



# Small Business Lending Center

AEDC provides loans and support to entrepreneurial, innovative business and community endeavors.

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Dawn Elsbree  
Headwaters Fund Coordinator

February 2, 2011

RE: Open Door Community Health Centers Project

Dear Dawn,

The purpose of this letter is to give a quick overview of the proposed structure of a \$2M loan to be made to Open Door Community Health Centers to help fund the construction of a 26,300 square foot clinic in Eureka. AEDC has started the loan write-up process, but I wanted to get this information out to all participants so that if there are any questions or concerns, we can get them answered right away. Here are the basics:

Loan Request:	\$2,000,000	
Source of Funding:		
Humboldt Area Foundation	\$ 750,000	
AEDC	\$ 450,000	
Headwaters	\$ 800,000	<u>Total \$2,000,000</u>

Rate: 5.5% fixed Term: 36 months Payment: Interest only, principal due at maturity.  
Collateral: First Deed of Trust on land and building to be constructed on Tydd Street in Eureka.

AEDC will charge a \$12,500 fee to prepare the loan presentation and to document and administer the loan.

Purpose: The loan proceeds will be used to fund the non-grant eligible expenditures related to land acquisition and improvements (estimated at \$1,850,000 in the grant application) as well as provide contingency funds for unanticipated construction costs. The total project cost is approximately \$12,000,000. Open Door has \$10,000,000 in grant funds available to construct the building.

AEDC would prepare a separate Participation Agreement for Humboldt Area Foundation as well as an Agreement for Headwaters. I will be sending you a separate email with project details and additional background information. Please feel free to contact me with any questions you may have.

Sincerely,

Ross Welch  
Executive Director

