

April 29, 2008

ITEM 139-101-C0408

Authorization to Amend its Bond Indenture; Montana State University

THAT:

The Montana Board of Regents of Higher Education adopts a resolution authorizing Montana State University and the Commissioner of Higher Education to amend its bond indenture as and if required in connection with the remarketing of its variable rate Series J 2005 Debt currently outstanding.

EXPLANATION:

1. Montana State University previously received approval from the Board of Regents to execute or amend certain agreements relative to its Series J 2005 Debt currently outstanding, including approval to execute, terminate, amend, modify, supplement, and/or alter ISDA Master Agreements and related documentation; to change interest rate modes; and to enter into liquidity facilities (such as a bank letter of credit or stand-by bond purchase agreement) with respect to the University's two variable rate bond series.
2. Montana State University is in the process of implementing certain of the above-described actions.
3. In connection with implementing such actions, certain modifications may be required to the University's existing bond indenture, to enable the use of the most cost effective strategy for the Series J 2005 remarketing.
4. This action delegates to the University and the Commissioner of Higher Education the administrative authority to modify the University's bond indenture when and as required to implement the above-described actions.
5. There may be additional legal fees for making such changes. The Regents will be notified when such changes are in process, and new transactions will be reported at the following Board meeting. Additionally, appropriate notice will be given to specified parties as has been previously set forth in the University's bond indenture.
6. The Series J 2005 remarketing will preserve the existing 3.95% fixed interest rate swap and constant maturity swap. A small increase in fees (.25% - .50%) for the remarketing agent and liquidity facility will result, in addition to the existing fees that were authorized and charged on the Series J 2005 bonds under the previous auction rate mode.

ATTACHMENT:

- A. Authorizing Resolution