

KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS

Executive Committee

Conference Call

October 29, 2018

Members Present

John Alston
Sidney Dunston
Tom Lane
David Smith

Jimmy Clayton
Walter Gardner
Bryan Pfohl
Danny Wright

COG Staff:

Diane Cox
Gina Parham
Mark Warren

Others:

Jim Wrenn

I. Call to Order

Chairman Clayton called the meeting to order and turned it over to Mark Warren and Diane Cox for loan reviews.

II. Loan Applications

Balady Corporation DBA Alpha Pita Bread

Originally, the LRC had recommended a loan in the amount of \$50,000 for Balady Corporation for the Pita Bread Company and this had been approved. Since that time, the applicants have realized they need additional funds in the amount of \$15,000. These funds will be used for shipping of equipment, insurance on equipment and up fit of the equipment.

Members did have concern over wiring of funds and releasing total amount at one time. Agreed to release the original \$50,000 at closing and allow applicant to complete wiring of funds. Remaining \$15,000 would be released when proof is provided that the equipment is in the US.

The LRC recommends approval with the following conditions:

- Approve \$65,000 over 10 years
- \$50,000 will be advanced at closing, remaining \$15,000 will be released upon delivery of equipment to the US port.
- Interest to accrue immediately on full amount (normal amortization)
- Second lien on personal residence
- Personal guarantees of both owners

- Keep original interest rate of 4.85%
- Key Man Life insurance on applicants with COG listed as Loss Payee
- Shipping Insurance
- Loss Payee on equipment insurance
- Attorney will check with landlord to see if he will provide a landlord release waiver
- Any other items deemed necessary by COG attorney.

Alpha Pita Bread
Motion # 1

A motion was made by Danny Wright to approve the loan with the conditions recommended by the LRC and Attorney Wrenn. Tom Lane seconded the motion and the motion carried. Sidney Dunston voted to support the motion with reservations.

There being no further business, the meeting adjourned.

Sincerely,



Patricia S. Cox, Executive Director
Secretary to the Board of Directors