

RESOLUTION # 11-2005

RESOLUTION RELATING TO A PUBLIC HEARING AND APPROVING
A FINANCING BY THE STAMFORD HIGHER EDUCATION FACILITIES CORPORATION
FOR THE BENEFIT OF ABILENE CHRISTIAN UNIVERSITY AND 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 that the Corporation has been requested by Abilene Christian University (the "*Borrower*") to assist it in financing on a tax-exempt basis, the construction, renovation and equipping of certain education and housing 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 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*") by and between the Borrower and the Corporation, the Lender Loan Agreement (the "*Lender Loan Agreement*") by and between the Corporation and Bank of America, N.A. (the "*Bank*"), the Assignment Agreement (the "*Assignment*") by and between the Corporation and the Bank, the Master Lease-Sublease Purchase Agreement and Schedule A. No. 1 (collectively, the "*Master Lease*" and together with the Loan Agreement, Lender Loan Agreement and Assignment are the "*Financing Documents*") by and among the Borrower, the Corporation and Banc of America Leasing & Capital, LLC, as lessor, (the "*Lessor*"), constitute contractual arrangements in which the Corporation is authorized by State Law to participate (the transactions set forth in the Financing Documents, by which the Corporation will assist the Borrower in financing the construction, renovation and equipping of certain education and housing facilities, as aforesaid, are hereinafter referred to as the "*Financing*");

WHEREAS, pursuant to the Financing Documents, the Borrower has agreed to make payments in amounts sufficient to pay loan payments required to be made under the Loan Agreement (the "*Loan Payments*") and lease payments required to be made under the Master Lease (the "*Lease 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, the publication of the Public Notice is evidenced by a Publisher's Affidavit (a copy of which is attached hereto as Exhibit A);

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;

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; provided that the City shall have no liabilities for the payment of any of the Loan Payments or Lease Payments nor shall any of the City's assets be pledged to secure the payment of the Loan Payments or Lease Payments.

Section 2. A public hearing was held on April 29, 2005. The appointment of Kelly Young of the Borrower as hearing officer in Abilene, Texas in connection with the Project and the Financing is hereby ratified and confirmed.

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

ADOPTED AND APPROVED this the 12th day of May, 2005.

ATTEST:



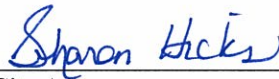
City Secretary

(City Seal)



Mayor

APPROVED:



City Attorney



EXHIBIT A
PUBLISHER'S AFFIDAVIT



EXHIBIT A-1

NOTICE OF PUBLIC HEARINGS

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 April 29, 2005, commencing at 5:30 p.m., in the conference room, 303 E. Hamilton Street, Stamford, Texas 79553, and (b) on April 29, 2005, 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 a 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*") and a proposed lease purchase arrangement under a Master Lease-Sublease Purchase Agreement among the Corporation, the Borrower and Banc of America Leasing & Capital LLC (the "*Lease Purchase*").

The Loans and the Lease Purchase 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) with respect to the Loans, construction of A.B. Barret Hall, a 43,380 square feet, three-story building with 88 rooms for housing up to 176 students and classrooms, located at 1818 Campus Court, Abilene, Texas, and (b) with respect to the Lease Purchase, network upgrades, electrical installation, and technology/computer hardware and software, 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 and the Lease Purchase (collectively, the "*Projects*"). The Projects are, or will be, owned by the Borrower. The maximum amount of the costs of the Projects to be financed with proceeds of the Loans is anticipated to be \$6,700,000 and with proceeds of the Lease Purchase is anticipated to be \$1,300,000. Neither the Loans nor the Lease Purchase are 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, the Lease Purchase and the Projects. 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 Andrews Kurth LLP, Attn: Hoang Vu, 600 Travis Street, Suite 4200, 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 transactions to be entered into by the Stamford Higher Education Facilities Corporation (the "*Corporation*"), Abilene Christian University ("*Borrower*"), Bank of America, N.A. (the "*Bank*") and Banc of America Leasing & Capital, LLC in the maximum principal amount of \$8,000,000 (the "*Financing*") 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 Financing for the purpose of financing the cost of constructing, renovating and equipping education and housing facilities, and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, including (a) construction of A.B. Barret Hall, a 43,380 square feet, three-story building with 88 rooms for housing up to 176 students and classrooms, located at 1818 Campus Court, Abilene, Texas, and (b) network upgrades, electrical installation, and technology/computer hardware and software, located on the Borrower's main campus 1600 Campus Court, Abilene, Texas 79602 and paying certain expenses in connection with the Financing (the "*Project*").

2. Such hearing was conducted commencing at 9:30 a.m. on April 29, 2005, 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 and the Financing.

4. At the hearing,

no persons presented comments orally or in writing.

the comments summarized on the attached 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 April 29, 2005.

Hearing Officer

CERTIFICATE FOR RESOLUTION

(Project City)

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

We, the undersigned officers of the City of Abilene, Texas (the "City"), hereby certify as follows:

1. The City Council of said City convened in regular meeting on May 12, 2005 (the "Meeting"), at the designated meeting place, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Norm Archibald	Mayor
Sam Chase	Councilmember
Kris Southward	Councilmember
Anthony Williams	Councilmember
John Hill	Councilmember
Stormy Higgins	Councilmember
Laura Moore	Councilmember

and all of said persons were present, except the following: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION RELATING TO A PUBLIC HEARING AND APPROVING A FINANCING BY THE STAMFORD HIGHER EDUCATION FACILITIES CORPORATION FOR THE BENEFIT OF ABILENE CHRISTIAN UNIVERSITY AND RELATED MATTERS.

(the "Resolution") was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the City Council shown present above voted "Aye," except as provided below:

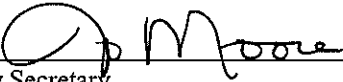
NAYS:

ABSTENTIONS:

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said City has approved and hereby approves the aforesaid Resolution; that the Mayor and the City Secretary of said City have duly signed said Resolution; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED May 12, 2005.



City Secretary



Mayor

(SEAL)

EXHIBIT B

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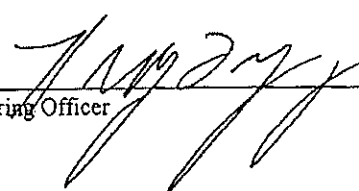
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the comments summarized on the attached were made orally by the persons listed therein.

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 April 29, 2005.



Hearing Officer

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(Project City)

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AYES: All members of the City Council shown present above voted "Aye," except as provided below:

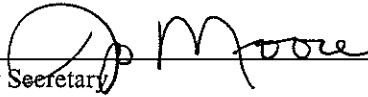
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SIGNED AND SEALED May 12, 2005.



City Secretary



Mayor

(SEAL)