

# 40 WALL STREET LLC

725 Fifth Avenue, 26<sup>th</sup> Floor  
New York, New York 10022

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Allen Weisselberg  
Executive Vice President  
p. 212.715.7224 | f. 212.832-5396  
[weisselberg@trumporg.com](mailto:weisselberg@trumporg.com)

April 30, 2015

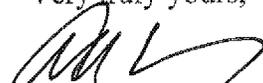
Ladder Capital Finance LLC  
345 Park Avenue, 8<sup>th</sup> Floor  
New York, New York 10154  
Attention: Jack Weisselberg

Re: Proposed \$161,000,000 Refinancing of  
40 Wall Street, New York, New York

Dear Jack:

Enclosed please find the Term Sheet for the above-referenced loan executed by the Borrower. Please be reminded that, as we agreed, the Lender will not incur any third party fees and expenses until I advise you to go ahead with third party reports.

Very truly yours,



Allen Weisselberg

AW:tcc  
Enclosure

**PX-626**

Index No. 452564/2022 (AFE)



April 30, 2015

The following is an indicative term sheet (this "Term Sheet") issued by Ladder Capital Finance LLC (or an affiliate thereof) ("Lender"). Borrower acknowledges and agrees that this Term Sheet is not a commitment to lend, either express or implied, and does not impose any obligation on Lender to issue a commitment or to make a loan on the terms set forth herein or on any other terms. Except for the Sections of this Term Sheet entitled "Expense Deposit", "Closing", "Brokers" and "Confidentiality" (collectively, the "Binding Sections"), each of which shall survive the termination of this Term Sheet, this Term Sheet shall be non-binding upon Borrower and Lender. Any agreement by Lender to make a loan will be subject to receipt of approval from Lender's internal investment committee and Borrower's fulfillment of Lender's standard closing conditions. Except as specifically set forth herein, any reviews, decisions, approvals or acceptance to be made by Lender will be made by Lender in its sole and absolute discretion.

**Property:** 40 Wall Street  
New York, NY

**Property Type:** Office/Retail/Telecom.

**Interest of Borrower:** Leasehold.

**Purpose of Financing:** Refinancing.

**Borrower:** Borrowing entity will be required to satisfy Lender's SPE requirements.

**Loan Amount:** \$161,000,000, subject to the terms and conditions set forth in this Term Sheet.

**Interest Rate:** The greater of (i) the sum of (a) the 10-year mid-market swap rate and (b) 130 basis points and (ii) 3.20%.

**Term:** 10 years.

**Amortization:** Twenty-five (25) year schedule (to be calculated in the same manner as Trump Plaza Commercial).

**Prepayment:** Locked out for lesser of (i) three (3) years and (ii) two (2) years from securitization with defeasance thereafter and a three (3) month open (i.e. without penalty or premium) prepayment period prior to maturity.

**Origination Fee:** None.

**Non-Recourse:** The loan will be non-recourse other than for certain non-recourse carveouts for which Lender will have recourse to Borrower and Donald J. Trump. Such carveouts will be substantially similar to those negotiated in the Trump Tower transaction, except that the Loan will be fully recourse to Borrower and Donald J. Trump if the ground lease is amended, modified,

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cancelled, terminated or surrendered by Borrower in each case, or any of landlord's material obligations under the ground lease are waived by Borrower, in each case without Lender's prior written consent (it being understood and agreed that if leasehold mortgagee protections conforming with the underwriting standards and guidelines of the applicable nationally-recognized rating agencies are not contained in the ground lease and/or the ground lessor estoppel, then the parties will negotiate additional recourse liability relating to modification and termination of the ground lease on mutually acceptable terms to be set forth in the loan documents).

**Assignment:** Assignment language will be substantially similar to the Trump Tower transaction.

**Expense Deposit:** Borrower will be responsible for the reasonable cost of all customary third-party fees and expenses incurred by Lender in connection with the loan (including third party reports, legal and credit searches, etc.) and will be required to make an initial "Good Faith Deposit" of \$75,000 in accordance with the instructions set forth on Exhibit D to be applied towards such costs. Lender will credit any unused portion of the Good Faith Deposit to Borrower at Closing and, if this Term Sheet is terminated, will endeavor to return any unused portion to Borrower within 7 days of termination.

**Maximum LTV:** 55% based on the current Property appraisal.

**Minimum DSCR:** At closing, 1.75x based on Lender's underwritten net cash flow.

**Minimum Debt Yield:** At closing, 12.00% based on Lender's underwritten net cash flow.

**Manager:** The Trump Corporation or another entity acceptable to Lender entitled to receive a fee of no more than three percent (3.0%) of effective gross revenue; or Borrower may self-manage.

**Cash Management:** Hard lock box with in-place cash management. Subject to execution of an acceptable deposit account control agreement, Capital One, NA will be acceptable to Lender as a clearing bank. For the avoidance of doubt, unless and until a Cash Flow Sweep has commenced pursuant to the next paragraph, all excess cash flow after payment of debt service, all applicable reserves on each monthly payment date and approved operating expenses will be distributed to Borrower.

**Cash Flow Sweep:** All excess cash flow after the payment of debt service, all applicable reserves and approved operating expenses will be held by Lender as additional collateral for the loan if: (i) an event of default (i.e. a default by Borrower beyond all applicable notice, grace and/or cure periods) occurs under the loan or the property management agreement and/or (ii) the DSCR for the Property falls below 1.35x. So long as no other Cash Flow Sweep trigger has occurred in each case, the Cash Flow Sweep set forth in (i) above relating to an event of default under the loan will terminate upon Lender accepting a cure of or waiving the applicable Event of Default in its

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sole and absolute discretion in each case, (ii) the Cash Flow Sweep set forth in (i) above relating to an event of default under the property management agreement will terminate upon a satisfactory cure of the event of default under the property management agreement, as determined by Lender in its reasonable discretion, or if Borrower replaces Manager in accordance with the loan documents, or (iii) the Cash Flow Sweep set forth in (ii) above will terminate upon re-establishing a DSCR of 1.40x for two (2) consecutive calendar quarters, and in the event of any such termination, any excess cash flow then being held by Lender as additional collateral shall be returned to Borrower.

**Reserves:**

Borrower will be required to establish at Closing reserves for material deferred maintenance and initial deposits into tax reserves. In addition, ongoing reserves will be collected for taxes and such other purposes as Lender may determine to be necessary as a result of its due diligence review and underwriting. In lieu of reserves for insurance, tenant improvements, leasing commissions, capital expenditures and ground lease payments, Donald J. Trump may provide a personal guaranty. In lieu of reserves for free rent periods (at Closing only), Donald J. Trump will guaranty all outstanding free rent, which will burn off on a lease by lease basis when the respective tenant begins to pay full, unabated rent.

**Special Conditions:**

In order to reduce the mortgage recording taxes payable upon recording of the mortgage securing the loan, Lender agrees, at Borrower's sole cost and expense, to take an assignment of the existing notes and mortgages and create a consolidated amended and restated note and mortgage in accordance with Lender's customary mortgage assignment procedures.

**Closing:**

The targeted loan closing is July 1, 2015 and if the loan does not close by August 15, 2015, this Term Sheet will automatically expire; provided that this Section and the other Binding Sections shall survive any termination of this Term Sheet. Borrower will not (and will not permit its affiliates to) procure financing for the Property with any party other than Lender unless Lender has previously terminated this Term Sheet, Lender is no longer offering to make a loan on the terms and conditions described herein without material change or, provided Borrower has negotiated in good faith and timely provided any requested due diligence materials and information and has satisfied all of Lender's closing conditions, the Loan does not close by August 15, 2015.

In the event Borrower (or its affiliate) obtains financing for the Property from another lender (unless Lender has previously terminated this Term Sheet or one of the other circumstances described in the preceding paragraph has occurred), then Lender will be entitled to retain the unapplied balance of the Good Faith Deposit and receive an immediate payment, upon demand, of a break-up fee equal to 0.5% of the loan amount as liquidated damages for the

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time and effort expended by Lender, it being expressly acknowledged and that Lender's actual damages in such instance will be impossible to calculate.

**Closing Conditions:** Lender's conditions to closing the loan will include but not be limited to the closing conditions set forth on Exhibit A.

**Loan Sale Cooperation:** Borrower agrees to cooperate with Lender upon request by Lender to restructure the loan including, without limitation, by creating one or more mezzanine loan(s), senior and/or subordinate note(s) (i.e., an A/B or A/B/C structure) and/or pari passu notes; provided, that such restructuring is not adverse to Borrower or Donald J. Trump other than to a *deminimus* extent.

**Other Debt:** None permitted other than trade payables and equipment financing on terms to be set forth in the loan documents.

**Brokers:** Borrower and Lender represent to each other that no brokers have been engaged in connection with the loan and agree to indemnify and defend the other against all costs and expenses incurred by the other in connection with any party claiming a fee, commission or other compensation by or through Borrower or Lender, as applicable, related to the loan.

**Confidentiality:** This Term Sheet is being delivered with the understanding that neither it nor the substance thereof will be disclosed by Borrower or any guarantor or any of their respective affiliates to any third person, except those who are in confidential relationships to any of them (i.e., Borrower's counsel, accountants and other retained business advisors) or as may be required by law. Concurrently herewith, Borrower and Lender will enter into a confidentiality agreement on the Trump Tower form.

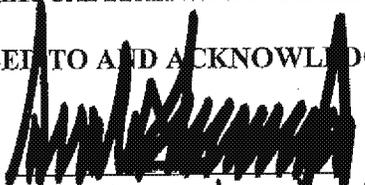
**Expiration:** Borrower will have four (4) business days from the date hereof to execute and return this Term Sheet to Lender, together with the certification(s) set forth on Exhibit C (completed as required) and the Good Faith Deposit, failing which this Term Sheet shall be null and void.

Please feel free to contact Jack Weisselberg at (212) 715-3183 if you have any questions.

Sincerely,

LADDER CAPITAL FINANCE LLC

AGREE TO AND ACKNOWLEDGED ON BEHALF OF BORROWER:

BY:   
40 Wall Street LLC  
By: 40 Wall Street Member Grp  
By: Donald J. Trump, President

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EXHIBIT A

CLOSING CONDITIONS

- 1) Review and approval of Borrower's organizational documents and structure and the credit history of Borrower, Manager and Donald J. Trump;
- 2) Review and approval of the ground lease related to the Property, which must be acceptable to Lender and shall be in compliance with underwriting standards and guidelines of the applicable nationally recognized rating agencies (it being acknowledged that the rental payments, including the rent increase in 2033, have been reviewed by, and are acceptable, to Lender (subject to the condition that the closing of the loan shall be subject to approval by Lender's internal investment committee));
- 3) Delivery of a FIRREA appraisal from an MAI appraiser, a Phase I environmental report, a structural engineering report and, if applicable, a seismic report;
- 4) The absence of any event or development occurring or any information being received with respect to the Property, Borrower, Manager, any guarantor or any of their respective principals, or any tenants at the Property which could materially and adversely affect the management, the net operating income or value of the Property or the loan or the ability of Borrower to make any payments that would be required under the loan;
- 5) Execution and delivery of Lender's loan documents (which will be substantially similar to the loan documents for the Trump Tower transaction);
- 6) Delivery from Borrower's counsel of all legal opinions required by Lender including, without limitation, a non-consolidation opinion. O'Halloran Ryan shall be acceptable to Lender to provide the due authorization and enforceability etc. opinion and the non-consolidation opinion;
- 7) Delivery of copies of all commercial leases, including any subleases, original tenant estoppels and subordination agreements. Borrower's obligation to deliver estoppels from space tenants as a condition for the funding of the Loan will be satisfied if Borrower delivers estoppels from each of the 5 largest tenants (based on total square footage) as well as tenants representing 70% or more of the total square footage at the Property. SNDA's will generally not be required unless particular issues are identified after review of the leases (e.g, purchase option or lease requirement);
- 8) Delivery of financial statements (including tax returns) from Borrower and any guarantor. Weizer Mazars LLP will be acceptable to Lender in connection with any accounting or reporting obligation in the loan documents requiring an acceptable accounting firm. The loan documents will provide that Borrower's annual financial statement shall be audited by an acceptable accounting firm (i.e. Weizer Mazars LLP);
- 9) Delivery of valid permanent or temporary certificates of occupancy (if subject to any conditions, such conditions being reasonably acceptable to Lender), zoning confirmation letters or zoning reports and evidence of insurance; and
- 10) Receipt of a policy of mortgagee title insurance and an updated certified survey, each in compliance with the terms and conditions set forth on Exhibit B.

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**EXHIBIT B**

**TITLE AND SURVEY REQUIREMENTS**

**I. TITLE REQUIREMENTS:**

A title insurance policy with a liability limit not less than the final loan amount, insuring the mortgage as a first lien on the title to the Property and issued by a nationally recognized title insurance company acceptable to Lender, provided that 50% of the policy will be co-insured by, and the loan will be funded through, the New York office of a nationally recognized title insurance company approved by Lender, which approval will be granted by Lender on a case by case basis after consultation with Borrower. First American Title Insurance Company, 633 Third Avenue, New York, New York 10017 (Attention, Larry Cantor) and Commonwealth Land Title Insurance Company, Two Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, NY 10017 (Attention, Peter Doyle) are currently on Lender's approved list of title insurance companies for purposes of such 50% co-insurance requirement. The title insurance policy will be subject only to such exceptions as will be approved by, and will contain such endorsements as may be required by, Lender.

**II. SURVEY REQUIREMENTS:**

A current title survey of the Property by a licensed or registered land surveyor acceptable to Lender, certified to Lender, its successors and/or assigns and the appropriate title insurance company, which survey and certification will be in form, scope and substance acceptable to Lender and prepared in accordance with the Minimum Standard Detail Requirements and Classifications for ALTA/ACSM Land Title Surveys, as adopted in 2011.

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**EXHIBIT C**

**PROPERTY AND PRINCIPAL CERTIFICATION**

Complete a separate sheet for **each** general partner, managing member, control party, guarantor, member, limited partner or shareholder owning equal to or more than **20%** (each, a "**Significant Principal**"). For all questions not specifically related to the Property, please answer for **ALL ENTITIES AND ALL PROPERTIES** in which **each** Significant Principal has or has had an ownership interest. **If you checked "Yes" for any of the questions posed in item numbers 1-22 below, please attach a detailed explanation for each and every such response. Answers should be provided only for events occurring within the last ten (10) years.**

	<b><u>YES</u></b>	<b><u>NO</u></b>
1. Is there any pending or current litigation directly related to the Property or the owner(s) of the Property?		
2. Has the existing loan on the Property ever been in default (whether or not cured) or forbearance (whether permanent or temporary)?		
3. Has there ever been any legal action commenced or lis pendens or other litigation filed against the Property or the owner(s) of the Property during your ownership of the Property?		
4. Have you ever been declared bankrupt or filed a petition or action under any bankruptcy or insolvency laws or had a judgment against you or any of your assets (including the Property)?		
5. Have you ever had a judgment against you or any of your assets (including the Property)?		
6. Have you ever been a principal, partner, shareholder or member with any direct or indirect ownership interests in an entity (including the owner of the Property) that has declared bankruptcy or filed a petition or action under any bankruptcy or insolvency laws?		
7. Have you ever been a guarantor of an entity (including the owner of the Property) that has declared bankruptcy?		
8. Have you ever had any claim made against you under a guaranty?		
9. Have you ever had property (including the Property) foreclosed upon or given title or deed in lieu thereof?		
10. Have you ever been a principal, partner, shareholder or member of an entity (including the owner of the Property) that had a property foreclosed upon or given title or deed in lieu thereof?		
11. Have you ever had a repossession (including of the Property)?		
12. Have you ever requested or received modification (whether permanent or temporary) of the terms of any mortgage or any other loan (including the loan on the Property)? Please include, without limitation, reference to any discounted purchase offer (DPO), any modification in principal or interest payments or any other terms, any waiver or deferral of any other obligation, etc., whether or not pursuant to a written agreement?		

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13. Have you ever been a principal, partner, shareholder or member of an entity (including the owner of the Property) that requested or received modification (whether permanent or temporary) of the terms of any mortgage or any other loan (including the loan on the Property)? Please include, without limitation, reference to any discounted purchase offer (DPO), any modification in principal or interest payments or any other terms, any waiver or deferral of any other obligation, etc., whether or not pursuant to a written agreement?		
14. Have you ever been in default on or received forbearance (whether or not pursuant to a written agreement) on any mortgage (including on the Property) or any other loan?		
15. Have you ever been a principal, partner, shareholder or member of an entity that has ever been in default on or received forbearance on any mortgage (including on the Property) or any other loan?		
16. Have you ever been involved in litigation with parties with whom you have partnered, joint ventured, or otherwise collaborated and/or is any such litigation currently being threatened against you?		
17. Have you ever been arrested or convicted of or plead guilty or no contest to a felony or a misdemeanor or are you presently the subject of an arrest, complaint or indictment charging a felony or a misdemeanor?		
18. Are you a co-maker, guarantor, or endorser on any note?		
19. Are you or have you ever been a party to any claim or lawsuit?		
20. Are any of your assets pledged as collateral?		
21. Do you owe any real estate taxes (on the Property or otherwise) that are delinquent or any income or other taxes for the years prior to the current year? Are you currently contesting any real estate taxes (on the Property or otherwise) or any income or other taxes?		
22. Have you been the subject of an IRS audit in the past three years?		
23. Are you a U.S. citizen?		
24. Are you a resident alien?		
25. Have you ever obtained credit under any other name or have been known by any other name in the last 10 years? If yes, list other names or aliases:  _____		

The information contained in this certificate and any explanation(s) attached hereto is true, accurate and complete.

[NAME]

[NAME]

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

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

Applicant Initials \_\_\_\_\_



Applicant Initials \_\_\_\_\_



**EXHIBIT D**

**GOOD FAITH DEPOSIT DELIVERY INSTRUCTIONS**

**IF BY WIRE:**

Bank: JPMorgan Chase  
Bank Address: 270 Park Ave., New York, NY 10017  
Account No: 865357610  
ABA No.: 021-000-021  
Account Name: Ladder Capital Finance LLC  
Reference: 40 Wall Street  
Attention: Jack Weisselberg  
Email: jack.weisselberg@laddercapital.com  
Phone: 212-715-3183

**IF BY CHECK:**

Ladder Capital Finance LLC  
345 Park Avenue  
8<sup>th</sup> Floor  
New York, NY 10154  
Attention: Jack Weisselberg

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