

MONTANA STATE UNIVERSITY
RESOLUTION RELATING TO THE REFUNDING,
REMARKETING AND RESTRUCTURING OF
STATE OF MONTANA
THE BOARD OF REGENTS OF HIGHER EDUCATION
MONTANA STATE UNIVERSITY
FACILITIES IMPROVEMENT REVENUE BONDS
SERIES J 2005

A RESOLUTION CONCERNING THE REFUNDING, REMARKETING AND RESTRUCTURING OF OUTSTANDING STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, MONTANA STATE UNIVERSITY, FACILITIES IMPROVEMENT REVENUE BONDS SERIES J 2005; AUTHORIZING, APPROVING AND PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, MONTANA STATE UNIVERSITY, FACILITIES REFUNDING REVENUE BONDS, SERIES F 2018, TO BE ISSUED FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE SERIES J 2005 BONDS, PAYING COSTS ASSOCIATED WITH TERMINATION OF INTEREST RATE AGREEMENTS AND COSTS OF ISSUANCE OF THE SERIES F 2018 BONDS AND FUNDING A DEBT SERVICE RESERVE (IF REQUIRED) FOR THE SERIES F 2018 BONDS; AND OTHERWISE AUTHORIZING THE RESTRUCTURING AND REMARKETING OF THE SERIES J 2005 BONDS AND DELEGATING AUTHORITY TO MONTANA STATE UNIVERSITY AND THE COMMISSIONER OF HIGHER EDUCATION THE POWER AND AUTHORITY TO MAKE CERTAIN DETERMINATIONS IN CONNECTION THEREWITH

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 revenue bonds issued by the Board for institutions of the Montana university system; and

WHEREAS, the Board has heretofore issued revenue bonds designated as “State of Montana, The Board of Regents of Higher Education, Montana State University, Facilities Improvement Revenue Bonds, Series J 2005” (the “Series J 2005 Bonds”), which were issued with multimodal interest rate provisions, and which are currently held by Wells Fargo Bank, National Association (“Wells Fargo”), accrue interest at a variable index interest rate and are subject to mandatory repurchase by the Board on September 7, 2018; and

WHEREAS, Montana State University (the “University”) has had discussions with the University’s financial advisors from time to time in connection with the multimodal interest rate provisions and the interest rate agreements previously entered into by the Board for the purpose of hedging interest rate exposure with respect to the Series J 2005 Bonds (the “Interest Rate Agreements”); and

WHEREAS, the Board 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, Montana State University, Facilities Refunding Revenue Bonds, Series F 2018,” which may include subseries (the “Series F 2018 Bonds”), to be issued for the purpose of refunding all or a portion of the Series J 2005 Bonds, paying costs associated with the termination of Interest Rate Agreements and costs and expenses in connection with the issuance of the Series F 2018 Bonds (which may include costs relating to bond insurance or other credit enhancements, if determined to be in the best interests of the University) and funding a debt service reserve (if determined to be in the best interests of the University) for the Series F 2018 Bonds; and

WHEREAS, in the event that the University and the of Commissioner Higher Education and Secretary to the Board of Regents (the “Commissioner”) determine that the issuance of the Series F 2018 Bonds and the refunding of the Series J 2005 Bonds will not satisfy the parameters set forth in this Resolution or are not otherwise in the best interests of, and economic benefit to, the University under then current conditions in the municipal bond and other credit markets, the Board does hereby determine, pursuant to this Resolution, to authorize and direct the University and the Commissioner to take all actions (not inconsistent with the express provisions of this Resolution) necessary or desirable, and in the best interests of, and economic benefit to, the Board and the University, in connection with remarketing and restructuring of the Series J 2005 Bonds and addressing the September 7, 2018 mandatory repurchase of the Series J 2005 Bonds, including without limitation;

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 actions heretofore taken by the Board or the University in connection with the remarketing and restructuring of the Series J 2005 Bonds, including conversions of interest rates with respect thereto, and all actions (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 F 2018 Bonds, are hereby, ratified, approved and confirmed.

Section 2. Exercise of Powers to Issue Bonds; Authorization of Series F 2018 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, Montana State University, Facilities Refunding Revenue Bonds, Series F 2018,” which may include subseries (which may be tax-exempt or taxable), to be issued for the purpose of refunding all or a portion (as determined by the University and the Commissioner to be in the best interests of the University) of the Series J 2005 Bonds, paying costs associated with the termination of Interest Rate Agreements (which termination shall be in the discretion of the University and the Commissioner) and costs and expenses in connection with the issuance of the Series F 2018 Bonds (which may include costs relating to bond insurance or other credit enhancements, if determined by the University and the Commissioner to be in the best interests of the University) and funding debt service reserve (if determined by the University and the Commissioner to be in the best interests of the University) for the Series F 2018 Bonds.

(b) The Series F 2018 Bonds shall be issued as fully-registered bonds, shall be dated as provided in the Indenture, shall bear interest from their date at the rates (which may be fixed or variable and taxable or tax-exempt), and shall mature on the dates and in the principal amounts as shall be set forth in the Supplemental Indenture, provided that (i) the maturity date or dates of the Series F 2018 Bonds shall not extend beyond the final maturity date of the Series J 2005 Bonds, (ii) the annual debt service on the Series F 2018 Bonds will not be more than the annual debt service on the Series J 2005 Bonds to be refunded (inclusive of integrated swap payments and estimated basis point spread paid to the direct purchase holder), and (iii) the University shall be permitted to apply cash on-hand received by the University pursuant to the Interest Rate Agreements to the refunding of the Series J 2005 Bonds, in such amount as the University and the Commissioner shall determine, provided that such amount shall not exceed \$325,000.

(c) The Series F 2018 Bonds shall be payable, shall be subject to redemption prior to maturity and shall be in substantially the form provided in the Indenture.

(d) In connection with the issuance of the Series F 2018 Bonds, there shall be prepared (1) a Series F 2018 Supplemental Indenture of Trust (the "Supplemental Indenture"), supplementing and amending the Restated and Supplemental Indenture of Trust, dated as of October 15, 1993, as amended and supplemented (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 F 2018 Bonds, (2) a Bond Purchase Agreement (the "Bond Purchase Agreement") between the Board and the underwriter (to be selected by the University) for the Series F 2018 Bonds (the "Underwriter"), (3) a Continuing Disclosure Agreement among the Board, the University and U.S. Bank National Association, as dissemination agent (the "Continuing Disclosure Agreement"), and (4) 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 Series F 2018 Bonds. The Board has determined to approve the issuance, sale and delivery of the Series F 2018 Bonds by the adoption of this Resolution, and to delegate authority to the Chair of the Board (the "Chair"), 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 Continuing Disclosure Agreement, 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 Series F 2018 Bonds and to authorize and direct the preparation, distribution and use of the Final Official Statement in the manner provided for herein.

Section 3. Approval of Supplemental Indenture. The Board hereby authorizes the execution and delivery of the Supplemental Indenture consistent with the terms and provisions of this Resolution and as the Chair, the University, the Underwriter, bond counsel to the Board and the University ("Bond Counsel") and Counsel to the Board shall approve, the execution and delivery thereof by the Chair 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 Chair is hereby authorized to execute and deliver the Supplemental Indenture, and the Commissioner is authorized to attest and to place the seal of the Board upon the Supplemental Indenture.

Section 4. Approval of Bond Purchase Agreement. The Board hereby authorizes the execution and delivery of the Bond Purchase Agreement consistent with the terms and provisions of this Resolution and as the Chair, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chair 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 Chair is hereby

authorized to execute and deliver the Bond Purchase Agreement, and the Commissioner is authorized to attest and to place the seal of the Board upon the Bond Purchase Agreement.

Section 5. Approval of Continuing Disclosure Agreement. The Board hereby authorizes the execution and delivery of the Continuing Disclosure Agreement consistent with the terms and provisions of this Resolution and as the Chair, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the execution and delivery thereof by the Chair 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 Agreement for and on behalf of the Board and the University, respectively. The Chair and the Vice President for Administration and Finance of the University are hereby authorized to execute and deliver the Continuing Disclosure Agreement.

Section 6. Approval and Use of Preliminary Official Statement and Final Official Statement. The Board hereby authorizes the preparation of the Preliminary Official Statement consistent with the terms and provisions of this Resolution and as the Chair, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, the approval by the Chair 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 Vice President for Administration and Finance of the University is further authorized to deem the Preliminary Official Statement final for purposes of complying with Securities and Exchange Commission Rule 15c2-12. The Underwriter is hereby authorized to use and distribute the Preliminary Official Statement in connection with the offering and sale of the Series D 2017 Bonds. The Preliminary Official Statement, when supplemented and completed to include the maturity dates, principal amounts and interest rates of the Series D 2017 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 D 2017 Bonds, and the Chair 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 7. Approval of Series D 2017 Bonds and Execution. The execution and delivery by the Board of the Series F 2018 Bonds, in the form contained in the Indenture, is hereby authorized. The Chair is hereby authorized to execute the Series F 2018 Bonds, and the Commissioner is hereby authorized to attest such signature, and the seal of the Board is hereby authorized to be affixed to the Series F 2018 Bonds.

Section 8. Order for Authentication. The Series F 2018 Bonds, when executed by the Chair and Commissioner, shall be delivered to the Trustee for authentication, accompanied by a written order of the Board executed by its Chair and providing for the authentication and delivery of the Series F 2018 Bonds by the Trustee. Upon receipt of such written order, the Trustee shall authenticate and register the Series F 2018 Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and shall deliver the Series F 2018 Bonds, when duly executed and authenticated, to the Underwriter in accordance with the written instructions therefor executed on behalf of the Board by the Chair, which instructions the Chair is hereby authorized, 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 F 2018 Bonds in accordance with the provisions of the Bond Purchase Agreement, upon satisfaction of all conditions required for delivery of the Series F 2018 Bonds under this Resolution, the Bond Purchase Agreement and the Indenture.

Section 9. Designation of Board and University Representatives. The Chair, the Vice President for Administration and Finance of the University and the Commissioner are each designated as a Board Representative under the Indenture, and the Vice President for Administration and Finance of the University is also designated as University Representative under the Indenture. If (a) the Chair, (b) the Vice President for Administration and Finance of the University, or (c) the Commissioner shall be unavailable to execute or seal or attest, respectively, the Series F 2018 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 Chair 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 or any Regent.

Section 10. Authorizations and Delegations Pertaining to the Remarketing and Restructuring of the Series J 2005 Bonds. Pursuant to Resolutions Nos. 138-2005-R0308, 139-101-C0408 and 147-2001-C0610, the Board has previously authorized and directed the University and the Commissioner of Higher Education and Secretary to the Board of Regents (the "Commissioner") to take actions necessary or desirable in connection with remarketing and restructuring of the Series J 2005 Bonds as they shall determine to be in the best interests of, and economic benefit to, the University under then current conditions in the municipal bond and other credit markets. In the event that the University and the Commissioner determine that the issuance of the Series F 2018 Bonds and the refunding of the Series J 2005 Bonds will not satisfy the parameters set forth in this Resolution or are not otherwise in the best interests of, and economic benefit to, the University under then current conditions in the municipal bond and other credit markets, the Board hereby authorizes and directs the University and the Commissioner to take all actions (not inconsistent with the express provisions of this Resolution) necessary or desirable, and in the best interests of, and economic benefit to, the Board and the University, in connection with remarketing and restructuring of the Series J 2005 Bonds and addressing the September 7, 2018 mandatory repurchase of the Series J 2005 Bonds, including without limitation (a) determining to proceed with a public or private remarketing and restructuring and selection of one or more underwriters or direct purchasers with respect thereto, as applicable; and (b) taking all actions and entering into all agreements, instruments, certifications and other documents necessary or desirable to consummate the selected remarketing and restructuring transactions. In connection therewith, the Board hereby determines to delegate authority to the Commissioner, 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 such agreements, instruments, certifications and other documents, and the execution and delivery thereof by the Chair and the Vice President for Administration and Finance of the University, as applicable, shall constitute conclusive evidence of the approval of the form, terms and provisions thereof by, for and on behalf of the Board and the University, respectively. The powers and authority delegated to the University and the Commissioner by this Resolution are in addition to the powers and authority delegated pursuant to the Board's Resolutions Nos. 138-2005-R0308, 139-101-C0408 and 147-2001-C0610, and such powers and authority are to be exercised in a manner consistent with this Resolution and in furtherance of the best interests and economic benefit of the Board and the University.

Section 11. 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, as the case may be, the issuance of the Series F 2018 Bonds or the remarketing and restructuring of the Series J 2005 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 F 2018 Bonds or the remarketing and restructuring of the Series J 2005 Bonds. If (a) the Chair, (b) the Vice President for Administration and Finance of the University, or (c) the Commissioner shall be unavailable to execute or seal

or attest, respectively, the 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 Chair 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 or any Regent.

Section 12. Resolution Irrepealable. After any of the Series F 2018 Bonds are issued, or the effectuation of the remarketing and restructuring of the Series J 2005 Bonds, this Resolution shall be and remain irrepealable until the Series F 2018 Bonds and the interest thereon or the Series J 2005 Bonds and the interest thereon, as the case may be, shall have been fully paid, cancelled and discharged as provided in the Indenture.

Section 13. 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 14. Repealer. The Board's Resolutions Nos. 138-2005-R0308, 139-101-C0408 and 147-2001-C0610, are hereby superseded only to the extent of any inconsistency with this Resolution, and otherwise are hereby ratified and confirmed and remain in full force and effect. All other bylaws, orders and resolutions of the Board, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency; but this sentence shall not be construed as reviving any bylaw, order or resolution or part thereof.

Section 15. Effective Date. This Resolution shall be in full force and effect upon its passage and approval.

PASSED, ADOPTED AND APPROVED this _____ day of July 2018.

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

By _____
Chair

[SEAL]

ATTEST:

By _____
Commissioner of Higher Education and
Secretary to the Board of Regents