3% |
| Studio units | 320 | 249 | 32 | 35 | 1 | 317 | - | 317 | 99.1% |
| Subtotal | 369 | 262 | 45 | 37 | 1 | 345 | - | 345 | 93.5% |
| **Total residential and hotel units** | **1,004** | **587** | **112** | **110** | **54** | **863** | **4** | **867** | 86.0% |
| ***Other products:*** | | | | | | | | - | |
| Commercial units | 34 | - | 8 | 4 | 2 | 14 | - | 14 | 41.2% |
| Restaurants | 8 | - | - | 2 | 3 | 5 | - | 5 | 62.5% |
| Office lofts | 8 | - | - | 5 | 2 | 7 | - | 7 | 87.5% |
| **Total Comercial Space** | **50** | **-** | **8** | **11** | **7** | **26** | **-** | **26** | 52.0% |
| Memberships | | - | - | - | - | - | - | - | |
| **Subtotal** | **1,054** | **587** | **120** | **121** | **61** | **889** | **4** | **893** | 84.3% |
| Wellness Center | 1 | | | | | - | | - | **0.0%** |
| Casino | 1 | | | | 1 | 1 | | 1 | **100.0%** |
| **Total sellout** | **1,056** | **587** | **120** | **121** | **62** | **890** | **4** | **894** | 84.3% |

| | Total Sellout (US$ Million) | For the Year Ended December 31st, 2006 | 2007 | 2008 | 2009 | Cumulative through Dec 31st, 2009 | For the two months ended Feb 28th, 2010 | Cumulative through Feb 28th, 2010 | % Sold as of Dec 2009 |
|---|---|---|---|---|---|---|---|---|---|
| ***Residential condominium units:*** | | | | | | | | | |
| One bedroom units | 57.3 | 51.1 | 2.6 | 2.2 | 1.0 | 56.9 | - | 56.9 | 99.3% |
| Two bedroom units | 111.2 | 63.9 | 6.9 | 4.8 | 1.5 | 77.2 | 1.2 | 78.3 | 69.4% |
| Three bedroom units | 54.4 | 31.4 | 8.7 | 11.8 | - | 52.0 | - | 52.0 | 95.5% |
| Three bedroom combo units | 24.1 | 4.8 | 6.6 | 7.6 | 4.0 | 23.0 | - | 23.0 | 95.3% |
| Penthouse units | 1.6 | - | - | - | 1.6 | 1.6 | - | 1.6 | 100.0% |
| Curve units | 35.4 | 6.4 | 4.1 | 6.3 | 5.0 | 21.8 | - | 21.8 | 61.6% |
| Bay lofts | 49.8 | - | 11.2 | 16.3 | 6.9 | 34.4 | 0.7 | 35.1 | 69.0% |
| Subtotal | 333.8 | 157.6 | 40.1 | 49.1 | 20.0 | 266.8 | 1.9 | 268.7 | 79.9% |
| ***Hotel condominium units:*** | | | | | | - | | | |
| One bedroom suite units | 4.9 | 3.4 | - | - | - | 3.4 | - | 3.4 | 69.6% |
| Curve units | 19.2 | 2.1 | 6.0 | 0.7 | - | 8.8 | - | 8.8 | 46.1% |
| Studio units | 86.3 | 60.4 | 10.7 | 13.5 | 0.6 | 85.2 | - | 85.2 | 98.8% |
| Subtotal | 110.4 | 65.9 | 16.7 | 14.3 | 0.6 | 97.5 | - | 97.5 | 88.3% |
| **Total residential and hotel units** | **444.2** | **223.5** | **56.8** | **63.3** | **20.6** | **364.3** | **1.9** | **366.2** | 82.0% |
| ***Other products:*** | | | | | | - - | | | |
| Commercial units | 25.7 | - | 4.3 | 4.2 | 0.8 | 9.3 | - | 9.3 | 36.1% |
| Restaurants | 11.0 | - | - | 2.2 | 4.9 | 7.2 | - | 7.2 | 65.6% |
| Office lofts | 12.8 | - | - | 9.7 | 1.3 | 11.0 | - | 11.0 | 85.5% |
| **Total Comercial Space** | **49.5** | **-** | **4.3** | **16.1** | **7.0** | **27.4** | **-** | **27.4** | 55.5% |
| Memberships | 13.9 | 8.1 | 1.6 | 1.6 | 0.7 | 12.0 | 0.1 | 12.1 | 86.1% |
| **Subtotal** | **507.6** | **231.6** | **62.7** | **81.0** | **28.4** | **403.7** | **2.0** | **405.7** | 79.5% |
| Wellness Center | 4.8 | | | | | - | | - | **0.0%** |
| Casino | 30.0 | | | | 10.0 | 10.0 | | 10.0 | **33.3%** |
| **Total sellout** | **542.4** | **231.6** | **62.7** | **81.0** | **38.4** | **413.7** | **2.0** | **415.7** | 76.3% |

## Sales Development

Sales as of December 31st, 2009 amounted to US$ 413.7 million, including memberships and the effect of the defaulted units returned to the available inventory. Of this figure US$ 364.3 million correspond to sales of residential and hotel condominium units and US$ 12.0 million to sales of membership fees. The remaining US$ 37.4 million correspond to commercial spaces (restaurants, commercial units, offices and part of the Casino). Total sales up to December, 2009, represent 75.8% of the total actual sellout and 84.3% of total saleable units.

Without the effect of the defaulted units returned to the available inventory, the Project was able to sale 68 units for US$ 41.1 million within the period from January to December 2009, at an average of US$ 3.4 million per month. The following chart shows the sales development (without the effect of the defaults) on a monthly basis and cumulative sales per type of unit.




The effects of returning 6 defaulted units to the available inventory – apart from the reduction in total sales as per to date - were the increase on the number of the available units (3 Hotel and 3 Residential) and the right to retain the deposits received from these units (US$ 487.554).

Total available inventory as of December 31st, 2009, represented mainly in Baylofts, Curve Units, Two Bedroom units and Commercial units added 166 units.

## Residential and Hotel Unit Sales

A total of 863 hotel and residential units had been sold up to December 31st, 2009, net from the defaulted units. This represents 86% of total inventory for these types of unit. During 2009, a total of 53 residential units (US$ 20.0 million) and 1 hotel unit (US$ 0.6 million) were sold.

Available inventory as per December 31st, 2009, includes 24 hotel and 117 residential units.

## Other Products

Up to December 31st, 2009, a total of 26 units of other products were sold as follows: 14 commercial spaces, 5 restaurants and 7 complete office floors acquired by different buyers. During 2009, 2 commercial spaces for US$ 0.8 million, 3 restaurants for US$ 4.9 million and 2 office floors for US$ 1.3 million were sold.

Up to December 31st, 2009 the sale of a portion of the casino space was executed for US$ 10 million.

Availability of other products as per December 31st, 2009, includes 20 commercial spaces, 3 restaurants on the casino level and 1 complete office floor.

## Prices

During the year 2009, prices were affected by different discounts according to commercial conditions on each specific deal, such as number of units included (bulk sales) and level of finishes delivered for each unit (some deals may not include finishes).

For 2010, price list for available units continues to be affected by a 24.9% discount. This percentage represents the weighted average discount over all type of units in the remaining inventory, but with different discounts for a specific type of unit depending on management's current market assessments. Additional discounts may also be granted depending on each individual deal (number of units or payment terms).

As a result of applying a 24.9% discount, total projected sellout value is US$ 507.6 million, excluding the casino and the wellness center.

Current average list prices on remaining inventory are detailed in the table below:

| | Average Area (per Unit) | | Average Price (US$ dollars) | | |
|---|---|---|---|---|---|
| Type | Av Sq Mt | Av Sq Ft | Per Unit | Per SqMt | Per Sq Ft |
| **Residential Condominium Units** | | | | | |
| One Bedroom Units | 98 | 1,055 | 400,875 | 4,091 | 380 |
| Two Bedroom Units | 153 | 1,647 | 587,371 | 3,839 | 357 |
| Three Bedroom Units | 183 | 1,970 | 813,875 | 4,447 | 413 |
| Three Bedroom combo Units | 395 | 4,252 | 1,655,250 | 4,191 | 389 |
| One Bedroom Curve Units | 125 | 1,345 | 487,540 | 3,900 | 362 |
| Two Bedroom Curve Units | 168 | 1,808 | 648,544 | 3,860 | 359 |
| Bayloft Studio | 112 | 1,205 | 524,839 | 4,686 | 574 |
| **Hotel Condominium Units** | | | | | |
| One Bedroom Suite Units | 110 | 1,185 | 746,250 | 6,780 | 630 |
| One Bedroom Curve Units | 80 | 864 | 544,737 | 6,785 | 630 |
| Studio Units | | | | | |
| **Commercial Space** | | | | | |
| Commerce T.1 | | | | 6,835 | 635 |
| Restaurants | | | | 5,893 | 548 |
| Offices | | | | 4,000 | 372 |

## RECEIVABLES

Total eligible receivables as of December 31st, 2009 amounted to US$ 277.5 million. Net receivables generated during 2009 amounted to US$ 35.9 million, which contributed to achieve and maintain collateralization ratio above 1.25x level as required by the indenture.

During the year 2009, eligible receivables had a reduction of US$ 3.1 million. As said in the previous conference call, this reduction of receivables was the effect of a higher pace of collections with respect to the generation of receivables associated with new sales. By the end of 2009, the casino sale was executed through a Unit Purchase Agreement as done with the restaurants already sold.

Management projections for receivables by March 31st, 2010 amount to US$ 283.0 million which includes the sale of a second portion of the casino shell. As a result, Collateralization Ratio will be above the 1.25x level.

## COLLECTIONS

As per December 31st, 2009, the company had received a total of US$ 129.8 million in client's deposit as shown in the chart below:

| | Collections | | | | Client's Deposits |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | |
| **Condo-Hotel Units** | 27.2 | 29.9 | 30.7 | 30.7 | 118.5 |
| **Offices** | - | - | 2.8 | 2.2 | 5.0 |
| **Commercial Space** | - | 1.2 | 1.7 | 1.4 | 4.3 |
| **Restaurants** | - | - | 0.4 | 1.0 | 1.4 |
| **Casino** | | | | 0.5 | 0.5 |
| **Total** | 27.2 | 31.2 | 35.6 | 35.7 | 129.8 |

(US$ million)

Collections during 2009 amounted to US$ 35.7 million, providing enough funds to cover working capital needs, to make interest payment on the notes in May and November 2009 and to replenish Debt Service Reserve Account by July 2009 and by January 2010.

The excess of deposits with respect to sales during 2009 is the result of the collection of the final 5% deposit which was due on May 2009, the collections from sales made during the period and the accelerated payment discount program which was well received by the market. Current down payment rate is 32%, which is relatively high as compared to other real estate projects and therefore reduces substantially the default risk at closing.

## CONSTRUCTION STATUS

Construction continues and as of January 2010 the building reached the 60th floor. The Company expects the upcoming months to be extremely challenging for the construction team, as over 2.100 workers of different trades must overcome the complexities of building a project of such a high standard while complying with strict milestone dates. The low availability of trained personnel and strict immigration rules constrain the ability to increase production by simply increasing personnel. Nevertheless, the General Contractor (Opcorp) is committed to continue training personnel and to continue to manage efficiently all aspects of the operation.

During the last quarter of 2009 and the first quarter of 2010, the complex and time consuming interaction between the Interior Design Consultants (HBA/AHID), the Trump Organization and the Architectural Designers (Asersa) made significant progress towards reconciling their approaches and delivering the Value Engineering (VE) process for the hotel public areas' finishes and FF&E. Purchase orders for finishes corresponding to these areas are currently being issued and the FF&E VE process is advancing at a considerable pace. Residential common areas' finishes and FF&E are also concluding the VE process, with purchase orders being placed during the following weeks. As a result of the progress with respect to these processes, the Contractor received important information to assess its schedule and cost estimations.

### Schedule

The timing of delivery of the different units to owners and the start of the so-called "closing stage", has been reassessed by the Company (Newland) based on three important facts: (i) the issuing of occupancy permits by local authorities currently requires that all common spaces be safe and with minimum construction activities (even though these permits can be issued in blocks), (ii) the Company's decision to start closings only after certain parts of the building are completely finished and properly furnished to maximize clients' comfort and security and minimize potential claims, and (iii) the rescheduling of the grand opening of the hotel, which is currently set for February 2011. Based on the above, the following is the current schedule assessment divided into four main categories:

### Concrete Structure

By the end of January 2010, the concrete structure reached level 60, 207 meters (670 feet) above the ground floor. As mentioned in the previous conference calls, by the end of March 2010 the roof level will be under construction, 237 meters (777 feet) above the ground floor. Massive outrigger beams above the roof level which connect the concrete arcs, the main elevator shaft and the main mast, require substantial formwork, steel installation and concrete. Work on these elements is scheduled for completion in the *third week of April 2010*. All efforts and additional resources are currently being employed in order to meet this important milestone event.

### Technical Systems

Even though the installation of interior Mechanical, Electrical, and Plumbing (MEP) rough-ins continues to advance satisfactorily, main efforts currently are focused on critical activities such as the installation of MEP and elevator equipment. The logistics required to put in place such large and fragile equipment are extremely complex, detail-oriented and time consuming. In the upcoming months, all this equipment will be placed on the four different technical floors. Once in place, installation and commissioning process will be vital up to project completion.

Installation of the condominium elevators and HVAC equipment (cooling towers) on the roof level are critical activities in the construction schedule. The installation and commissioning of all cooling towers in the roof level will take an estimated six months after completion of the concrete structure and is currently scheduled for *October 2010*. On the other hand, the elevators' subcontractor, Thyssen Krupp, estimates the expected finish date for this activity in the condo component of the building for *December 2010*, eight months after finishing the machine rooms at the main elevators' shaft.

### Finishes

Finished work is currently subdivided in four different construction teams: Condominium & Bayloft, Hotel, Public Areas, and the Building Envelope. These construction teams operate with independent resources in order to reduce dependability and, consequently, to increase productivity.

Work in the Condominium, Bayloft, and Hotel areas advanced satisfactorily, despite the fact that these construction teams faced a lack of trained labor. However, their final completion dates will be affected by the completion of the required mechanical rooms on the roof top (for condominium units). The new estimated completion dates for Bayloft, Hotel and Condominium areas are *June, October and December 2010 respectively.*

The Public Areas construction team in charge of the main lobby, ball room, "back of the house" services, pool deck and sky lobby, was recently complemented with additional staff and labor force. Work between levels 12 and 15 is expected to advance substantially in the upcoming months, and work on the ground floor lobbies is scheduled to begin in the month of May 2010. These areas have been scheduled for completion by the end of *August 2010.*

The building envelope construction team started activities recently with the installation of the exterior emergency staircases, the hotel and condominium atrium façade (the wings' enclosure) in addition to the cleaning, finishing, and protecting of all exposed surfaces. The installation of the emergency staircases will be completed by *July 2010*, and the spruce-up of the façade will continue up to project completion.

### FF&E – OS&E

FF&E for the Hotel guestrooms and for the Condominium and Bayloft private units has been purchased, and will arrive on site in the upcoming months as set forth in the construction schedule. FF&E for public areas is already specified and is being purchased in accordance with the required approval process. Approval of samples and shop drawings will occur during the second quarter of 2010, as well as placement of purchase orders. These activities will supply additional information for the fine tuning of project costs.

The Hotel OS&E preliminary list was recently released by the Trump Organization. The procurement team will begin the purchasing process in the upcoming months once final quantities and specifications are defined and agreed between the hotel operator and the developer. OS&E is required on site in the month of *November 2010,* prior to Hotel Opening scheduled for *February 2011.*

### KPI Schedule as of January 31st, 2010

The Schedule Variance (SV) and the Schedule Performance Indicator (SPI)[5] for the period ending on January 31st 2010 are as follows:

[5] *For definitions of KPI, please refer to the Offering Memorandum: Management's Discussion and Analysis of Financial Conditions.*

**Schedule Performance Index (*)**

| | | |
|---|---|---|
| Earned Value | EV | 126,879,974 |
| Planned Value | PV | 131,510,976 |
| Schedule Variance | SV = EV - PV | -4,631,002 |
| SPI | EV / PV | 0.96 |

(*) (US$ dollars)

The negative Schedule Variance and a Schedule Performance Indicator lower than one, indicate that the dollar value of work in place *as per that date* was lower than originally planned. This condition is primarily due to slight delays in the installation of exterior window glazing, millwork and the installation of mechanical equipment.

Delays in both glazing and millwork activities have been addressed with the subcontractors and productivity is expected to increase in the upcoming months. Even though the work to be completed is still extensive, at this time these construction activities are not considered critical in the construction schedule. Opcorp will continue to monitor progress closely.

The delay in the installation of mechanical equipment is due to the complex logistics of lifting large and heavy equipment up to technical floors. This operation required the installation of special equipment and additional labor resources that were not originally contemplated. As mentioned above, the completion of the installation and commissioning of these systems is expected for *October, 2010*.

## Costs

In the previous conference call it was stated that Opcorp expected positive or negative cost deviations during the upcoming months as designs were further defined and the procurement processes advanced. During the last quarter of 2009, the cost valuation of the Concrete Structure and the MEP Systems was finalized resulting in a higher cost than expected due to (i) changes in design documents, (ii) changes in specifications and quantities, and (iii) unavoidable and unpredictable costs due to an increase in the price of specific construction materials and higher labor costs associated to the complexities of the Concrete Structure. These cost increases occurred despite the Value Engineering and Procurement efforts launched by the Contractor.

Consequently, early in the month of January 2010, Opcorp submitted to Newland a Change Order Request for US$ 11.3 million. This Change Order Request was reviewed by the Independent Engineer and approved by Newland resulting in the increase of the value of the construction contract from US$ 228.3 million to a total of US$ 239.6 million. Of this value, US$ 212.5 million correspond to construction costs and US$ 27.1 million correspond to construction and management fees. The available contingency funds in the Construction Escrow Account ("Cushion"), originally funded with US$ 15.1 million, was reduced by the approved US$ 11.3 million and therefore the new balance of this cushion currently stands at US$ 3.8 million.

## KPI Costs as of January 31st, 2010

As of January 31st, 2010 the value of work in place was US$ 126.9 million, outstanding payments in advance were US$ 35.5 million and value of material stored on site was US$ 13.1 million.

The Cost Variance and the Cost Performance Indicator (CPI) corresponding to work in place up to January 31st, 2010 are as follows:

**Cost Performance Index (*)**

| | | |
|---|---|---|
| Earned Value | EV | 126,879,974 |
| Actual Cost | AC | 127,769,902 |
| Cost Variance | CV = EV - AC | -889,928 |
| CPI | EV / AC | 0.99 |

(*) (US$ dollars)

The negative Cost Variance and a Cost Performance Indicator lower than one, indicate that the cost of work in place *as per that date* was slightly higher than estimated. It is important to mention that since the construction budget for activities currently under execution was increased in the month of January 2010 (per the approved Change Order), the source from which the Earned Value is calculated was modified. For this reason, the Earned Value and Actual Cost as per January 31st, 2010 were very similar.

**Construction Cost Outlook**

As mentioned above, in the last quarter of 2009 and the first quarter of 2010, the Contractor received relevant information from the Architectural Designers regarding the residential common areas' Finishes, FF&E and OS&E categories. The delivery of information for these categories is managed through the "fast-track" methodology which has a direct implication upon the Contractor's ability to update its estimates of the final cost to complete the building.

In March 2010, after considering the increases and decreases of the different chapters of the construction budget, after receiving what the Contractor believes is sufficient information related to the Concrete Structure and MEP Systems and substantial information regarding the Architectural Finishes and FF&E – OS&E categories, the Contractor informed Newland that the Contractor estimates the total Cost at Completion to be US$ 238.9 million, which is US$ 26.4 million higher than the Contractor's estimated total Cost at Completion of US$ 212.5 million reported to the Independent Engineer in January 2010.

Based on the above, the Company believes the Estimated Cost to Complete the Project at this time is US$ 63.3 million. The Construction Escrow Account currently contains US$ 41.2 million, which, when considering the required cushion amount (US$ 4.7 million), produces to a Construction Shortfall of US$ 26.9 million. Although, at this time, the Independent Engineer has not yet submitted an Evaluation Report to the Indenture Trustee for the month of March, the Company expects that such Evaluation Report will reflect the calculations in this paragraph, and will identify a Construction Shortfall of US$ 26.9 million. If, per the Company's expectations, the Evaluation Report reflects such a Construction Shortfall, then, pursuant to the Construction Completion Support Agreement (the "CCSA"), the Construction Completion Support Parties, who are the Developers, will have until April 14th, 2010 to top up the Construction Escrow Account.

The Developers are aware of their obligations under the CCSA and have informed Management that they are working towards funding the Construction Shortfall directly to the Construction Escrow Account on or before April 14th, 2010 complying in full with the provisions of the CCSA and the Indenture if the Independent Engineer identifies this Construction Shortfall in his Evaluation Report for March.

## FINANCIALS

### Summary of Balance Sheet as per December 31st, 2009

| Balance Sheet | December 31st, 2007 | June 30th, 2008 | December 31st, 2008 | June 30th, 2009 | December 31st, 2009 |
|---|---|---|---|---|---|
| Total assets | 316.3 | 343.8 | 351.8 | 371.9 | 392.0 |
| Total liabilities | 285.0 | 312.6 | 320.6 | 340.7 | 360.8 |
| Equity | 31.2 | 31.2 | 31.2 | 31.2 | 31.2 |

(US$ million)

Total assets increased by US$ 40.2 million compared to December 31st, 2008, totaling US$ 392.0 million as per December 31st, 2009. This is mainly the result of the increase of US$ 102.4 million in the project account over the previous year, the increase of US$ 2.7 million in the deferred expenses account, an increase of US$ 21.6 million in advances to contractors and a reduction in restricted cash of US$ 86 million.

Total liabilities as per December 31st, 2009 rose US$ 40.2 million as a result of the increase in customer deposits over the previous year, from US$ 94 million on December 31st, 2008, to US$ 129.8 million on December 31st, 2009.

Newland's equity remained at US $31.2 million at December 31st, 2009.

### Liquidity - Capital Resources Results and Projections

The Company's liquidity position as per December 31st, 2009 was represented in cash for US$ 66.5 million (restricted cash of US$ 66.5 million and cash of US$ 1.850). For 2009 restricted cash decreased by US$ 86 million from US$ 152.6 million at December 31st, 2008 to US$ 66.5 million at December 31st, 2009, due to the development of construction work and the coverage of working capital needs.

Liquidity projections for the first semester 2010 are shown in the table below:

| PROJECTED DATA | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Total |
|---|---|---|---|---|---|---|---|
| **Projected Sales** | **0.75** | **1.21** | **12.22** | **2.06** | **1.00** | **0.90** | **18.14** |
| Projected Collections | 0.60 | 2.93 | 3.70 | 5.28 | 3.10 | 0.46 | 16.07 |
| Interest Payment | - | - | - | - | 10.45 | - | |
| Collection + Release Acc. | 0.36 | 1.65 | 4.06 | 7.92 | - | 0.01 | |
| DSRA Balance | 10.45 | 10.45 | 10.45 | 10.45 | 10.31 | 10.45 | |

US$ million

As shown in the table above, for the first semester 2010, total projected sales amount to US$ 18.1 and total expected collections amount to US$ 16.1 million. Sales projection includes a second portion of the casino shell and other new sales forecasted in a very conservative way.

Total expected sales and collections for the first semester 2010, will allow Newland:

- To maintain collateralization ratio above 1.25
- To make interest payment on May 2010 (Mostly from the Collection Account).
- To successfully Replenish the Debt Service Reserve Account by July 15th, 2010 (In accordance with the indenture).
- To cover operational costs for the project by requesting an average of US$ 0.9 million per month for working Capital. Working Capital Shortfalls generated can be accumulated and requested once funds are available. Projected amounts of monthly working capital sweeps, though less than permitted by the Indenture, will not cause operational problems to the project.

## LEGAL MATTERS

### Compliance with Newland's obligations under the agreements included in the OM

At present, Newland complies with all its obligations under the main agreements defined in the OM with respect to the design, development, construction, commercialization and operation of the TOC project. Additionally, Newland has fulfilled all of its obligations under the Indenture and the Co-Trustee Agreements.
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## Annex 1: Audited Financial Statements

NEWLAND INTERNATIONAL PROPERTIES CORP.

**Newland International Properties, Corp.**
**(Subsidiary 100% of Ocean Point Development, Corp.)**

**Statement of Financial Position**
**December 31st, 2009**

| ASSETS | 2009 | 2008 |
|---|---|---|
| Current assets: | | |
| Cash | **B/. 1,850** | B/. 1,850 |
| Advances to contrator | **37,431,063** | 15,822,073 |
| Accounts receivable | **16,459** | 191,308 |
| Total current assets | **37,449,372** | 16,015,231 |
| | | |
| Resctricted cash | **66,549,962** | 152,571,082 |
| Project costs in progress | **247,181,827** | 144,802,662 |
| Deferred expenses | **40,814,179** | 38,073,078 |
| Accounts receivable, related company | **-** | 349,937 |
| Guarantee deposits | **17,256** | 17,256 |
| | **354,563,224** | 335,814,015 |
| Total assets | **B/. 392,012,596** | B/. 351,829,246 |

| LIABILITIES AND STOCKHOLDER'S EQUITY | 2009 | 2008 |
|---|---|---|
| Current liabilities: | | |
| Accounts payable, suppliers | **B/. 66,126** | B/. 130,029 |
| Payroll taxes and accrued expenses | **12,590** | 15,612 |
| Interests from bonds payable | **2,612,500** | 2,612,500 |
| Total current liabilities | **2,691,216** | 2,758,141 |
| | | |
| Bonds payable | **220,000,000** | 220,000,000 |
| Advances received from customers | **129,751,808** | 94,008,135 |
| Accounts payable, related companies | **8,324,412** | 3,817,810 |
| | **358,076,220** | 317,825,945 |
| Total liabilities | **360,767,436** | 320,584,086 |
| | | |
| Paid Up Capital | **31,245,160** | 31,245,160 |
| Total stockholder's equity | **31,245,160** | 31,245,160 |
| Total liabilities and stockholder's equity | **B/. 392,012,596** | B/. 351,829,246 |

## Annex 1: Audited Financial Statements

**Newland International Properties, Corp.**
**(Subsidiary 100% of Ocean Point Development, Corp.)**

**Statement of Cash Flows**
**For the year ended December 31st, 2009**

| | | 2009 | | 2008 |
|---|---|---|---|---|
| **Cash flows from the Operating Activities** | | | | |
| **Net changes in assets and liabilities** | | | | |
| Increase in advances to contractor | B/. | **(21,608,990)** | B/. | (10,354,540) |
| Decrease in accounts receivable | | **174,849** | | 694,785 |
| Increase in project costs | | **(102,379,165)** | | (75,958,030) |
| Increase in deferred expenses | | **(2,741,101)** | | (14,534,670) |
| Decrease ( increase) in accounts receivable, related party | | **349,937** | | (349,937) |
| (Decrease) Increase in accounts payable, suppliers | | **(63,903)** | | 31,609 |
| (Decrease) Increase in payroll and accrued expenses | | **(3,022)** | | 1,066 |
| Increase in advances received from customers | | **35,743,673** | | 35,559,356 |
| Increase (Decrease) in accounts payable, related companies | | **4,506,602** | | (20,755) |
| **Net cash used in operating activities** | | **(86,021,120)** | | **(64,931,116)** |
| **Cash flows from investment activities** | | | | |
| Decrease in restricted cash and net cash provided by investinng activities | | **86,021,120** | | 61,740,949 |
| **Net Idecrease in cash** | | **-** | | (3,190,167) |
| Cash at the beginning of the year | | **1,850** | | 3,192,017 |
| Cash at the end of the year | B/. | **1,850** | B/. | 1,850 |

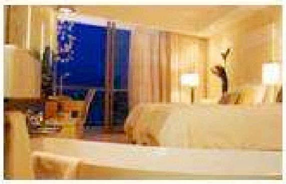
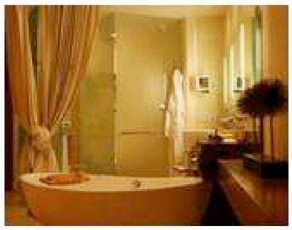
## Annex 1: Audited Financial Statements

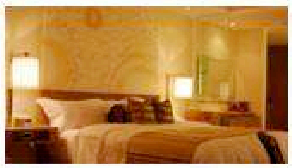
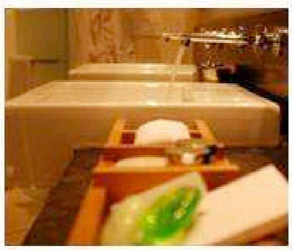
**Newland International Properties, Corp.**
**(Subsidiary 100% of Ocean Point Development, Corp.)**

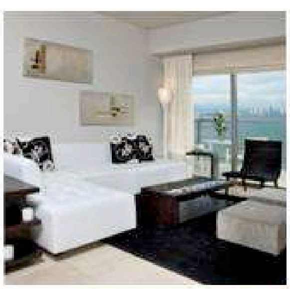
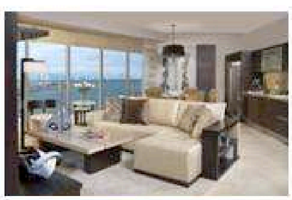
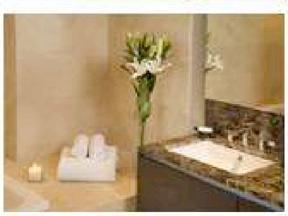
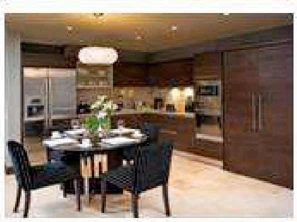
**Statement of Changes of Stockholder´s Equity**
**For the year ended December 31st, 2009**

| | 2009 | 2008 |
|---|---|---|
| **Capital Paid:** | | |
| Balance at beginning and end of the year | B/. 31,245,160 | B/. 31,245,160 |

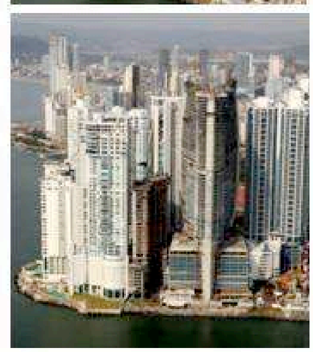
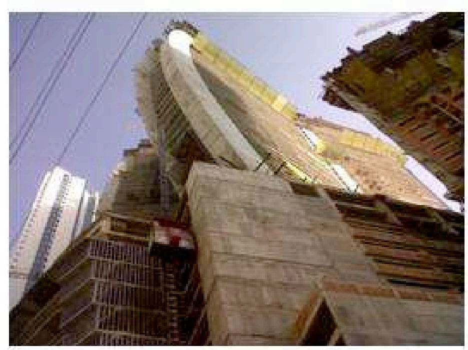
HOTEL GUESTROOMS

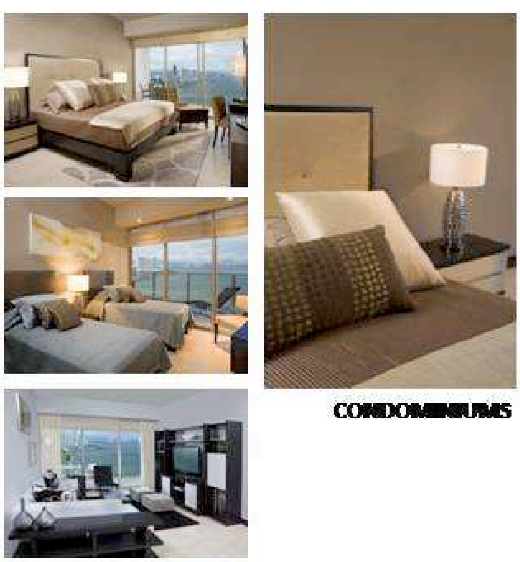





CONDOMINIUMS

CONSTRUCTION STATUS

CONDOMINIUMS



CONDOMINIUMS

CONSTRUCTION STATUS