

**Redwood Region Economic Development Commission
EXECUTIVE COMMITTEE
Monday, January 25, 2010
5:30 p.m.**

Minutes

I. Call to Order

The meeting was called to order at 5:34 p.m. A quorum was present.

Members Present: Tyler Holmes, Bruce Rupp, Sherman Schapiro, Frank Scolari

Members Absent: Jill Duffy, Helen Edwards

Staff Present: Virginia Fisher, Gregg Foster, Bonnie Smoller

II. Approval of Agenda and Minutes

A. It was noted that in the minutes of December 17, 2009, the list of those present was omitted. The minutes will be corrected. A motion was made to approve the minutes, with the correction, and the agenda for January 25, 2010. **M/S/P: Holmes/Rupp**

III. Public Input – for non-agenda items

None

IV. Old Business

A. Request for Change in Terms: Darcy Fardette-Konkler and Bryan Konkler d.b.a. Flips for Kids Gymnastics Center: This borrower has secured a tenant to lease their building at 1675 Union Street, Eureka. They have agreed to a new payment plan that will capitalize all back interest and re-amortize their loan over 300 months with a 120 month term.

Under the terms of the loan RREDC has an Assignment of Rent; staff was asked to look into the possibility of adding an Assignment of Lease.

It was moved to approve this change in terms as presented, with the condition that staff consults with the RREDC attorney regarding adding an Assignment of Lease to the conditions of the CIT. M/S/P: Scolari/Rupp

B. Authorization for Default Declaration: J.R. Stephens Co.: Staff has authority to declare this loan in default if/when it goes over 30 days, without having to come to the Executive Committee for further authorization. **No action needed.**

V. New Business

A. Request for Change in Terms: John Rath, David Rath and Ann-Marie Rath d.b.a. Giant Redwood RV and Camp: The borrowers are making improvements to the property and with the help of SBDC, preparing a new business and marketing plan. Because this is a seasonal business they requested a new payment schedule that would include four months of payment deferrals (Dec. through Mar., with capitalization of interest). It would be a 10 year term with a 25 year amortization. **The committee requested time to review the borrower's current financial reports and asked that this change in terms be deferred until the next Executive Committee meeting.**

B. Request to Release Personal Guaranty of Frank Povirk for Sasquatch LLC d.b.a. Six Rivers Brewery: Meredith Maier, Talia Nachson and Kurt Povirk are the original owners of Sasquatch LLC. Frank Povirk was involved as a guarantor for the shares of his son, Kurt.

Kurt Povick sold his shares of the company back to Maier and Nachson in 2009. Frank Povirk remained a guarantor. Because neither Povirk is involved in the company as well as the fact that Maier and Nachson have secured additional financing, staff requested a release of Frank Povirk's personal guaranty.

The committee wants additional collateral for this loan before releasing Frank Povirk's guaranty. **It was moved to deny this request until additional security is secured. M/S/P: Scolari/Holmes**

VI. Adjourn

The meeting was adjourned at 6:29 p.m.