

To: Linette Rhodes, CDBG Office

From: Paul Jasenski

Date: October 14, 2011

Re: Subordination Agreement Request

Common Wealth Development, Inc. (CW) is seeking to refinance our existing 1st mortgage loans, estimated balance of \$132,767, on the following three mixed-use properties:

1343 Williamson (Clock Shop Building)
 1406 Williamson (Creative Energy Products Building)
 1501 Williamson (Common Wealth's office building)

We propose to increase our 1st mortgage loan amount by \$220,000 (plus refinancing costs) to less than or equal to \$360,000. These funds will be used to fund our equity contribution for the Jenifer, Cantwell, and Thornton development.

Appraised Value (3 Properties):		\$1,085,000
Loan to Value Ratio(s):	1 st Mortgage	33% LTV
	2 nd Mortgage	50% LTV
1 st mortgage loan terms:	Amount	\$360,000
	Rate	4.9%
	Term	5 years
	Amortization	25 years

Please contact me with any questions.

Thanks for your help.

Common Wealth Development, Inc. - Refinance

CWD "Other" properties	1406	1343	1501	CWD Props.
	Williamson	Williamson	Williamson	
Appraised Value(s) as of 10-6-11	375,000	240,000	470,000	1,085,000
1st mortgage - existing balance(s)	69,033	22,535	41,199	132,767
Line of Credit			50,000	50,000
CDBG		45,005	8,197	53,202
CDBG Lead		21,259		21,259
CDBG Nghd		10,000		10,000
CDBG Program	25,000			25,000
CDBG HOME	70,000			70,000
Total Debts	164,033	98,799	99,396	362,228
Equity	210,967	141,201	370,604	722,772

2011 - Refinance of CWD Other Debt, 1st Mortgage

	1406	1343	1501	
	Williamson	Williamson	Williamson	
Mortgage Balance	\$69,033	\$22,535	\$41,199	\$132,767
Current Interest Rate	6.25%	5.50%	6.25%	
Current Payments	\$ 841.47	\$ 497.45	\$ 464.95	\$ 1,803.87

				Debt Service/mo.	
Current Debt Service Payment				1,803.87	
3-5 year ARM	\$ 140,000	4.90%	25 yr amt	locked in 5 year rate	\$810.29
Projected Savings					993.58
Additional Cash Out Refinance Debt for Jenifer, Cantwell & Thornton					
Proposed New debt	\$ 220,000	4.90%	25 yr amt	locked in 5 year rate	\$1,273.31
less savings form refinance					993.58
Net Additional Cost to Common Wealth					\$279.73

Est Fair Market Value		1,085,000
1st Mortgage - proposed	1st mortgage Loan to Value Ratio = 33%	360,000
2nd Mortgage amount total	2nd Mortgage Loan to Value Ratio = 50%	179,461