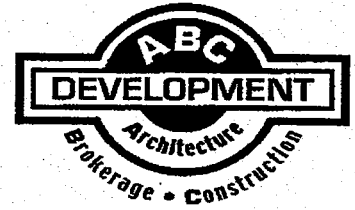


ABC Development, LLC Milwaukee, WI 53201 414 961 2223 414 961 2223 fax

REAL ESTATE DEVELOPMENT AND CONSULTING SERVICES



March 27, 2003

Mr. Steve Mahan  
Community Block Grant Administration  
City Hall, 200 East Wells Street - Room 606  
Milwaukee, WI 53202  
414-286-3847....414-286-5003 (fax)

Re: Matyas Building  
2443 N. Holton Street

Dear Mr. Mahan:

Thank you for meeting with Bill Cummings and me on Tuesday regarding the Matyas Building project.

As you know, the City of Milwaukee has allocated \$274,000 in HOME funds to the YWCA of Milwaukee for the Matyas Building project. This building was a tax foreclosure property that the YWCA purchased from the City of Milwaukee. The YWCA has expended a great deal of their own money out of pocket (nearly \$300,000) to keep this project moving forward and to insure that it is completed before year's end. The building has been completely gutted on the inside. The foundation has been restored, the first floor has been leveled and new structure is in the process of being installed where necessary.

Recently however, the YWCA and its subsidiary YW Housing, Inc has made a long term planning decision to pull back from a wide variety of projects to focus more closely on their core missions. Therefore, the YWCA has offered the project to another local non-profit, the Wisconsin Preservation Fund (the "WPF"). WPF has agreed to take over the project, including the debt/costs incurred by the YWCA related to this project, contingent on the transfer of the HOME dollars from the YWCA to WPF.

The current structure for the HOME funds is that CBGA provides the HOME funds to the YWCA of Greater Milwaukee who then lends the HOME funds to Matyas Building, LLC at the applicable federal interest rate. Currently Matyas Building, LLC has two members they are YW Housing, Inc. and YWCA of Greater Milwaukee

which are the 1% Managing Members. The other 99% Member will be the equity investor, currently projected to be M&I Bank.

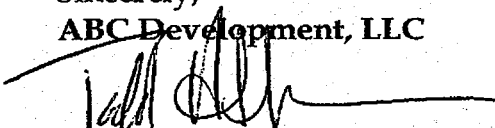
We would like to restructure the deal in the following manner. The YWCA and YW Housing will assign their interests in the project to WPF. CBGA will assign or reallocate the HOME funds to WPF and WPF will lend the HOME funds to Matyas Building, LLC at the applicable federal interest rate. All other aspects of the project remain the same, including layout, type of units, number of units, rental rates, etc.

In addition, because of the delays caused by the demise of our original architect/builder, we have some additional costs that need to be covered by other sources of funds. We would like to respectfully request that the amount of the HOME funds be increased from the \$274,000 currently allocated to a maximum of \$360,000 any additional increase would be appreciated.

Your assistance in getting these funds transferred would be greatly appreciated. This will truly be a win-win solution. It will help the YWCA refocus on their primary missions, it will also get the YWCA repaid for the funds that they have expended to date on the project and it will complete a very important project on Holton Street which is now the focus of a new improvement project with the City and the YMCA.

If you have any questions or concerns regarding this, please do not hesitate to call.

Sincerely,  
ABC Development, LLC



Todd Hutchison, AIA  
President

414-964-2222

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Apr 30 03 03:51p

Paula H. Penebaker

414-267-2453

p. 2



**YW Women's Enterprise Center**

1815 North Dr. Martin Luther King, Jr. Drive  
Milwaukee, WI 53212  
414.374.1800 Administrative Offices  
414.374.9992 Customer Service  
fax: 414.374.2880  
www.ywcamilw.org

April 30, 2003

Steven L. Mahan, Director  
City of Milwaukee  
Community Block Grant Administration  
200 East Wells Street - Room 606  
Milwaukee, WI 53202

Re: Matyas Building

Dear Mr. Mahan:

As you know, the City of Milwaukee has awarded a HOME grant in the amount of \$274,000 to the Young Women's Christian Association of Greater Milwaukee (the "YWCA") in connection with the Matyas Building project. The YWCA and its housing affiliate, YW Housing, Inc. ("YW Housing"), have decided not to proceed with the development of this project. However, the YWCA and YW Housing have reached agreement with Wisconsin Preservation Fund, Inc. ("WPF") pursuant to which the YWCA and YW Housing will assign all of their right, title and interest in and to the project to WPF. As a consequence, the YWCA is not longer in need of the \$274,000 HOME grant. We understand, however, that WPF would like the HOME grant transferred to it so that WPF may proceed with the development of the project, and we would appreciate any assistance you can provide in connection with such transfer.

Yours very truly,

YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
OF GREATER MILWAUKEE

BY

Barbara Wyatt-Sibley  
Executive Director

*Our Mission* The YWCA is a national organization of women with limited backgrounds and skills, to educate, enlighten and empower women to the empowerment of women.

The YWCA believes in diversity and equality - THE ONE IMPERATIVE of thrusting our collective power toward the elimination of racism which is the only path to true equality.

The YWCA of Greater Milwaukee  
is a member agency of the  
United Way of Greater Milwaukee



414-374-1800