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JUN 15 2009

CITY OF MONTICELLO

Bob Schwartz
City Manager

Bob,

Attached is a statement of the standing and debt of the Red Clay project of June 1, 2009.

After many meetings and lots of strategic planning we propose the following;

Refinance the loans at both banks. In addition to the original loan payoffs, we would increase each loan by \$15,500. This would pay all past due bills, catch up the RLF loan, and pay all vendors. Included is an additional \$10,000 to be used to market the building for sale and to offer a bit of working capital to that end. The banks have both agreed to this and are ready to assist as long as the RLF fund balance remains in the 2nd position after the banks of the secured notes and deed of trust.

Remember that the RLF fund will be current after this transaction as well as the utilities etc.

Bank of Monticello new loan \$48,980.00 15 years at 7.25%	\$450.00 mo
McIntosh State Bank new loan \$41,037.82 15 years at 7.25%	\$375.00 mo
RLF Fund (payment remains the same)	\$682.16 mo
Average Utilities (Red Clay portion)	\$200.00 mo
Telephone (needed for security system) could be reduced	\$ 90.00 mo
Security monitoring Fire, theft etc	\$ 14.00 mo
Maintenance Fire Suppression system	\$ 36.00 mo
Insurance Structure and Liability	\$354.00 mo
Total	\$2,201.16 mo

The aim of the DDA is to continue with the café at a fixed rent with the café paying the majority of the utilities since it is the café that uses them.

Gas	100%
Elec	75%
Water	90%

Front Tenant (now DDA)

Elec	15%
Water	5%

Basement Tenant

Elec	10%
Water	5%

The current café tenant is in agreement with the above. The DDA is going to market the front portion of the building to a single tenant, and will not have a salaries expense as there are no employees. We feel that with a bit of time, the project will be successful

Keep in mind that our grant of \$85,000 from USDA, (Rural Business Enterprise Grant) is reusable and can be applied to a new project once the Red Clay is successfully completed.

Projected Income

Café	\$1,000
Front	\$1,100
Basement	\$ 200 (will increase)
Total	\$2,300 per month

Monticello Downtown Development Authority

Post Office Box 269 — Monticello, GA 31064

Bank Loans Payoff as of 05/26/09

Maturity Date for large loans – 09/28/09

Maturity Date for small Loan – 06/01/09

Bank of Monticello	Small Loan	\$ 8,201.90
	Large Loan	<u>\$25,278.33</u>
	Total BOM	\$33,480.23
McIntosh State Bank	Large Loan	\$25,537.82

Total Balance Due Both Loans = \$59,018.05

City of Monticello – Revolving Loan Fund (RLF)

Total Amount Borrowed from RLF Fund	\$123,000.00
Total Amount Paid to date (10 mos. @ \$682.16)	\$ 6,821.60
(Total Amount Delinquent-(11 Mos. @ \$682.16)	\$ 7,503.76
Total Balance Due	\$116,860.56

Jasper County Tax Commissioner

2007 Taxes on Building \$ 2,940.77

City of Monticello – Utilities

Total Owed through May, 2009 \$ 4,395.57

Tricia Armistead CPA

Amount Owed CPA Services \$ 750.00

Red Clay Galleria Vendors

Amount Owed through May, 2009 \$ 3,930.68

Lake Oconee Messenger

Advertisement for building \$ 97.57

Pyro-Protection LLC

Maintenance Fire Suppression System \$ 213.15
(semi-annual svc./supplies)

ABC Security

Quarterly Monitoring \$ 52.50
\$ 12,380.24

All Total \$188,258.85

*Current
6/12/09*