

**ITEM 149-1001-C1010**

STATE OF MONTANA                     )  
  : SS  
COUNTY OF LEWIS AND CLARK        )

The Board of Regents of Higher Education for the State of Montana (the "*Board*") held a lawful meeting of the Board via teleconference on Thursday, October 21, 2010, beginning at 3:30 p.m.

The following were present at the meeting:

Present:

Chairman:

Other Regents:

Absent:

There were also present at the meeting, administrative officers of the Office of the Commissioner of Higher Education and administrative officers of The University of Montana.

During such meeting, the following proceedings, among others, occurred:

The Regents introduced and considered and discussed the following resolution:

**ITEM 149-1001-C1010—THE UNIVERSITY OF MONTANA**

**BOND RESOLUTION  
FOR UP TO  
\$65,000,000  
STATE OF MONTANA  
THE BOARD OF REGENTS OF HIGHER EDUCATION  
THE UNIVERSITY OF MONTANA  
REFUNDING REVENUE BONDS,  
SERIES K 2010**

A RESOLUTION AUTHORIZING, APPROVING AND PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF UP TO \$65,000,000 AGGREGATE PRINCIPAL AMOUNT OF STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, THE UNIVERSITY OF MONTANA, REFUNDING REVENUE BONDS, SERIES K 2010 (TAXABLE AND TAX-EXEMPT), BEING ISSUED TO PROVIDE FUNDS TO BE USED FOR THE PURPOSE OF REFUNDING AND DEFEASING CERTAIN OUTSTANDING REVENUE BONDS OF THE BOARD HERETOFORE ISSUED FOR THE UNIVERSITY OF MONTANA, TO PAY THE COSTS OF ISSUANCE OF THE SERIES K 2010 BONDS AND, IF REQUIRED, TO FUND A DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES K 2010 BONDS; AUTHORIZING, APPROVING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY BY THE BOARD OF A SUPPLEMENTAL INDENTURE OF TRUST, CLOSING DOCUMENTS AND CERTIFICATES, AND THE SERIES K 2010 BONDS IN CONNECTION THEREWITH; AUTHORIZING THE PREPARATION AND EXECUTION OF A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE UNDERTAKING IN CONNECTION THEREWITH; AUTHORIZING THE PREPARATION AND EXECUTION OF AN ESCROW AGREEMENT RELATING TO CERTAIN OUTSTANDING REVENUE BONDS OF THE UNIVERSITY; AUTHORIZING THE PREPARATION, DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS AND APPROVING AND DIRECTING THE DISTRIBUTION AND USE OF A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH; MAKING DETERMINATIONS AS TO OTHER MATTERS RELATED TO SUCH FINANCING AND THE ISSUANCE OF THE SERIES K 2010 BONDS; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH.

WHEREAS, The Board of Regents of Higher Education for the State of Montana (the “*Board*” or the “*Board of Regents*”) has been vested with the governance and control of, and has been granted full power, responsibility and authority to supervise, coordinate, manage and control, the Montana university system under Article X, Section 9 of the Constitution of the State of Montana, including, but not limited to, the power to issue, sell and deliver revenue bonds to refund and defease bonds issued by the Board for institutions of the Montana university system; and

WHEREAS, the Board has determined, and does hereby determine pursuant to this resolution (the “*Resolution*”), to authorize the issuance and sale of revenue bonds designated as “State of Montana, The Board of Regents of Higher Education, The University of Montana,

Refunding Revenue Bonds, Series K 2010 (Taxable and Tax-Exempt),” consisting of taxable and tax-exempt subseries (the “*Series K 2010 Bonds*”), in the aggregate principal amount of not to exceed \$65,000,000, for the purpose of refunding certain outstanding revenue bonds of the Board heretofore issued by the Board for The University of Montana (the “*University*”), to pay certain costs and expenses in connection with the issuance of the Series K 2010 Bonds and, if required, to fund a debt service reserve fund in connection with the issuance of the Series K 2010 Bonds; and

WHEREAS, in connection with the proposed issuance of the Series K 2010 Bonds, there will be prepared (1) a Series K 2010 Tenth Supplemental Indenture of Trust (the “*Supplemental Indenture*”), supplementing and amending the Indenture of Trust, dated as of November 1, 1993 (the “*Master Indenture*” and, collectively with the Supplemental Indenture, the “*Indenture*”), between the Board and U.S. Bank National Association, as trustee (the “*Trustee*”), and providing for the issuance of the Series K 2010 Bonds, (2) a Bond Purchase Agreement (the “*Bond Purchase Agreement*”) between the Board and D.A. Davidson & Co. (the “*Underwriter*”), as the underwriter of the Series K 2010 Bonds, (3) if necessary, an Escrow Agreement (the “*Escrow Agreement*”) between the Board and U.S. Bank National Association, as escrow agent (in such capacity, the “*Escrow Agent*”), relating to the use of Series K 2010 Bond proceeds and other moneys to refund certain outstanding revenue bonds heretofore issued by the Board for the University, (4) a Continuing Disclosure Undertaking of the Board and the University (the “*Continuing Disclosure Undertaking*”) and (5) a Preliminary Official Statement (the “*Preliminary Official Statement*”) and a final Official Statement (the “*Final Official Statement*”) for use by the Underwriter in connection with the offering and sale of the Bonds; and

WHEREAS, the Board has determined to approve the issuance, sale and delivery of the Series K 2010 Bonds by the adoption of this Resolution, and to delegate authority to the Chairman of the Board (the “*Chairman*”), the Vice President for Administration and Finance of the University, and Counsel to the Board to approve the forms of, and the terms and provisions of the Supplemental Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Undertaking, the Preliminary Official Statement, and the Final Official Statement; and the Board has determined to authorize the use and distribution of the Preliminary Official Statement in connection with the offer and sale of the Bonds and to authorize and direct the preparation, distribution and use of the Final Official Statement in the manner provided for herein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF HIGHER EDUCATION FOR THE STATE OF MONTANA, AS FOLLOWS:

*Section 1. Approval of Prior Action.* All action (not inconsistent with the provisions of this Resolution) heretofore taken by the Board or the University in connection with the issuance, sale and delivery of the Series K 2010 Bonds is hereby, ratified, approved and confirmed.

*Section 2. Exercise of Powers to Issue Bonds; Authorization of Series K 2010 Bonds.*  
(a) Pursuant to its authority under Article X, Section 9 of the Constitution of the State of

Montana, the Board does hereby declare its intention to exercise its constitutional powers and authority to supervise, coordinate, manage, govern and control the Montana university system through the issuance, sale and delivery of revenue bonds, and does hereby authorize the issuance of a series of revenue bonds of the Board designated as “State of Montana, The Board of Regents of Higher Education, The University of Montana, Refunding Revenue Bonds, Series K 2010 (Taxable and Tax-Exempt),” consisting of taxable and tax-exempt subseries, for the purpose of refunding all or a portion of its outstanding State of Montana, The Board of Regents of Higher Education, The University of Montana Facilities Improvement Revenue Bonds, Series E 1998 and State of Montana, The Board of Regents of Higher Education, The University of Montana Facility Improvement and Refunding Revenue Bonds, Series F 1999 (collectively, the “*Refunded Bonds*”); paying costs of issuance of the Series K 2010 Bonds; and funding (if required) a debt service reserve requirement pertaining thereto.

(b) The Series K 2010 Bonds shall be issued as fully-registered bonds in the denominations of \$5,000 or any integral multiple thereof, shall be dated as provided in the Indenture, shall bear interest from their date at the rates, and shall mature on the dates and in the principal amounts as shall be set forth in the Indenture, *provided that* (i) the aggregate principal amount of the Series K 2010 Bonds shall not exceed \$65,000,000, (ii) the maturity date or dates of the Series K 2010 Bonds shall not exceed 14 years from their date of issuance, (iii) the net effective rate of interest payable on taxable Series K 2010 Bonds shall not exceed 5.25% per annum; (iv) the net effective rate of interest payable on tax-exempt Series K 2010 Bonds shall not exceed 3.25% per annum; and (v) the issuance of the Series K 2010 Bonds shall provide net present value savings of at least 3%.

(c) The Series K 2010 Bonds shall be payable, shall be subject to redemption prior to maturity and shall be in substantially the form provided in the Indenture.

*Section 3. Approval of Supplemental Indenture.* The Board hereby authorizes the execution and delivery of the Supplemental Indenture in substantially the form used in connection with prior revenue bonds issued by the Board for the University, but with such changes as shall be consistent with the terms and provisions of this Resolution and as the Chairman, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chairman to constitute conclusive evidence of the approval of the form, terms and provisions of the Supplemental Indenture for and on behalf of the Board. The Chairman is hereby authorized to execute and deliver the Supplemental Indenture, and the Commissioner of Higher Education and Secretary to the Board of Regents (the “*Commissioner/Secretary*”) is authorized to attest and to place the seal of the Board upon the Supplemental Indenture in the form approved pursuant to this paragraph.

*Section 4. Approval of Escrow Agreement.* In order to provide for the payment and discharge of the Refunded Bonds, the Board hereby authorizes, as necessary, the execution and delivery of the Escrow Agreement, in substantially the form used in connection with prior revenue refunding bonds issued by the Board for the University, with such changes as shall be consistent with the terms and provisions of this Resolution and as the Chairman, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chairman to constitute conclusive evidence of the approval of the form,

terms and provisions of the Escrow Agreement on behalf of the Board. The Chairman is hereby authorized to execute and deliver the Escrow Agreement, and the Commissioner/Secretary is authorized to attest and to place the seal of the Board upon the Escrow Agreement in the form approved pursuant to this paragraph.

*Section 5. Approval of Bond Purchase Agreement.* The Board hereby authorizes the execution and delivery of the Bond Purchase Agreement, in substantially the form used in connection with prior revenue bonds issued by the Board for the University, but with such changes as shall be consistent with the terms and provisions of this Resolution and as the Chairman, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chairman to constitute conclusive evidence of the approval of the form, terms and provisions of the Bond Purchase Agreement for and on behalf of the Board. The Chairman is hereby authorized to execute and deliver the Bond Purchase Agreement, and the Commissioner/Secretary is authorized to attest and to place the seal of the Board upon the Bond Purchase Agreement in the form approved pursuant to this paragraph.

*Section 6. Approval of Continuing Disclosure Undertaking.* The Board hereby authorizes the execution and delivery of the Continuing Disclosure Undertaking, in substantially the form used in connection with prior revenue bonds issued by the Board for the University, but with such changes as shall be consistent with the terms and provisions of this Resolution and as the Chairman, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chairman of the Board and the Vice President for Administration and Finance of the University to constitute conclusive evidence of the approval of the form, terms and provisions of the Continuing Disclosure Undertaking for and on behalf of the Board and the University, respectively. The Chairman of the Board and the Vice President for Administration and Finance of the University are hereby authorized to execute and deliver the Continuing Disclosure Undertaking in the form approved pursuant to this paragraph.

*Section 7. Approval and Use of Preliminary Official Statement and Final Official Statement.* The Board hereby authorizes the preparation of the Preliminary Official Statement, in substantially the form used in connection with prior revenue bonds issued by the Board for the University, but with such changes as shall be consistent with the terms and provisions of this Resolution and as the Chairman, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the approval by the Chairman or the Vice President for Administration and Finance of the University to constitute conclusive evidence of the approval of the form and provisions of the Preliminary Official Statement for and on behalf of the Board and the University. The Underwriter is hereby authorized and directed to use and distribute the Preliminary Official Statement in connection with the offering and sale of the Series K 2010 Bonds. The Preliminary Official Statement, when supplemented and completed to include the maturity dates, principal amounts and interest rates of the Series K 2010 Bonds, together with any other information required or permitted by law, shall constitute the Final Official Statement of the Board and the University with respect to the Series K 2010 Bonds, and the Chairman of the Board and the Vice President for Administration and Finance of the University are hereby authorized to approve and execute the Final Official Statement upon completion of such

information and to deliver or cause to be delivered the Final Official Statement to the Underwriter.

*Section 8. Approval of Series K 2010 Bonds and Execution.* The execution and delivery by the Board of the Series K 2010 Bonds, in the form contained in the Indenture, is hereby authorized. The Chairman is hereby authorized and directed to execute the Series K 2010 Bonds, and the Commissioner/Secretary is hereby authorized and directed to attest such signature, and the seal of the Board is hereby authorized and directed to be affixed to the Series K 2010 Bonds.

*Section 9. Order for Authentication.* The Series K 2010 Bonds, when executed by the Chairman and Commissioner/Secretary, shall be delivered to the Trustee for authentication, accompanied by a written order of the Board executed by its Chairman and directing the authentication and delivery of the Series K 2010 Bonds by the Trustee. Upon receipt of such written order, the Trustee shall authenticate and register the Series K 2010 Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and shall deliver the Series K 2010 Bonds, when duly executed and authenticated, to the Underwriter in accordance with the written instructions therefor executed on behalf of the Board by the Chairman, which instructions the Chairman is hereby authorized and directed, for and in the name and on behalf of the Board, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the Series K 2010 Bonds in accordance with the provisions of the Bond Purchase Agreement, upon satisfaction of all conditions required for delivery of the Series K 2010 Bonds under this Resolution, the Bond Purchase Agreement and the Indenture.

*Section 10. Authorization for Further Action.* The members and officers of the Board and the University shall take all action in conformity with the constitution and laws of the State of Montana and this Resolution that shall be necessary or reasonably required in connection with the issuance of the Series K 2010 Bonds, including, without limitation, the execution and delivery of all closing documents, certificates and opinions authorized or required to be delivered in connection with the issuance, sale and delivery of the Series K 2010 Bonds. If (a) the Chairman, (b) Vice President for Administration and Finance of the University, or (c) the Commissioner/Secretary shall be unavailable to execute or seal or attest, respectively, the Series K 2010 Bonds or other documents that they are hereby authorized to execute, seal and attest, the same may be executed, or sealed and attested by, respectively, (i) the Vice Chairman of the Board or other Regent, (ii) the Associate Vice President for Administration and Finance of the University, or (iii) any assistant to the Commissioner/Secretary or any Regent.

*Section 11. Resolution Irrepealable.* After any of the Series K 2010 Bonds are issued, this Resolution shall be and remain irrepealable until the Series K 2010 Bonds and the interest thereon shall have been fully paid, cancelled and discharged as provided in the Indenture.

*Section 12. Severability.* If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 13. Repealer.* All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

*Section 14. Effective Date.* This Resolution shall be in full force and effect upon its passage and approval.

PASSED, ADOPTED AND APPROVED this 21st day of October, 2010.

THE BOARD OF REGENTS OF HIGHER EDUCATION  
FOR THE STATE OF MONTANA

By \_\_\_\_\_  
Chairman

[SEAL]

ATTEST:

\_\_\_\_\_  
Commissioner of Higher Education  
and Secretary to the Board of Regents

At a regular meeting of The Board of Regents of Higher Education for the State of Montana, the foregoing Resolution was moved for adoption, the Resolution was put to a vote, and on roll call, the following vote was recorded:

Those Voting Aye:

Those Abstaining:

Those Voting Nay:

Those Absent:

Not less than a majority of The Board of Regents of Higher Education present having voted in favor of the motion, the presiding officer declared the motion carried and the Resolution duly passed and adopted.

Thereupon, The Board of Regents of Higher Education considered other matters not concerning the Series K 2010 Bonds described in the foregoing Resolution.



STATE OF MONTANA                    )  
  :    SS  
COUNTY OF LEWIS AND CLARK    )

I, the duly appointed, qualified and acting Commissioner of Higher Education and Secretary to the Board of Regents of Higher Education of the State Montana (the “*Board*”), do hereby certify that the foregoing is a true, correct and complete copy of the record of proceedings of the Board, insofar as such proceedings relate to the Resolution therein contained, had and taken at a lawful and regular meeting of the Board held on October 21, 2010, commencing at 3:30 p.m., as recorded in the regular official book of the proceedings of the Board kept in my office; said proceedings were duly had and taken as therein shown, the meeting therein shown was duly held, and the persons therein named were present at said meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of The Board of Regents of Higher Education of the State of Montana this 21st day of October, 2010.

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Commissioner of Higher Education  
and Secretary to the Board of Regents

[SEAL]