

ARISE FAMILY SERVICES INC.

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August 16, 2008

City of Madison
210 Martin Luther King Jr. Blvd.
Madison, WI 53709

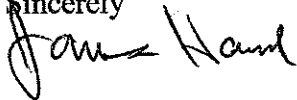
Dear Audrey Short:

In November 2005 Arise Family Services, Inc. ("Arise") entered into Loan Agreement(s) with the City of Madison whereby the City loaned to Arise \$214,590 and \$200,200, which sums are secured by Promissory Notes dated November 1, 2005 and Mortgages on property owned by Arise at 519 East Johnson Street, Madison, WI, and 324 East Mifflin Street, Madison, WI, respectively. Copies of the Loan Agreement(s), Promissory Notes and Mortgages are enclosed.

Arise has recently sought a secured line of credit from the Monona State Bank. It is anticipated that the line of credit will be given to Arise in the amount of \$80,000. As a condition of the Bank's willingness to issue the line of credit, it will require that the City subordinate the two mortgage liens identified above to the lien securing the Bank's line of credit. The subordination would extend only to the \$80,000 limit or amount actually owed on the line of credit.

This letter is to request that the City of Madison subordinate its two mortgage liens on these two properties in favor of the lien given by Arise to Monona State Bank securing the lien of credit and enter into the agreements necessary to accomplish such subordination.

Sincerely



James Hawk CSAC
Executive Director
608-335-4564
JHawk@arisefamily.org

Enclosures

Arise Family Services (AFS) is a 501-c-3 non-profit organization

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United Way
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