

ECONOMIC SECURITY CORPORATION OF THE SOUTHWEST AREA

**Executive, Finance, Audit Committee Meeting
By Conference Call
October 7, 2020**

The Executive, Finance, Audit Committee of the Economic Security Corporation's Board of Directors met via conference call at 1:00 P.M. on Wednesday, October 7, 2020. The call was hosted in John Joines' office.

Present in person for the meeting were John Joines and Brenda Huffhines. Paula Carsel called the meeting to order. Roll call was taken and those participating were Doris Fast, Paula Carsel, Sarah Alumbaugh, and Joy Williams. David Holloway and Jim Jackson were unable to participate. A quorum was present.

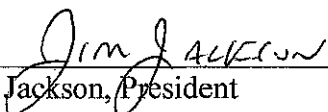
The purpose of this meeting was approval to allow John to accept a settlement of \$20,000.00 from the owners of the Drake Apartments on the note currently held on behalf of ESC. Sarah made the motion to approve the settlement, and Paula seconded it.

In discussion, John explained that we had received \$200,000.00 in tax credits from the Department of Economic Development to use in development of low income housing. We in turn supplied these credits to the developers for which they signed a note to repay us. That developer is now wanting to sell the property, and says he will not make anything off of the sale; furthermore, if the note is not cleared prior to the sale, the buyer will not purchase it. If we are not willing to settle, the seller states he will file bankruptcy on the property. It would then be up to the Missouri Housing Development Corporation to decide how to split the proceeds of the sale. At that point, we would be third in line to receive any monies, and probably would receive nothing. We would also be the managing partner, which means we would have to resolve any disputes or issues until the property was sold or disposed of in some other way.


Under these circumstances, it seemed better to receive some money, no matter how small, than none. At first, we were asked to accept less, but John was able to get them to agree to \$20,000.00

The motion was put to the vote, and the roll call vote on the motion was as follows:
Doris Fast – aye, Paula Carsel – aye, Sarah Alumbaugh – aye, and Joy Williams – aye.
Motion was approved unanimously.

With no further items to address, the meeting adjourned at 1:15 P.M.



Jim Jackson, President



Nikki Tappana, Secretary