

Foreclosure suit hits film institute

By ALISON B. HARBOUR THE SENTINEL-RECORD

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HOT SPRINGS — Arvest Bank has filed a foreclosure action in Garland County Circuit Court against the Hot Springs Documentary Film Institute, saying it owes more than \$300,000 on the Malco Theatre and a parking lot.

The institute produces the annual Hot Springs Documentary Film Festival. The festival, held in the fall, has drawn hundreds of thousands of visitors annually.

The complaint, filed Tuesday, says the institute signed a promissory note Oct. 24, 2008, in the principal sum of \$225,000, followed by a correction mortgage Nov. 14, 2008, securing repayment of the note by conveying a parking lot to the bank.

The institute was supposed to repay the note in three payments, according to court documents.

The foreclosure complaint says the institute has “failed and refused to pay” and owes the principal sum of \$142,361.43, plus accrued interest of \$10,890.65, and late charges of \$100, for a total of \$153,352.08 as of Tuesday.

The interest will accrue on the unpaid balance at a rate of 6 percent each day until it is paid, the bank says.

The foreclosure complaint says the institute signed a promissory note of \$185,379.62, and a mortgage securing the loan, on Aug. 7. The legal description for the mortgaged property in the complaint matches the legal description of the historic Malco Theatre, 817 Central Ave., on file with the county assessor’s office.

The note says that the institute would make 23 payments of \$1,443.79 beginning Sept. 10, 2009, with a single balloon payment of the entire unpaid balance of principal and interest due Aug. 10, 2011.

The bank says the institute has failed to pay the indebtedness, and now owes the principal sum of \$176,314.42, together with accrued, unpaid interest of \$6,161.92, late charges of \$50, and a force-placed flood insurance premium in the amount of \$2,828.80, for a total due as of Tuesday of \$185,355.14, with interest accruing at a rate of 6.95 percent until the amount is paid in full.

The complaint asks for judgments equal to the total amounts that the bank says are due, plus accrued interest. It also says Arvest is entitled to an order for a commissioner's sale of the building and parking lot if the judgment is not paid.

Carol Kimery, the institute's executive director, said Thursday that she thought things were being worked out.

"We have been on talking terms with the bank and discussions with them and working diligently with them, so I am not sure what is going on."

She said that the additional support the institute has received lately from the community has kept the board of directors and her feeling "very positive."

She added, "I can tell you, we are going on. We are going to keep going. The institute will not die. We are still going to have the film festival, no matter what. We are doing good. We are doing better than we have in years. We are very positive about situations at hand." Information for this article was contributed by Mark Gregory of The Sentinel-Record.

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