

ORDINANCE NO. 15-731

**AN ORDINANCE AUTHORIZING THE PURCHASE OF LAND AND
IMPROVEMENTS THEREON WITHIN THE CITY OF GENTRY, ARKANSAS AND
AUTHORIZING THE MAYOR TO EXECUTE A SHORT TERM FINANCING
AGREEMENT, MORTGAGE AND OTHER DOCUMENTS RELATED THERETO;
DECLARING AN EMERGENCY AND FOR OTHER PURPOSES**

WHEREAS, the City Council of the City of Gentry, Arkansas ("City") has determined that it is appropriate for the City of Gentry to purchase land and improvements within the City; and

WHEREAS, Centennial Bank is willing to finance such purchase, duly secured by a mortgage on such premises; and

WHEREAS, the City is authorized and empowered under the provisions of Amendment 78 to the Arkansas Constitution to finance all or of the costs of acquiring real and personal property; and

WHEREAS, the City proposes to acquire such property, Lots 5, 6, 12 and 13 in T.F. James Addition to Gentry, Benton County, Arkansas as shown in Plat Record 16 at Page 202, together with the personal property identified as part of the purchase contract for the sum of \$550,00.00, together with certain closing costs (the "Property"); and

WHEREAS, the City Council hereby finds and determines, in accordance with information confirmed by the City Director of Finance, that the obligations previously issued under Amendment 78 (if any), together with the amount provided for herein, does not exceed five percent (5%) of the assessed value of taxable property located within the City as determined by the last tax assessment.

NOW THEREFORE, BE IT ORDAINED BY CITY COUNCIL OF GENTRY,
ARKANSAS:

Section 1: The City is authorized to purchase the Property and is further authorized, pursuant to Amendment 78 of the Arkansas Constitution, by and through the undersigned, to execute and deliver to Centennial Bank ("Lender") a short-term financing agreement in essentially the form attached hereto (the "Agreement"), providing for the purchase of the Property and for a debt obligation in the principal sum not to exceed Five Hundred Fifty Thousand and No/100's Dollars (\$550,000.00) for a term which will be five (5) years, at an interest rate not to exceed 2.5%, with repayment secured by a Mortgage covering the Property if so required by Lender.

Section 2: The City be and hereby is authorized to execute any and all documents which those authorized representatives of the City who have signed this Ordinance, may determine to be necessary and appropriate in order to fulfill the goals and intentions of this Ordinance or which may be reasonably requested by Lender.

Section 3: The City does not reasonably anticipate that more than Ten Million and no/100 Dollars (\$10,000,000.00) of "qualified tax-exempt obligations" as the term is defined in Section 265(b)(3)(D) of the Internal Revenue Code of 1986 (the "Code"), will be issued by the City and any subordinate, superior or affiliated entities during the calendar year in which the Agreement is executed; the City hereby designates the obligation evidenced by the Agreement as comprising a portion of the Ten Million and No/100 Dollars (\$10,000,000.00) in aggregate issues to be designated as "qualified tax-exempt obligations" eligible for the exemption contained in Section 265(b)(3)(D) of the Code.

Section 4. The undersigned individuals, being duly elected or otherwise serving as representatives of the City be and hereby are authorized to execute any and all documents on behalf of the City as may be identified herein or as may be necessary and appropriate to fill to fulfill the terms and provisions hereof.

Section 5. As provided in Amendment 78, the annual debt service payments pursuant to the Agreement in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making annual debt service payments, there is hereby, and shall be, appropriated to pay the amounts due under the short-term financing agreement, an amount of general revenues of the City sufficient for such purposes. The City's Director of Finance is hereby authorized and directed to withdraw from the General Fund of the City the amounts required at the times necessary and appropriate to fulfill the terms and provisions of the Agreement.

Section 6. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 7. Emergency Clause. The Council has determined that in order to quickly provide the citizens of Gentry with needed physical facilities, and to take advantage of the purchase price and economic financing options to finance such purchase, all to adequately protect the citizens of Gentry, the City should immediately execute this Ordinance. For these reasons an emergency is hereby declared to exist, and this Ordinance shall become effective upon its passage and approval.

PASSED AND APPROVED THIS 5th day of October, 2015.

ATTEST:

Kevin D. Johnston, Mayor

Tonya Carney, Director of Finance