### RESOLUTION # 36-2006

# RESOLUTION RELATING TO A PUBLIC HEARING AND APPROVING 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 and refinancing 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 or refinance the acquisition, purchase, lease, 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 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") and the Assignment Agreement (the "Assignment") by and between the Corporation and the Bank (collectively, the Loan Agreement, Lender Loan Agreement and Assignment are the "Financing Documents") constitute contractual arrangements in which the Corporation is authorized by State Law to participate in (the transactions set forth in the Financing Documents, by which the Corporation will assist the Borrower in financing and refinancing 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");

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 nor shall any of the City's assets be pledged to secure the payment of the Loan Payments.

**Section 2.** A public hearing was held on October 26, 2006. 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 2nd day of November, 2006.

ATTEST:

City Secretary

(City Seal)

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APPROVED:

Sharon & Hicks
City Attorney

# EXHIBIT A

## PUBLISHER'S AFFIDAVIT

#### 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, as amended, will hold a public hearing on October 26, 2006, 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 79699, to provide an opportunity for all interested persons to be heard with respect to a proposed loan from Bank of America, N.A. (the "Bank") to the Corporation in the maximum amount of \$2,650,000 and the proposed loan from the Corporation to the Borrower in the same amount (collectively, the "Loans"); all pursuant to Loan Agreements by and between the Corporation, the Bank, and the Borrower.

The Loans are being made for the purpose of financing and/or refinancing the cost of acquiring, constructing, removating, remodeling and equipping education and housing facilities, and facilities incidental, subordinate, or related thereto or appropriate in connection therewith, including (a) the cost of renovation of Sikes Residence Hall, a 17,737 square foot student housing facility, (b) the reconstruction of ornamental comice work on the exterior of various education and administrative buildings, and (c) the purchase and replacement of the HVAC system in the Gibson Health and Physical Education Center, all located on the campus of Abilene Christian University at 1600 Campus Court, Abilene, Texas 79699 (collectively, the "Projects"). A portion of the proceeds of the Loans will be used to pay certain expenses in connection with the issuance of the Loans. The Projects are, or will be, owned by the Borrower. 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 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") and Bank of America, N.A. (the "Bank") in the maximum principal amount of \$2,650,000 (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) the cost of renovation of Sikes Residence Hall, a 17,737 square foot student housing facility, (b) the reconstruction of ornamental cornice work on the exterior of various education and administrative buildings, and (c) the purchase and replacement of the HVAC system in the Gibson Health and Physical Education Center, all located on the campus of Abilene Christian University at 1600 Campus Court, Abilene, Texas 79699 and paying certain expenses in connection with the Financing (the "Project").
- 2. Such hearing was conducted commencing at 9:30 a.m. on October 26, 2006, 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.

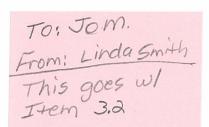
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		[	]	no persons presented comments orally or in writing.
		[	]	the comments summarized on the attached were made orally by the persons listed therein.
		[	]	the written comments attached hereto were presented.
5.	5. No time limitations were imposed on any public comments.			
IN WITNESS WHEREOF, I have hereunto set my hand this October 26, 2006.				
				Hearing Officer

4.

At the hearing,

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- 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 October 26, 2006.

Hearing Offices