

EXECUTIVE ORDER NO. 33

WHEREAS, the Higher Education Act of 1965, as amended, provides for (i) a program of direct federal insurance to holders of certain student loans, (ii) reimbursement to certain state agencies or private not-for-profit corporations administering student loan insurance programs for losses sustained in the operations of their programs and (iii) federal interest subsidies and special allowance payments with respect to such qualified student loans; and

WHEREAS, Section 103(a)(2) of the Internal Revenue Code of 1954, as amended, provides for the exclusion from the gross income of the holder thereof of income derived from "qualified scholarship funding bonds" issued by a corporation which is a corporation not for profit established and operated exclusively for the purpose of acquiring student loan notes incurred under the Higher Education Act of 1965 and is organized at the request of a State or one or more political subdivisions thereof or is requested to exercise such power by one or more political subdivisions thereof or by its corporate charter and bylaws, or required by State law, to devote any income (after payment of expenses, debt service and the creation of reserves for the same) to the purchase of additional said student loan notes or to pay over any income to the State or a political subdivision thereof; and

WHEREAS, Code of Alabama 1975, §36-13-9 (herein called the "Act") authorizes and empowers the Governor of the State of Alabama to give, by his executive order, to existing agencies and instrumentalities of the state government, such powers and duties which are not in conflict with the Constitution of Alabama and which are not specifically prohibited by the then existing statutes as may be required to implement in Alabama any law, order, rule, regulation, program or plan promulgated by the federal government, or any agency or instrumentality thereof, for the welfare of the people of the United States, or as may be required, in his judgment, for the welfare of the people of the United States, or as may be required, in his judgment, for the welfare of the people of Alabama;

NOW, THEREFORE, I, Fob James, Governor of the State of Alabama, do hereby find, declare and order as follows:

That the operation in the State of Alabama of a corporation organized exclusively for the purpose of issuing "qualified scholarship funding bonds" and using the proceeds of such bonds to acquire student loan notes incurred under the Higher Education Act of 1965 is likely to increase the supply of funds available for making such student loans to qualified residents of the State and, consequently, to encourage deserving and qualified persons to realize their aspirations for education beyond secondary school;

That post-secondary education for those who desire such an education and are properly qualified therefor is important to the welfare of the people of the State of Alabama and the people of the United States of America and, consequently, is an important public purpose;

That there presently exists in the State of Alabama no corporation qualified to issue said "qualified scholarship funding bonds";

That each of the Higher Education Act of 1965, as amended, and Section 103(a)(2) of the Internal Revenue Code of 1954, as amended, constitutes the kind of law, order, rule, regulation, program or plan promulgated by the federal government, or an agency or instrumentality thereof, for the welfare of the people of the United States, whose implementation in the State of Alabama the Act is intended to permit;

That the Alabama Commission on Higher Education, an existing agency and instrumentality of the State of Alabama, is hereby authorized and directed to adopt forthwith a resolution (i) requesting those persons listed as incorporators in the Articles of Incorporation contained in Attachment A, which is attached to this Executive Order and made a part hereof as if set out herein in full, to execute and duly file forthwith in the office of the Judge

of Probate of Montgomery County, Alabama, Articles of Incorporation in substantially the form contained in said Attachment A and (ii) requesting the initial directors of the corporation not for profit created under said Articles of Incorporation to adopt Bylaws for said corporation in substantially the form contained in Attachment B attached to this Executive Order and made a part hereof as if set out herein in full;

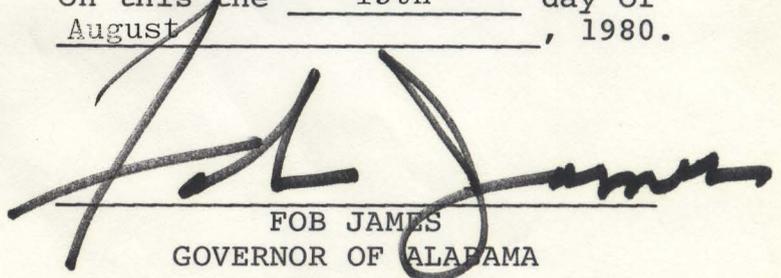
That the grant of powers and duties to the Alabama Commission on Higher Education contained in this Executive Order does not conflict with the Constitution of the State of Alabama and is not specifically prohibited by the statutes of the State of Alabama; and

That the grant of powers and duties to the Alabama Commission on Higher Education contained in this Executive Order is required, in my judgment, for the welfare of the people of the United States and the welfare of the people of Alabama.

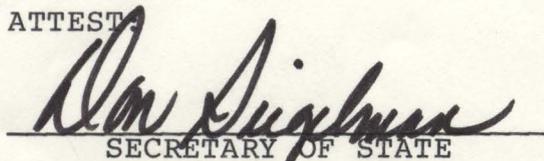
IT IS FURTHER ORDERED that this Executive Order take effect immediately.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Alabama to be affixed by the Secretary of State at the Capitol in the City of Montgomery, Alabama, on this the 19th day of August, 1980.


FOB JAMES
GOVERNOR OF ALABAMA

ATTEST


SECRETARY OF STATE