

ATTACHMENT A

**A RESOLUTION APPROVING A REVOLVING LOAN
FOR PLACESMEDIA, INC.
Resolution No. 173/2001-02**

WHEREAS, Paul Jacobs and Lindsay Bentz have applied for a loan from the Town of Carrboro's Revolving Loan Fund in the amount of \$50,000 at 6% interest for 3 years to expand their business at 304 Weaver Street Carrboro North Carolina; and

WHEREAS, the applicants have met the criteria for the loan by being located in the Town of Carrboro, creating at least one (1) job per \$10,000 borrowed, having contributed more than a dollar-for-dollar match for the money requested from the Town, and documenting a clear ability to repay the loan based upon documents submitted; and

WHEREAS, the applicants have all applicable permits from the Carrboro Zoning Office and the Secretary of State; and

WHEREAS, the loan package has been reviewed and recommended for approval by the both the Small Business Technology Development Center (loan packager) and the Downtown Development Commission (loan board),

**NOW THEREFORE THE CARRBORO MAYOR AND BOARD OF ALDERMEN
RESOLVES:**

Section 1. The applicants have met the requirements for the loan under the RLF Program and have met all requirements to receive the necessary permits from the Zoning Division to operate the business in the Town of Carrboro.

Section 2. The Manager is authorized to have the Town Attorney's office prepare all necessary documents and issue a loan in the amount of \$50,000 at an interest of rate 6% for a term of 3 years. The collateral for the loan will be the accounts receivables, the applicant's personal signatures, a life insurance policy on both principals and all equipment purchased with the loan proceeds.

Section 3. That loan repayment shall begin six (6) months from the date of the signing of the documents.

Section 4. This resolution shall become effective upon adoption.

UNC - SBTDC LOAN PREPARATION PKG.# 4022CLIENT NAME: PLACES MEDIA, INC. PAUL JACOB/LINDSAY BENTZBUSINESS NAME: PLACES MEDIA, INC.COUNSELOR: CHRISTOPHER V. WEEKS**CASE SUMMARY**

PlacesMedia, Inc. is a publishing company located in Downtown Carrboro, North Carolina. The company is responsible for publishing PLACES, an international travel, tourism, and culture magazine. The magazine that PlacesMedia Inc. has produced is a high-end, full color publication targeting a segment of the population that has been overlooked by publishers of travel related magazines. The end product is a very professional, quality publication comparable, if not superior to, many other magazines. On a shoe string budget, PlacesMedia, Inc. has produced three complete magazines, maintaining their bi-monthly schedule and meeting their deadlines. Typically, most magazines struggle with meeting deadlines for publishing. PLACES has consistently met their objective.

Advertising and distribution are the two revenue sources for the magazine and have proven to be a significant source of revenue for PlacesMedia, Inc. Currently, PLACES has accumulated in excess of 80,000 dollars in revenue from the ad and distribution sales for this project (PLACES SPRING 2002). These revenues are currently listed in an Accounts Receivables capacity with the payment terms at NET 60, which is the industry standard. This stream of revenue, as well as the projected sales, are substantial, making the capacity to repay more attractive. Additional deals currently in the finalization process include an agreement with SATURN Automobile Company, valued at 50,000 dollars, and the hiring of the top newsstand consultant in the country to continue to lift the publication's public sentiment.

The owners of PlacesMedia, Inc. have put their blood, sweat, tears, and every bit of their personal investment into this organization and this is evident by their product. While personal credit histories for both owners show serious problems, and this must be considered. Owner Lindsay Bentz sustained much of this situation in dealing with the grave illness of a parent. Neither owner has worked outside of their current endeavor, causing their personal income to be very low as well. This has played a major role in the company being denied by three separate lending institutions, thus requiring that they apply for the Carrboro program. In addition, the applicants have no collateral outside of their A/R. It is worth noting that since the inception of PlacesMedia, Inc. there have been no late pays or other credit related issues for the company.

An international magazine headquartered in Carrboro would be great for the town. PlacesMedia intends to hire an additional two staff persons from the community. These will be low to moderate income positions. This satisfies the requirement pertaining to job creation. PlacesMedia, Inc. has made a valiant effort in providing every supporting document available in compiling this loan package. Their lack of collateral and credit history appear to be factors that would add risk to this loan package, however, the immediate need for funds, and very strong financial trend of the business suggest it should be given serious consideration.

Christopher V. Weeks
SBTDC Counselor Signature

5/3/02
Date

Memo

To: Mayor and Board of Aldermen
From: Mariana Fiorentino and James Morgan Co Chairs DID
CC: James Harris, Director of Community and Economic Development
Date: 6/12/2002
Re: PlacesMedia, Inc. Revolving Loan Application

The Downtown Development Commission met on May 23, 2002 as the Carrboro Revolving Loan Board and reviewed the application for a loan from PlacesMedia. Inc. PlacesMedia Inc. is a new and upcoming publisher of an international travel magazine. It is currently housed at 304 Weaver Street with several other professional businesses. This is the type of business that is identified in the Downtown Carrboro Market Analysis that we need to attract to the Town of Carrboro. The Town has, because their magazine was interviewed on national Television and includes articles about the town in the publications, received exposure that we would not ordinarily receive.

The review of the loan by the loan packager was complete. It suggested both weaknesses and strengths. The Strengths out weigh the weaknesses. In the view of the Loan Board the applicant meets the loan criteria and with standing the past credit problems should be granted the loan. Since the start of this business no negative credit reports have been reported on the applicants who show growth and maturity and an ability to better manage their financial affairs.

The Loan Review Board recommends the approval of a loan for \$50,000 for a period of three (3) years at a term of 6 %. The loan repayment period should begin six (6) months after the signing of the loan so that the business can build their cash flow.

