

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, RELATING TO THE ISSUANCE OF BONDS BY THE ABILENE HIGHER EDUCATION AUTHORITY, INC.; APPROVING THE ISSUANCE OF SUCH BONDS AND THE USE OF THE PROCEEDS OF SUCH BONDS; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, Abilene Higher Education Authority, Inc. (the "Authority") was established as a non-profit corporation pursuant to the Texas Non-Profit Corporation Act, for the purpose of furthering educational opportunities of students by providing funds for the acquisition of student loans; and

WHEREAS the Authority has proceeded in the development of a plan of doing business and has issued bonds for the aforesaid purposes, and additional funds are needed to continue the program and it is now appropriate for this governing body to approve the issuance of additional bonds for such purpose;

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing was conducted, following reasonable public notice, with respect to the issuance of bonds by the Authority in the principal amount not to exceed \$17,000,000;

WHEREAS, certified minutes containing the proceedings from such hearing have been submitted to the City of Abilene, Texas (the "City");

WHEREAS, in order to satisfy the requirements of the Code, it is necessary for the City, following the holding of the public hearing, to approve the issuance of the Bonds and the use of the proceeds of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

SECTION I: That on January 18, 1989, a public hearing was conducted regarding the issuance by the Authority of student loan revenue bonds in the principal amount of \$17,000,000 (herein called "Bonds"). The proceeds of the Bonds will be used by the Authority for the purpose of purchasing Guaranteed Student Loans which are either guaranteed or insured under the provisions of the Higher Education Act of 1965, as amended, the setting aside of certain amounts for deposit into funds created pursuant to an Indenture of Trust and the payment of some or all of the costs of issuing the Bonds, as provided and limited by the Internal Revenue Code of 1986, as amended, and the Texas Education Code, as amended.

SECTION II: That the governing body of the City hereby approves the issuance and delivery of such Bonds and the use of the proceeds of such Bonds for the purposes aforesaid. The Mayor and City Secretary are authorized and directed to execute the Approval Certificate substantially in the form attached hereto as Exhibit A and to deliver certified copies of this resolution and copies of the Approval Certificate to the Authority for its use in connection with the issuance of the Bonds. The City requests that the Authority exercise the powers enumerated and provided in Section 53.47 of the Texas Education Code, as amended; that such non-profit corporation shall, in this connection, exercise such powers for and on behalf of the City and the State of Texas, as contemplated by Section 53.47(e) of the Texas Education Code, as amended.

SECTION III: That the City does not agree to assume any responsibility in connection with the administration of the Authority's student loan program. Sole responsibility for the administration of the Authority's student loan program is being assumed by the Authority.

SECTION IV: That it is recognized by this governing body that the instruments which authorize the issuance of Bonds or series of Bonds by the Authority will specifically state that this City is not obligated to pay the principal of or interest on the Bonds or series of Bonds proposed to be issued by the Authority. Nothing in this resolution shall be construed as an indication by this City that it will pay or provide for the payment of any obligations of the said Authority whether heretofore or hereafter incurred, and in this connection, attention is called to the Constitution of Texas wherein it is provided that a City may incur no indebtedness without having made provisions for its payment, and this City Council hereby specifically refuses to set aside any present or future funds, assets or money for the payment of any indebtedness or obligation of the Authority.

SECTION V: That this Resolution shall be effective from and after its passage and approval.

SECTION VI: That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED this 26 day of January, 1989.

Dale E. Ferguson  
Mayor,  
City of Abilene, Texas

ATTEST:

Op Moore  
City Secretary  
City of Abilene, Texas

APPROVED:

Claudia Clinton  
CITY ATTORNEY  
City of Abilene, Texas

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