

The Owner intends to refinance the first mortgage loan when the existing loan ends on December 1, 2018 and has requested a further subordination and deferment of the start of payment on the City loan until the end of the new first mortgage loan. Repayment of the City loan would remain at three percent interest per year for five years. Although the terms of the new first mortgage loan have not been determined, it is anticipated to have a seven-year term. The Owner has agreed to make an up-front principal payment of \$100,000 prior to the additional subordination and deferment, reducing the principal to \$300,000.

A resolution approving further subordination and deferment of the start of payment and a copy of the Owner's request are attached.