

ORDINANCE NO. 728

AN ORDINANCE AUTHORIZING THE CITY OF MONTICELLO TO OBTAIN A LOAN FOR THE COMPLETION OF CONSTRUCTION OF THE MONTICELLO SPORTS COMPLEX AND TO EXECUTE A PROMISSORY NOTE AND MORTGAGE OF THE REAL PROPERTY AS SECURITY FOR SAID LOAN; PROVIDING FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE SAID LOAN; DESCRIBING OTHER MATTERS RELATING THERETO AND DECLARING AN EMERGENCY

WHEREAS, the City Council of the City of Monticello, AR (hereinafter sometimes referred to as the "Council") has previously determined that there is an immediate need to complete construction of the Monticello Sports Complex; and

WHEREAS, it shall be necessary for the City of Monticello to obtain a loan to provide funding for such construction; and in doing so to execute a certain promissory note or notes to obtain said loan; and

WHEREAS, it shall be necessary to pledge the real property and improvements as collateral to the financial institutions; and

WHEREAS, the City has entered into a loan agreement with Union Bank & Trust Co., of Monticello, Arkansas, whereby the said Bank is committed to make a loan to the City in the amount not to exceed \$1,000,000.00 at an interest rate not to exceed four percent (4%) per annum; and

WHEREAS, the City is authorized pursuant to Amendment No. 78 of the constitution of the State of Arkansas authorizing cities to obtain short term financing; and

WHEREAS, the repayment of said loan shall be from the proceeds of certain sales and use tax enacted in 1997 or by any other funds possessed by the City of Monticello and contained within the general fund of the City which are not otherwise obligated for the retirement of bonded indebtedness and which may be utilized for such expenditures;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Monticello, Arkansas:

Section 1. That the Mayor is hereby authorized and directed to complete construction of the Monticello Sports Complex.

Section 2. That the Mayor is hereby authorized and directed to enter into a certain loan agreement with Union Bank & Trust Co. of Monticello, Arkansas, whereby the said Bank will loan and the City will borrow for the sole purpose of construction of the remainder of the said sports complex, including engineering and other costs and expenses appropriate in the premises.

Section 3. That under the authority of Amendment No. 78 of the Constitution of the State of Arkansas, the City of Monticello is hereby authorized to borrow a sum not to exceed \$1,000,000.00 from Union Bank & Trust Co. and issues evidence therefore its promissory note which shall bear interest at a rate not to exceed four percent (4%) per annum with the first regular monthly amortized installment being due on a certain date as stated within the said note, and monthly thereafter, until the face amount of the said promissory note plus interest thereon is fully paid, that the final payment of the entire indebtedness, if not paid sooner, shall be due and payable five (5) years from the date of the promissory note.

Section 4. The note, together with interest thereon, shall be payable from the proceeds of a certain sales and use tax enacted by the City of Monticello in 1997 or by any other funds possessed by the City of Monticello and contained within the general fund of the City which are not otherwise obligated for the retirement of bonded indebtedness and which may be utilized for such expenditures, and the note shall be secured by a statutory mortgage lien on the real property and improvements to said real property.

Section 5. The note shall be signed by the Mayor and City Clerk/Treasurer and sealed with the corporate seal of the City and shall be substantially in the following form:

Section 6. That the mortgage shall be signed by the Mayor and City Clerk/Treasurer and sealed with the corporate seal of the City and be substantially in the following form:

Section 7. The Mayor of the City shall order and direct that all reporting requirements of Internal Revenue Service of the United States concerning obligations of this type shall be prepared, executed and delivered in proper form and in a timely manner as required by the said Internal Revenue Service.

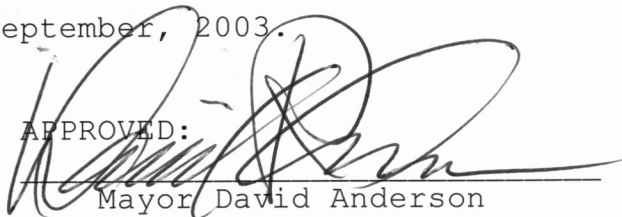
Section 8. If any provisions of this ordinance shall for any reason be held illegal or invalid by the Courts, it shall not effect the validity of the remainder of the ordinance.

Section 9. All ordinances or resolutions or parts thereof in conflict herewith may be repealed to the extent of any such conflict.

Section 10. It is ascertained and declared that the well-being of the youth of this city is essential to protect the safety, health, lives and property of the inhabitants. It is, therefore, declared that an emergency exists and this ordinance is necessary for the immediate preservation of public peace, health and safety and this ordinance shall take effect and be in force from after its passage.

SO ORDAINED this 18 day of September, 2003.

APPROVED:



Mayor David Anderson

ATTEST:



City Clerk/Treasurer

(SEAL)

CERTIFICATION

STATE OF ARKANSAS)  
COUNTY OF D R E W)

I, the undersigned CINDY FAKOURI, hereby certify that I am the duly qualified and acting City Clerk for the City of Monticello, Arkansas, that the foregoing ordinance was adopted by the City Council of Monticello at a meeting of said council duly held on the 18 day of September, 2003, and that said ordinance is now duly recorded in the official records of this city, of which records I am the official custodian.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of said City on this 18 day of September, 2003.

  
Cindy Fakouri, City Clerk-Treasurer

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APPROVED: Mayor David Anderson

ATTEST: City Clerk/Treasurer Cindy Fakouri

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