

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AUTHORIZING THE REDEMPTION AND REFINANCING OF CERTAIN SECTION 108 GUARANTEED OBLIGATIONS PREVIOUSLY ISSUED BY THE CITY AND AUTHORIZING OFFICIALS OF THE CITY TO EXECUTE ALL DOCUMENTS NECESSARY OR DESIRABLE TO ACCOMPLISH THE TRANSACTION.

WHEREAS, the City of Abilene uses HUD Section 108 loan funds to assist with economic development in the City's Tax Increment Finance District by creating a loan pool targeted to large highly visible, mixed use development projects and for upgrading public real property and facilities which will improve the quality of public services; and

WHEREAS, in conjunction with other security, the City currently pledges, and shall continue to pledge, its Community Development Block Grants pursuant to 24 CFR 570.705 (b) (2) toward repayment of its Section 108 debt; and

WHEREAS, from time to time it is advantageous for the City to refinance its outstanding Section 108 obligations for the purpose of obtaining more favorable interest rates, thereby reducing the long-term costs of its Section 108 loan.

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

1. The City shall participate in the redemption and refinancing of certain outstanding Section 108 guaranteed obligations to occur on August 1, 2003, and the permanent placement of the obligation as part of the pending public offering of trust certificates guaranteed under Section 108 of the Housing and Community Development Act of 1974, scheduled to take place on or about August 7, 2003.
2. To that end, the City may enter into the required Contract for Loan Guarantee Assistance, the Variable/Fixed Rate Promissory Note up to a Maximum Commitment Amount of \$1,250,000, and pledges present and future Community Development Block Grants to repayment of the obligation.
3. The City Manager or the Finance Director are hereby authorized to execute said Contract, the Note, and all other documents necessary or desirable to the transaction and to take such actions as are necessary and proper to accomplish the same.

The foregoing Resolution was adopted this 10th day of July 2003.

THE CITY OF ABILENE, TEXAS

Grady Barr
Grady Barr, Mayor

Attest:

D Moore
City Secretary

Approved:

Sharon E. Hicks
City Attorney