

## CITY OF PARIS REVOLVING FUND COMMITTEE MEETING MINUTES

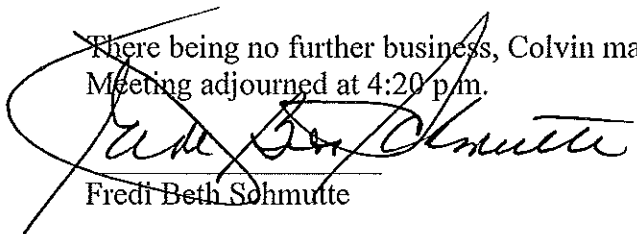
The City of Paris Revolving Loan Committee convened at 4:00 p.m. on Monday, April 24, 2011 at the Paris City Hall. Members present included Bob Colvin, Pete Templeton and Keith Miller. Member Volkman was absent. Also present City Administrator Paul Ruff, Development Consultant Fredi Beth Schmutte, Don Bartos and Dusty Rhodes. Ruff told the Committee that Dave Sullivan, Chairman, had tendered his resignation to the Mayor via a letter dated March 25, 2011. (Copy attached). Committee asked Keith Miller to serve as temporary chairman. Miller turned the meeting over to Schmutte and she explained the project to be considered.

The RLF project is a request for a loan in the amount of \$300,000 at a three percent rate of interest for a 10 year term to assist in the acquisition of the golf course and club house formerly known as Sycamore Hills. Proposed security for the requested RLF financing would be a first mortgage on the golf course and clubhouse. Paris CC Inc. has requested that the loan agreement include language that in the event that Paris CC Inc. needs to secure either a term loan or line of credit for work directly related to the golf course or clubhouse, the City would agree to allow that lender to secure a first lien position. The subordination, however, could not exceed \$150,000.

The total cost of the proposed transaction is \$726,000 which includes \$50,000 towards a 10 percent buyer's premium that was paid at the close of the real estate auction. However, the total project cost reflected in this application is \$676,000 which excludes the non-refundable \$50,000 payment. Ownership of the property and improvements reverted to First Bank and Trust. The Bank entered into an agreement with Aumann Auctions Inc. to conduct an absolute auction on March 29, 2011 for the golf course, clubhouse building and personal property. The successful bidder for the golf course and clubhouse building was Paris CC Inc. which is owned by DMB Inc. and Thomas "Dusty" Nelson Rhodes and Brittany Rhodes. As per the terms of the real estate auction, the closing must take place within 30 days following the date of auction.

Acting Chairman Miller introduced Bartos and Rhodes. They provided an overview of the proposed project, their marketing and management strategy and proposed arrangements for the lease of the clubhouse/restaurant operation. After discussion, Member Templeton moved that the request be approved contingent upon the conditions outlined in Schmutte's April 22, 2011 transmittal memorandum. Motion seconded by Colvin. The motion passed.

There being no further business, Colvin made a motion to adjourn. Seconded by Miller.  
Meeting adjourned at 4:20 p.m.

  
Fredi Beth Schmutte

## CITY OF PARIS REVOLVING FUND COMMITTEE MEETING MINUTES

The City of Paris Revolving Loan Committee convened at 9:00 a.m. on Thursday, February 4, 2010 at the Paris City Hall. Members present included Chairman Dave Sullivan and committee members Bob Colvin and Pete Templeton. Member Keith Miller arrived at 9:35 a.m. and Member Volkman was absent. Also present City Administrator Paul Ruff and potential purchaser of Sycamore Hills County Club, Rich Neal. Development Consultant Fredi Beth Schmutte was present via speakerphone. Chairman Sullivan introduced Rich Neal to the Committee and he provided some background information on the project and his previous undertakings. He also explained the importance of the roadway project to the long term success of Sycamore Hills.

The purpose of the meeting was to consider a request by the City for an infrastructure grant to reconstruct and convert the existing private roadway—the entrance to Sycamore Hills County Club from the Clinton Road approximately 1200 linear feet, to a public roadway known as County Club Drive. Estimated cost of required improvements is \$245,877. As a result of the public infrastructure improvement, Rich Neal proposes to purchase Sycamore Hills, including clubhouse, restaurant and golf course, and complete certain improvements at a total estimated cost of \$925,000. Financing is to be provided by First Bank and Trust. As a result of the proposed project, Sycamore Hills, Inc., will create 23 full-time equivalent jobs in the City.

Chairman Sullivan indicated his intent to recuse himself from the discussion because of the Bank's (his employer) involvement in the project. Sullivan then turned the meeting over to Development Consultant Schmutte. She indicated that as per her transmittal memorandum, programmatically the project can be approved and that reconstruction of a roadway is an eligible CDBG activity. Davis Bacon Prevailing Wage Rate requirements are applicable to the reconstruction of the roadway. DCEO has issued their environmental review clearance. Schmutte did comment on the February 2, 2010 newspaper article that indicated that Mr. Neal had already purchased Sycamore Hills. The newspaper article is not correct and, in fact, Neal is currently operating under a lease agreement with First Bank and Trust. (Copy of the lease agreement provided). As per the sales contract, the purchase is contingent on the City's commitment to provide the infrastructure improvement previously described. Neal anticipates opening the facility as soon as he completes the requirements for a liquor license.

Member Miller made a motion to recommend approval of the infrastructure improvement as described. Motion seconded by Templeton. Absentee vote was cast by Member Volkman. The motion passed, including Volkman's vote and Sullivan and Colvin abstained.

There being no further business, Templeton made a motion to adjourn. Seconded by Miller. Meeting adjourned at 9:45 a.m.

---

Paul Ruff, Acting Secretary