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RHONDA WHARTON

FAULKNER COUNTY CIRCUIT CLERK

Fees \$20.00

By

325046

D. C.

City of Conway, Arkansas

Ordinance No. 0-09-75

AN ORDINANCE AUTHORIZING FINANCING FOR THE CITY OF CONWAY TO PURCHASE THE CAVALIER HOMES BULIDING; AND FOR OTHER PURPOSES:

WHEREAS, the City Council of the City of Conway has authorized the Mayor to negotiate for financing for the property known as the Spirit Homes Building and approximately 22.45 acres, more or less located at 950 McNutt Road otherwise known as lots 33, 34, 35, 36 & 56 of the Sherwood estates subdivision; and

WHEREAS, an offer and acceptance for the property has been agreed upon by the Seller for a purchase price of \$3,750,000 plus closing costs and the City Council has passed Resolution No. R-09-27 in furtherance of this transaction; and

WHEREAS, the City has negotiated with Conway Corporation to loan said monies for the purchase of the building under certain financing terms & conditions for this transaction.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS, THAT:

SECTION 1. The City of Conway shall accept from Conway Corporation by loan \$3,750,000 plus associated closing costs for the purchase of the building and land known as the "Spirit Homes" facility.

SECTION 2. The Mayor is authorized to enter into a five year financing agreement with Conway Corporation upon approval of its board for the repayment of the loan the terms of which shall include:

1. The interest rate shall be no more than two (2%) above the Federal Discount Rate or equivalent and shall vary over the term of the loan with that rate.
2. The loan shall have no payments until a final balloon payment at the end of the five year term or final payoff of the loan if shorter than the five year term.
3. Interest shall accrue to the principle and shall be compounded monthly.
4. The city will refund the loan as soon as possible if funding becomes available either through the issuance of municipal bonds or additional five year financing from another lending source.

SECTION 3. The Mayor is authorized to proceed with the purchase of the "Spirit Homes" facility and to make the necessary budget adjustments to reflect the proper budgetary and accounting rules recognizing the loan revenue and the purchase expense.

PASSED this 30th day of June, 2009

APPROVED:

Tab Townsell

Mayor Tab Townsell

ATTEST:

Michael O. Garrett

Michael O. Garrett
City Clerk/Treasurer