

Minutes
KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS
Executive Committee Conference Call
Kerr-Tar COG Office
May 2, 2019

Members Present

John Alston
Sidney Dunston
Leo Kelly
Walter Powell
David Smith
Tom Lane

Jimmy Clayton
Zelodis Jay
Tom Lane
Betty Wright
Walter Gardner
Reggie Horton

COG Staff:

Diane Cox
Gina Parham

Others:

Jim Wrenn

Call to Order

Chairman Clayton called the meeting to order and turned the meeting over to Executive Director, Diane Cox.

Loan Review

Diane advised there a couple of items to review that are recommended for approval by the Loan Review Committee.

1. Loan request from Vanessa Weathers – Rustic Roots (Farm to Table Restaurant). This request had come to us previously under a different name and different location for the business. She is asking for \$50,000 to purchase restaurant equipment. Listing of all new equipment was reviewed with the most expensive being the Hood for Kitchen and installation. Ms. Weathers has already purchased a building for the restaurant and begun renovations.

The business would have 16 full time positions with 3-5 Part Time jobs. Vanessa has over 20 years experience in the restaurant business with 6 plus years with her sister in the restaurant business. The new business would be located behind her sisters business but they would have different operating hours. The sister's business is more of a café' that serves breakfast and lunch closing by 3PM. Rustic Roots would serve more upscale menu and would be open from 4PM to 10PM. Their plan to serve alcohol at this location and hope to serve residents of Bunn, Franklin County and draw business from Wake Forest and Wake County as well.

Loan Review Committee recommends approval of the \$50,000 loan with the following conditions:

Loan Term – 6 months interest only payment; amortize the loan amount for 60 months (5 years) after interest only period

Interest rate to be four (4) basis points below prime [

Personal Guarantee of Vanessa Weathers and Russell Vollmer

Key Man Life Insurance on Vanessa Weathers and Russ Vollmer with Kerr-Tar COG named as Loss Payee

Hazard and Liability Insurance on all equipment for the term of the loan with Kerr-Tar COG named as beneficiary

Subject to compliance with COG RLF Policy Guidelines and EDA Guidelines

No funds advanced without confirmation that the building can be occupied for restaurant use per state and local regulations upon installation of equipment

Other items deemed appropriate by the COG attorney

COLLATERAL

First lien on new equipment purchased/UCCS on all equipment

Blanket lien on all existing equipment/fixtures in restaurant.

First lien on used farm vehicles/equipment or other real or personal property determined suitable by the COG executive director and attorney (ensuring that the equipment is not encumbered by an existing lender)

Rustic Roots Motion # 1

Motion made by Sidney Dunston to approve the loan request with the recommendations put forth by the Loan Review Committee. David Smith seconded the motion and it carried unanimously.

Release of Property – Lake Gaston Jet Ski (Larry Liles)

Diane advised that the Loan Review Committee had reviewed a request from Larry Liles to release property in Northampton County that is being held as collateral on his loan. The lot in question has a value of about \$25,000. If allowed to sell the property, Mr. Liles would like to reinvest the funds in the new business for fencing at the site, new HVAC and installation of a back porch.

Diane stated she had been by the business a couple of times and it always looks busy. Since starting the business, Mr. Liles has invested \$65,000 in renovations. Prior to renovations, the property value was approximately \$125,000 and upon completion the new value is \$435,000.

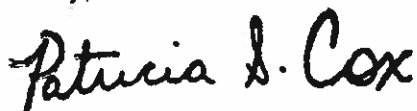
LRC recommends releasing the said property for sale and allowing the reinvestment of funds in the business. They also requested that any funds left after the renovations will be applied against the loan balance and that a copy of the Settlement Statement should be provided to Attorney Wrenn.

Release of Property
Motion # 2

Motion was made by Sidney Dunston to releasing the land and having the proceeds reinvested in the property as outlined, with any additional funds being paid to the loan and a copy of the Settlement Statement being provided to the COG attorney. John Alston seconded the motion and the motion carried unanimously.

There being no further business, the meeting adjourned.

Sincerely,



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

