

Redwood Region Economic Development Commission
EXECUTIVE COMMITTEE
February 6, 2013
4:30 p.m.
Minutes

I. Call to Order

Chair Mike Newman called the meeting to order at 4:31 p.m.

Present: Virginia Bass, Julie Fulkerson, Sue Long, Mike Newman, Bruce Rupp, Mike Wilson

Absent: Nancy Koke

Guest: Russell Gans

Staff Present: Don Ehnebuske, Virginia Fisher, Bonnie Smoller

II. Approval of February 6, 2013 agenda. M/S/P: Wilson/Fulkerson. Motion passes.

III. Public Input – for non-agenda items
None

IV. Old Business

V. New Business

A. Consideration of approval to file a Judicial Foreclosure Complaint against J. R.

Stephens Co. and loan guarantors: Russell Gans, Mitchell, Brisso, Delaney & Vrieze, attorney for RREDC was present.

Loan # 2604. Loan balance as of Feb. 6, 2013 was \$ 699,657.99 plus accrued interest and late fees which totals \$738,425.30. Of this amount RREDC's exposure is \$222,027.00; HWF exposure is \$518,378.00.

This loan is in conjunction with The Headwaters Fund. J.R. Stephens Co. is over six months behind in payments. Payment plans proposed by the borrower, and approved by the RREDC Executive Committee, have not been followed, the latest plan being approved in April 2012. Attempts to communicate with borrower are largely ignored. Borrower received a certified letter (date) informing him of this meeting and the plan to file a formal complaint.

The loan is secured by two real properties, business equipment and personal guarantees from the borrower and his sons/partners.

RREDC is in second position on 4415 Woods Lane, McKinleyville and 5208 Boyd Road, Arcata. Woods Lane is borrower's primary residence which is in the corporate name of JR Stephens Company. Coast Central Credit Union is in first position with approximately \$750,000 lien before RREDC loan. Appraisal is outdated (02/18/2004) with a value at that time for \$1.5 million. Coast Central also has a \$1.5 million dollar lien on Boyd Road before RREDC loan. Appraisal on Boyd Road is outdated (12/06/2007) with a value at that time of \$2.9 million dollars.

M/S: Wilson/Rupp: to authorize the filing of a Judicial Foreclosure Complaint against J. R. Stephens Co. Ayes: 5, Noes: 1, Abstain: none. Motion passes.

VI. Adjourn

The meeting adjourned at 5:00 p.m.