

RESOLUTION CONFIRMING A HEARING OFFICER, APPROVING A FINANCING BY THE STAMFORD HIGHER EDUCATION FACILITIES CORPORATION FOR THE BENEFIT OF ABILENE CHRISTIAN UNIVERSITY, AND AUTHORIZING THE MAYOR OF THE CITY OF ABILENE TO APPROVE CERTAIN RELATED MATTERS.

THE STATE OF TEXAS :
COUNTY OF TAYLOR :
CITY OF ABILENE :

WHEREAS, the Stamford Higher Education Facilities Corporation ("*Corporation*") is a nonprofit corporation created by the City of Stamford, Texas pursuant to Section 53.35(b) of the Higher Education Authority Act (Chapter 53, Texas Education Code, as amended);

WHEREAS, the City of Abilene, Texas (the "*City*") has been informed by officers of the Corporation that the Corporation has been requested by Abilene Christian University (the "*Borrower*") to assist it in financing and/or refinancing, on a tax-exempt basis, certain education and housing facilities, including the construction and renovation of such facilities;

WHEREAS, the Corporation is authorized by the provisions of Chapter 53 of the Texas Education Code and the Texas Non-Profit Corporation Act, Article 1396, Tex. Rev. Civ. Stats. Ann. (collectively, "*State Law*"), to enter into contractual obligations in order to finance and/or refinance the acquisition, purchase, or lease, or the construction, renovation or other improvement of education and housing facilities;

WHEREAS, the Corporation is authorized by State Law to provide education and housing facilities by lease or other contractual arrangement, and the Loan Agreement (the "*Loan Agreement*"), dated as of September 17, 2003, by and between the Borrower, as borrower, and the Corporation, as lender, the Lender Loan Agreement (the "*Lender Loan Agreement*"), dated as of September 17, 2003, by and between the Corporation, as borrower, and Bank of America, N.A., (the "*Bank*"), as lender, and the Assignment Agreement (the "*Assignment*") by and between the Corporation, as assignor, and the Bank, as assignee, constitutes contractual arrangements in which the Corporation is authorized by State Law to participate (the transactions set forth in the Loan Agreement, the Lender Loan Agreement and the Assignment, by which the Corporation will assist the Borrower in financing and/or refinancing the education and housing facilities, as aforesaid, are hereinafter referred to as the "*Financing*");

WHEREAS, the Borrower has agreed to make payments in amounts sufficient to pay loan payments and certain additional payments required to be made under the Loan Agreement (the "*Loan Payments*");

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*") requires that the issuance of any qualified 501(c)(3) obligations be approved by either the governing body of the City or the chief elected executive officer of the City after a public hearing following reasonable public notice;

WHEREAS, attached hereto as Exhibit A-1 is a Notice of Public Hearing (the "*Public Notice*") which was published in a newspaper of general circulation in the City as required by Section 147(f) of the Code;

WHEREAS, the publication of the Public Notice is evidenced by a Publisher's Affidavit (a copy of which is attached hereto as Exhibit A);

WHEREAS, the comments received from the public at the Public Hearing referenced in the Public Notice are summarized in the Certificate of Public Hearing attached as Exhibit B hereto; and

WHEREAS, attached hereto as Exhibit C is the approval of the highest elected official of the City of the Financing and the public hearing.

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

Section 1. The City hereby specifically approves the Financing and the Project (as defined in the Public Notice) solely for the purpose of satisfying the requirements of section 147(f) of the Code. The City shall have no liabilities for the payment of any of the obligations constituting the Financing nor shall any of the City's assets be pledged to the payment of such obligations.

Section 2. The Mayor is hereby authorized to execute and deliver the approval of the highest elected official of the City (attached hereto as Exhibit C) after the public hearing is held.

Section 3. This Resolution shall become effective immediately upon its passage.

ADOPTED AND APPROVED this the 11th day of September, 2003.

ATTEST:




City Secretary, City of Abilene



Mayor, City of Abilene

APPROVED:



City Attorney, City of Abilene

(City Seal)

EXHIBIT A

PUBLISHER'S AFFIDAVIT

THE STATE OF TEXAS :
 :
COUNTY OF TAYLOR :

_____, being duly sworn on his/her oath states that he/she is an authorized representative of the "The Abilene Reporter News" a newspaper of general circulation in Taylor County, Texas (the "County") and the area encompassing the City of Abilene, Texas (the "City") and further state as follows:

1. This Affidavit is given pursuant to Section 2051.044 of the Texas Government Code.
2. The newspaper devotes not less than 25% of its total column line inch to general interest items.
3. The newspaper is published at least once a week.
4. The newspaper is entered as second class postal matter in the County, its county of publication, and within the area of the City.
5. The newspaper has been published regularly and continuously for at least 12 months before the publishing of a notice entitled "Notice Of Public Hearing."
6. The attached Legal Notice appeared in the newspaper in a conspicuous form and place on _____, 2003.

Subscribed and sworn before me this ___ day of _____, 2003.

Authorized Representative

THE STATE OF TEXAS :
 :
COUNTY OF _____ :

THIS INSTRUMENT was acknowledged before me on _____, 2003, by _____.

Notary Public, State of Texas

(SEAL)

EXHIBIT A-1

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Stamford Higher Education Facilities Corporation (the "*Corporation*"), a nonprofit corporation created by the City of Stamford, Texas pursuant to Chapter 53 of the Texas Education Code, will hold a public hearing (a) on September 15, 2003, commencing at 6:30 p.m., in the City Council Chamber of the Stamford City Hall, 201 E. McHard Street, Stamford, Texas 79553, and (b) on September 10, 2003, commencing at 9:30 a.m. on the campus of Abilene Christian University (the "*Borrower*"), 1600 Campus Court, Hardin Administration Building, Room 208G, Abilene, Texas, to provide an opportunity for all interested persons to be heard with respect to the consent and approval of the City of Stamford, Texas and the City of Abilene, Texas, respectively, of the proposed loan under a Loan Agreement by and between the Corporation and the Borrower and a simultaneous loan to be made to the Corporation by Bank of America, N.A. (collectively, the "*Loans*").

The Loans are being made for the purpose of financing and/or refinancing the cost of acquiring, constructing, renovating, remodeling and equipping education and housing facilities, and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, including (a) residence hall renovations and improvements to Mabee Hall, Nelson Hall, Smith/Adams Hall, Edwards Hall, McDonald Hall, Morris Hall, and Gardner Hall all located at 122 McGlothlin Campus Center, Abilene, Texas, (b) Moody Coliseum renovations and improvements located at 825 Coliseum Way, Abilene, Texas, and (c) campus-wide improvements including sidewalk installation, air conditioning/heating, exhaust/ventilation, fire protection and plumbing upgrades, elevator upgrades, roof repairs, carpeting and flooring, parking and road repairs, sewer repairs and upgrades, vehicle purchases, computer and technology purchases, classroom and office renovations, furniture, equipment and library book purchases and general repairs and maintenance, all located on the Borrower's main campus 1600 Campus Court, Abilene, Texas 79602; and paying certain expenses in connection with the issuance of the Loans (collectively, the "*Project*"). The Project is, or will be, owned by the Borrower. The maximum amount of the costs of the Project to be financed with proceeds of the Loans is anticipated to be \$10,000,000. The Loans are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

All interested persons are invited to attend the hearing to express their views, both orally and in writing, with respect to the Loans and the Project. Any interested persons unable to attend the hearing may submit their views in writing to the President of the Board of Directors of the Corporation c/o Winstead Sechrest & Minick P.C., Attn: Hoang Vu, 910 Travis Street, Suite 2400, Houston, Texas 77002, prior to the date scheduled for each hearing.

STAMFORD HIGHER EDUCATION FACILITIES CORPORATION

EXHIBIT B

CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with a series of loan transactions to be entered into by the Stamford Higher Education Facilities Corporation (the "*Corporation*"), Abilene Christian University ("*Borrower*") and Bank of America, N.A. in the maximum principal amount of \$10,000,000 (the "*Loans*") for the benefit of Borrower, as follows:

1. I served as Hearing Officer for the Corporation and the City Council of the City of Abilene, Texas for the purpose of conducting a public hearing on the Loans and the use of the proceeds thereof to provide financing and/or refinancing for a project to be owned and operated by Borrower as described on the Notice of Public Hearing (the "*Project*").

2. Such hearing was conducted commencing at 9:30 a.m. on September 10, 2003, 1600 Campus Court, Hardin Administration Building, Room 208G, Abilene, Texas, which building and office was open to the public for purposes of the hearing.

3. At the time for the commencement of the hearing, comments, either orally or in writing, were publicly requested on the Project to be financed with proceeds of the Loan and on the making of the Loans.

4. At the hearing,

no persons presented comments orally or in writing.

the comments summarized in Exhibit B-1 were made orally by the persons listed therein.

the written comments attached hereto were presented.

5. No time limitations were imposed on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this September 10, 2003.

Hearing Officer

EXHIBIT B

CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with a series of loan transactions to be entered into by the Stamford Higher Education Facilities Corporation (the "*Corporation*"), Abilene Christian University ("*Borrower*") and Bank of America, N.A. in the maximum principal amount of \$10,000,000 (the "*Loans*") for the benefit of Borrower, as follows:

1. I served as Hearing Officer for the Corporation and the City Council of the City of Abilene, Texas for the purpose of conducting a public hearing on the Loans and the use of the proceeds thereof to provide financing and/or refinancing for a project to be owned and operated by Borrower as described on the Notice of Public Hearing (the "*Project*").

2. Such hearing was conducted commencing at 9:30 a.m. on September 10, 2003, 1600 Campus Court, Hardin Administration Building, Room 208G, Abilene, Texas, which building and office was open to the public for purposes of the hearing.

3. At the time for the commencement of the hearing, comments, either orally or in writing, were publicly requested on the Project to be financed with proceeds of the Loan and on the making of the Loans.

4. At the hearing,

- no persons presented comments orally or in writing.
- the comments summarized in Exhibit B-1 were made orally by the persons listed therein.
- the written comments attached hereto were presented.

5. No time limitations were imposed on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this September 10, 2003.

Hearing Officer

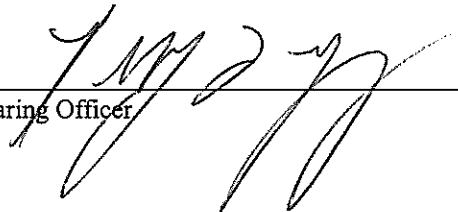


EXHIBIT B-1
PUBLIC COMMENTS

EXHIBIT C

**APPROVAL OF HIGHEST ELECTED OFFICIAL
OF THE CITY OF ABILENE**

WHEREAS, Abilene Christian University (the "*Borrower*"), in connection with a tax-exempt financing in the maximum principal amount of \$10,000,000, has requested the approval of the Financing (as defined below) and the Project (as defined below); and

WHEREAS, the Financing consists of a Loan Agreement between the Borrower and the Stamford Higher Education Facilities Corporation (the "*Corporation*"), and a Lender Loan Agreement between the Corporation and Bank of America, N.A. (the "*Bank*") through which loan agreements (the "*Financing*") the Bank will provide funds to the Corporation, which in turn will loan these funds to the Borrower for the purpose of acquiring, constructing, renovating, and equipping education and housing facilities, and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, including (a) residence hall renovations and improvements to Mabee Hall, Nelson Hall, Smith/Adams Hall, Edwards Hall, McDonald Hall, Morris Hall, and Gardner Hall all located at 122 McGlothlin Campus Center, Abilene, Texas, (b) Moody Coliseum renovations and improvements located at 825 Coliseum Way, Abilene, Texas, and (c) campus-wide improvements including sidewalk installation, air conditioning/heating, exhaust/ventilation, fire protection and plumbing upgrades, elevator upgrades, roof repairs, carpeting and flooring, parking and road repairs, sewer repairs and upgrades, vehicle purchases, computer and technology purchases, classroom and office renovations, furniture, equipment and library book purchases and general repairs and maintenance, all located on the Borrower's main campus 1600 Campus Court, Abilene, Texas 79602; and paying certain expenses in connection with the issuance of the Loans (collectively, the "*Project*"); and

WHEREAS, in accordance with certain provisions of the Internal Revenue Code of 1986, as amended (the "*Code*") as described below, notice of a public hearing was published in "*The Abilene Reporter News*," Taylor County, Texas on August 26, 2003, which notice provided that members of the public were invited to a hearing to be held in the City of Abilene, Texas (the "*City*"), on September 10, 2003 at 9:30 a.m., in connection with the Financing and the Project; and

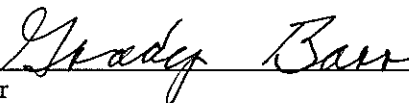
WHEREAS, a public hearing was held in the City on September 10, 2003, by the hearing officer; and

WHEREAS, it is necessary for the undersigned, as the highest elected official of the City, to approve the Financing and the Project solely for the purpose of satisfying the requirements of section 147(f) of the Code;

NOW, THEREFORE, the undersigned Mayor of the City, acting solely in his/her official capacity and on behalf of the City, hereby approves the holding of the hearing in the City by the hearing officer and the Financing for the Borrower, and further approves the Project; provided that such approvals shall be solely for the purposes of section 147(f) of the Code, and neither the City nor the Mayor shall have any responsibility or liability for the Financing or the Project.

IN WITNESS WHEREOF, I have set my hand this September 11, 2003.

CITY OF ABILENE, TEXAS



Mayor