

ITEM 128-1004-R0705 - THE UNIVERSITY OF MONTANA

BOND RESOLUTION
 FOR AND AUTHORIZING AND APPROVING THE ISSUANCE OF
 \$34,000,000
 STATE OF MONTANA
 THE BOARD OF REGENTS OF HIGHER EDUCATION
 THE UNIVERSITY OF MONTANA
 FACILITIES IMPROVEMENT AND REFUNDING REVENUE BONDS
 SERIES J 2005
 AND FURTHER MAKING PROVISION FOR AND AUTHORIZING AND APPROVING
 THE ISSUANCE OF
 \$47,000,000
 STATE OF MONTANA
 THE BOARD OF REGENTS OF HIGHER EDUCATION
 THE UNIVERSITY OF MONTANA
 FACILITIES REFUNDING REVENUE BONDS
 TAXABLE SERIES K 2010

A RESOLUTION PROVIDING FINAL APPROVAL AND AUTHORIZATION FOR THE ISSUANCE, SALE AND DELIVERY OF REVENUE BONDS OF THE BOARD OF REGENTS OF HIGHER EDUCATION FOR THE STATE OF MONTANA DESIGNATED STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, THE UNIVERSITY OF MONTANA, FACILITIES IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES J 2005, IN A TOTAL PRINCIPAL AMOUNT NOT TO EXCEED \$34,000,000, SAID SERIES J 2005 BONDS BEING AUTHORIZED TO BE ISSUED FOR THE PURPOSE OF REFUNDING AND DISCHARGING CERTAIN OUTSTANDING REVENUE BONDS HERETOFORE ISSUED BY THE BOARD FOR THE UNIVERSITY, OF FINANCING THE COSTS OF CERTAIN CAPITAL FACILITIES AND IMPROVEMENTS FOR AND AT THE VARIOUS CAMPUSES OF THE UNIVERSITY OF MONTANA, AS DESCRIBED HEREIN, TO PAY THE COSTS OF ISSUANCE OF AND CAPITALIZED INTEREST WITH RESPECT TO, THE SERIES J 2005 BONDS, AND, IF REQUIRED, TO FUND A DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES J 2005 BONDS; MAKING PROVISION FOR AND PROVIDING AUTHORIZATION FOR THE ISSUANCE, SALE AND DELIVERY OF A SERIES OF REVENUE BONDS OF THE BOARD DESIGNATED STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, THE UNIVERSITY OF MONTANA, FACILITIES REFUNDING REVENUE BONDS, TAXABLE SERIES K 2010, IN A TOTAL PRINCIPAL AMOUNT NOT TO EXCEED \$47,000,000, FOR THE PURPOSES AND USES DESCRIBED HEREIN; AUTHORIZING, APPROVING AND DIRECTING THE EXECUTION AND DELIVERY BY THE BOARD OF A SERIES J 2005 NINTH SUPPLEMENTAL INDENTURE OF TRUST TO THE MASTER INDENTURE OF TRUST FOR THE UNIVERSITY OF MONTANA AND VARIOUS CLOSING DOCUMENTS AND CERTIFICATES AND THE SERIES J 2005 BONDS IN CONNECTION THEREWITH; AUTHORIZING AND APPROVING AND MAKING PROVISION FOR AND RELATING TO A FORWARD INTEREST RATE SWAP AND INTEREST RATE SWAP AGREEMENT FOR THE SERIES K 2010 BONDS; AUTHORIZING, APPROVING AND DIRECTING THE EXECUTION

AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE SERIES J 2005 BONDS, AN INTEREST RATE SWAP AGREEMENT FOR THE SERIES K 2010 BONDS AND AN ESCROW AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT FOR THE SERIES J 2005 BONDS; AUTHORIZING THE PREPARATION, DISTRIBUTION AND USE OF AN OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE OFFERING, SALE AND DELIVERY OF THE SERIES J 2005 BONDS AND APPROVING AND DIRECTING THE DISTRIBUTION, EXECUTION AND USE OF THE OFFICIAL STATEMENT IN CONNECTION THEREWITH; MAKING DETERMINATIONS AS TO OTHER MATTERS RELATED THERETO AND TO THE ISSUANCE OF THE SERIES J 2005 BONDS 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") 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 for the purpose of restructuring and/or refunding and defeasing bonds issued by the Board for institutions of higher education within the Montana University System and for the purpose of financing the costs of acquisition, construction, renovation, improvement, furnishing and equipping of capital improvements, facilities and equipment for the use and benefit of institutions of higher education within the Montana University System, and to provide authorization for the use and application of the proceeds of such revenue bonds and certain funds and monies of the institutions for such purposes; and

WHEREAS, in the exercise of its constitutional powers, the Board has, by various actions taken by the Board, heretofore made provisions for and has directed the administrative merger of various units of the Montana University System, whereby, The University of Montana-Missoula, Missoula, Montana (the "Missoula Campus"), The University of Montana-Western, Dillon, Montana ("the Western Campus"), Montana Tech of The University of Montana, Butte, Montana ("the Montana Tech Campus") and The University of Montana/Helena College of Technology, ("the Helena Campus") were designated to become and have in fact become a multi-campus university named The University of Montana (herein referred to as "The University of Montana" or the "University"), in the manner and becoming effective as heretofore directed by the Board; and

WHEREAS, in connection with the issuance of certain revenue bonds for The University of Montana and heretofore issued for the University in November of 1993, the Board made provision for and approved, executed and delivered a Master Indenture of Trust (the "Master Indenture") for the University, pursuant to which (together with certain supplemental indentures

thereto) certain revenues of the University's student housing system and auxiliary and other facilities and certain student and other fees, income and revenues of the various institutions and campuses comprising the University are pledged for the payment of revenue bonds issued from time to time under and pursuant to the Master Indenture on behalf of and for the benefit of the various institutions and campuses comprising the University; and

WHEREAS, based on present requirements of the University as presented by the University, the Board has determined and does hereby determine to approve the financing of projects at and for the various campuses of the University, as described in Annex A attached hereto (the "Series J Projects") and by this reference incorporated herein, and to provide for and approve the refunding and defeasance of certain outstanding revenue bonds heretofore issued by the Board for the University as described herein;

WHEREAS, the Board and the University have also observed that the credit markets in the United States are currently experiencing and encountering certain interest rate trends which, based on advice from and observations made by various finance professionals who provide advice and counsel to the Board and the University, could continue into the foreseeable future and, as a consequence thereof, could be expected to be of benefit to the University in reducing the net borrowing costs associated with certain outstanding revenue bonds heretofore issued by the University and provide funds which would be available immediately to the University to finance a portion of the costs of the Series J Projects, thereby reducing the amount of the borrowing required for the Series J Projects and, as a result, providing a reduction in the debt service associated therewith; and

WHEREAS, the Board and the University have determined that it is in the best interests of the Board and the University and of the students attending the University campuses of the University to timely take certain actions as are reasonably required, under present credit market conditions, to assure, realize and receive the benefit of monies being made available currently to be applied to the costs of the Series J Projects, as described above, by undertaking the use and application of a forward interest rate swap mechanism in connection with the proposed issuance in the future of the Series K 2010 Bonds, each as described and provided for herein and which, if undertaken at this time or in the near future, is expected make funds immediately available for, and thereby reduce the amount required to be borrowed for, the Series J Projects; and

WHEREAS, pursuant to and in the exercise of its constitutional powers and in conformity with the provisions made therefor in the Master Indenture as described above, and in anticipation and as a consequence of present conditions in the credit markets which require the actions described herein to fund various costs of the Series J Projects, the Board has

determined (i) to provide for and to give final approval for the issuance of facilities improvement and refunding revenue bonds (the "Series J 2005 Bonds" as herein defined and described) under the Master Indenture (inclusive of a supplemental indenture thereto as described and authorized and approved herein) in a total principal amount of not to exceed \$34,000,000, the proceeds of which are to be used (a) to finance various costs of the Series J Projects, and (b) for the purpose of refunding and defeasing certain outstanding revenue bonds (the "Prior Bonds") heretofore issued by the Board for the University and more fully described in the Series J Supplemental Indenture (defined and described as follows) and all as designated in and directed by the Series J Supplemental Indenture (the "Refunding Project"), (c) to provide for payment of certain costs of issuance of and any municipal bond insurance premium for, and for payment of capitalized interest with respect to, the Series J 2005 Bonds and (d) if required, to provide for the funding of a debt service reserve requirement for said issue of Series J 2005 Bonds, (ii) to provide for and to give approval for the issuance of the Series K 2010 Bonds in the form of taxable variable rate debt instruments (issuable or convertible to fixed-rate debt at a future date or dates if deemed advisable by the University) which the University deems to be in the best interests of the University, (a) in maximizing, to the greatest extent possible, the funds to be available for the Series J Projects, and (b) in making provision for a future refunding of certain portions of the outstanding Series F 1999 Bonds heretofore issued by the Board for the University (iii) to provide for and to give final approval for a forward interest rate swap and swap agreement with respect to the Series K 2010 Bonds in order to realize and receive such monies to be applied to the cost of the Series J Projects through an interest rate swap mechanism and agreement with respect to the Series K 2010 Bonds, which shall be undertaken and executed as soon as practicable to do so, and directing that provisions therefore be made and included in certain documents and instruments described herein and to be entered into prior to or in connection with the issuance of the Series J 2005 Bonds; and

WHEREAS, based on and in furtherance of the foregoing matters, the Board has now determined and does hereby determine pursuant to this resolution (a) to provide approval and authorization for the issuance, sale and delivery of its revenue bonds designated "State of Montana, The Board of Regents of Higher Education, The University of Montana, Facilities Refunding and Improvement Revenue Bonds, Series J 2005" (the "Series J 2005 Bonds"), in an aggregate principal amount not to exceed \$34,000,000, for the purpose of providing funds to finance the costs of the Series J 2005 Project and to fund capitalized interest with respect to the Series J 2005 Bonds, to provide for the refunding and defeasance of the Prior Bonds, to pay certain costs and expenses in connection with the issuance of the Series J 2005 Bonds (including any municipal bond insurance premium therefor) and, if required, to fund a

reasonably required debt service reserve fund for the Series J 2005 Bonds and (b) to provide approval and authorization for the issuance, sale and delivery of its revenue bonds designated "State of Montana, The Board of Regents of Higher Education, The University of Montana, Facilities Refunding Revenue Bonds, Taxable Series K 2010" (the Series K 2010 Bonds"), in an aggregate principal amount not to exceed \$47,000,000, for the purpose of refunding certain portions of the Series F 1999 Bonds, as described above, and effectuating a forward interest rate swap pursuant to an interest rate swap agreement which will result in funds being currently available to defray a portion of the costs of the Series J Projects; and

WHEREAS, in connection with the proposed issuance, sale and delivery of the Series J 2005 Bonds and the provision for an interest rate swap with respect to the Series K 2010 Bonds, there have been presented to the Board (either at or prior to this lawful meeting thereof) for approval by the Board by the adoption of this bond resolution, (1) the form of the Series J 2005 Ninth Supplemental Indenture of Trust (the "Series J 2005 Supplemental Indenture") to the Master Indenture, to be dated as provided therein (collectively, together with the Master Indenture and the other supplemental indentures thereto, the "Indenture"), between the Board and U.S. Bank National Association (the "Trustee"), as successor trustee to First Trust Company of Montana National Association, in Billings, Montana, and providing for the creation, issuance and delivery of the Series J 2005 Bonds, (2) the form of Escrow Agreement, to be dated as provided therein (the "Escrow Agreement") providing for the refunding and defeasance of the Prior Bonds and to be entered into by and between the Board and the Trustee in its capacity as escrow agent thereunder (in such capacity, the "Escrow Agent"), (3) a form of the Bond Purchase Agreement, to be dated the date of its execution (the "Bond Purchase Agreement") and to be entered into and executed by and between the Board, the University and the underwriter designated therein (the "Underwriter"), as the underwriter of the Series J 2005 Bonds, (4) the form of the ISDA Master Interest Rate Swap Agreement (the "Interest Rate Agreement" or "Swap Agreement"), to be dated as provided therein, and to be entered into with respect to the forward interest rate swap for the Series K 2010 Bonds by and between the Board, the University and the counterparty to the Interest Rate Agreement so designated as such in the Interest Rate Agreement, (5) a form of the Official Statement (both as to a preliminary and final Official Statement) for the Series J 2005 Bonds, to be dated as of the date or respective dates of its and/or their approval by the Chairman, the Vice Chairman or Secretary of the Board and the Vice President for Administration and Finance of the University for use by the Underwriter (the "Official Statement") in connection with and to consummate the offering, sale and delivery of the Series J 2005 Bonds, and which Official Statement is hereby authorized to be prepared, used and distributed by the Underwriter for such purpose, and (5) a form of the

Continuing Disclosure Agreement relating to the Series J 2005 Bonds, to be dated the date of its execution (the "Disclosure Agreement") and to be entered into by the Board, the University and the Trustee (in the Trustee's capacity as Dissemination Agent thereunder); and

WHEREAS, the Board has determined to proceed with the formal approval of the Board for the issuance, sale and delivery of the Series J 2005 Bonds by the adoption of this resolution, for the issuance, sale and delivery of Series K 2010 Bonds by the adoption of this resolution and to provide for the approval and authorization for the execution and delivery of and for the terms and provisions of, the Series J 2005 Supplemental Indenture, the Series J 2005 Bonds, the Bond Purchase Agreement, the Escrow Agreement, the Interest Rate Agreement, the Official Statement and the Disclosure Agreement, and the Board has further determined to give its approval to and to authorize and confirm the use and distribution of the Official Statement in connection with the offer, sale and delivery of the Series J 2005 Bonds and to authorize and direct the preparation, distribution and use of the Official Statement in the manner provided for herein.

NOW, THEREFORE, BE IT RESOLVED AND IT IS HEREBY 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 and directed toward the Series J 2005 Project and the issuance, sale and delivery of the Series J 2005 Bonds for the purpose of financing the costs thereof, and toward the issuance, sale and delivery Series K 2010 Bonds and the execution and delivery of the Interest Rate Agreement with respect thereto and any action heretofore taken pursuant thereto, be, and the same are hereby, ratified, approved and confirmed.

Section 2. Exercise of Powers to Issue Bonds. 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 the Series J 2005 Bonds and the issuance, sale and delivery of the Series K 2010 Bonds for the purposes and in the manner herein set forth, all of which shall be undertaken by the Board pursuant to its authority conferred by and under Article X, Section 9 of the Constitution of the State of Montana. By the issuance of the Series J 2005 Bonds and the execution and delivery of the Interest Rate Agreement, the Board and the University shall provide for the financing of the Series J Projects and the funds required to undertake and complete the construction, acquisition, furnishing, improvement and equipping of the Series J Projects and for payment of capitalized interest with respect to the Series J 2005 Bonds, for the refunding and defeasance of

the Prior Bonds, for payment of certain costs and expenses in connection with the issuance, sale and delivery of the Series J 2005 Bonds (including payment of any municipal bond insurance premium for or with respect to the Series J 2005 Bonds), and for the funding (if and to the extent required) of a debt service reserve requirement pertaining thereto, all in accordance with the provisions hereof and of the Indenture, including the Series J 2005 Supplemental Indenture which is described herein and which is hereby authorized to be executed and delivered by the Board in connection with the offering, sale and delivery of the Series J 2005 Bonds.

Section 3. Authorization for Series J 2005 Bonds and Series K 2010 Bonds. To provide for the financing of the costs of the Series J Projects and for the funding of capitalized interest with respect to the Series J 2005 Bonds, to provide for the refunding and defeasance of the Prior Bonds, to pay certain expenses (including any municipal bond insurance premium for or with respect to the Series J 2005 Bonds) incurred in connection with the issuance of the Series J 2005 Bonds and to fund (if and to the extent required) a debt service reserve requirement for the Series J 2005 Bonds, there is hereby authorized and created an issue of revenue bonds of the Board which shall be designated "State of Montana, The Board of Regents of Higher Education, The University of Montana, Facilities Improvement and Refunding Revenue Bonds, Series J 2005" in an aggregate principal amount not to exceed \$34,000,000 and issuable as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof, to be dated as provided in the Indenture, to bear interest from their date at the rates and to mature on the dates, in the years and in the principal amounts and to be issued upon and with such additional terms and provisions as shall be set forth in the Indenture, including the Series J Supplemental Indenture. To provide for the funding of a portion of the costs of the Series J Projects and in consideration of the receipt of funds for such purpose by and upon the Board and the University's execution and delivery of the Interest Rate Agreement, to pay certain expenses (including any municipal bond insurance premium if municipal bond insurance is obtained for or with respect to the Series K 2010 Bonds) incurred in connection with the issuance of the Series K 2010 Bonds and to fund (if and to the extent required) a debt service reserve requirement for the Series K 2010 Bonds, there is hereby authorized and created an issue of revenue bonds of the Board which shall be issued and actually sold and delivered on any date after January 1, 2010, as determined and directed by the University, and which are and shall be designated "State of Montana, The Board of Regents of Higher Education, The University of Montana, Facilities Refunding Revenue Bonds, Taxable Series K 2010", in an aggregate principal amount not to exceed \$47,000,000 and issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof, to be dated as provided in the

Indenture, to bear interest from their date at the rate or rates and to mature on the date or dates in the year or years and in the principal amount or amounts, and to have such liquidity facility and remarketing facility and remarketing provisions, as shall be set forth in the Indenture, inclusive of the supplemental indenture providing for the final terms and provisions of the Series K 2010 Bonds (the "Series K 2010 Supplemental Indenture") and as may be provided for in the Interest Rate Agreement.

Section 4. Use of Variable Interest Rates and Interest Rate Agreement for Series K 2010 Bonds. The Board hereby expressly authorizes and approves the use and application of multiple variable interest rate and fixed interest rate modes for the Series K 2010 Bonds, the express provisions for which are to be included in the Series K 2010 Bonds (including such further description as required in the designation and name thereof to identify the interest rate mode or modes used for the Series K 2010 Bonds), in the Interest Rate Agreement and in the Series K 2010 Supplemental Indenture and which are to be described in the Preliminary Official Statement and/or the Official Statement for the Series K 2010 Bonds (as applicable), and directs and authorizes the University to select that variable interest rate or fixed interest rate mode for the Interest Rate Agreement and for the initial sale, issuance, delivery and remarketing of the Series K 2010 Bonds to the purchaser thereof which the University determines to be in the best interests of the University, taking into account the funds to be realized and received as the result of the execution and delivery of the Interest Rate Agreement by the Board and the University and by the issuance of the Series K 2010 Bonds in such interest rate mode as so determined and selected by the University. The Board hereby further expressly authorizes and approves the utilization of an interest rate swap by the University whereby the University shall be empowered to swap the variable rate of interest selected by the University for the Series K 2010 Bonds in exchange and consideration for the rate of interest which the University shall pay to the counterparty designated in the Interest Rate Agreement, with such interest rate swap to be undertaken in accordance with the provisions of and pursuant to the terms and conditions set forth in the Interest Rate Agreement and the Indenture, including the Series K Supplemental Indenture, and in such manner as the University determines to be in the best interest of the University taking into account the funds which will be received and realized by the University through the undertaking of the interest rate swap provided for in the Interest Rate Agreement.

Approval of the final principal amount (which shall not exceed \$34,000,000) and the net effective interest rate for the Series J 2005 Bonds (which shall not exceed a net effective interest rate of 5.50% per annum for the Series J 2005 Bonds), and approval of the final principal amount for the Series K 2010 Bonds (which shall not exceed \$47,000,000) and the interest rate mode and interest rate for the Series K 2010 Bonds (which shall not exceed a fixed

interest rate of 5.853% per annum which shall otherwise be payable by the University to the counterparty to the Interest Rate Agreement pursuant to the terms thereof) is hereby delegated to be given and confirmed by the Commissioner of Higher Education for the State of Montana and the Vice President for Administration and Finance of the University, all as expressly provided for in and given by this bond resolution. The Commissioner and the Vice President for Administration and Finance of the University shall evidence such approval by a certificate executed by them and by executing and delivering or causing the execution and delivery of the Bond Purchase Agreement for the Series J 2005 between the Board and the Underwriter and the Interest Rate Agreement for the Series K 2010 Bonds, respectively, and the terms and provisions of which shall provide verification that the final principal amount of the Series J 2005 Bonds does not exceed \$34,000,000 and that the final principal amount of the Series K 2010 Bonds will not exceed \$47,000,000 (i.e., the maximum principal amounts established by this resolution, respectively) and that the rate of interest payable on the Series J 2005 Bonds does not exceed a net effective interest rate of 5.50% per annum, and that the fixed interest rate (swap interest rate) payable by the University pursuant to the Interest Rate Agreement does not exceed 5.853% per annum, as applicable, and each in accordance with the maximum principal amounts and the maximum initial interest rate provisions which are established by this resolution for the Series J 2005 Bonds and the Series K 2010 Bonds, respectively, and by the execution of said certificate and Bond Purchase Agreement, the final principal amounts for the Series J 2005 Bonds and the Series K 2010 Bonds respectively, and the interest rates for the Series J 2005 Bonds and the Series K 2010 Bonds, respectively, shall in all respects be deemed to have been approved, certified, confirmed and verified by the Commissioner and the Vice President for Administration and Finance of the University and to be in full conformity with the provisions of this resolution.

The Series J 2005 Bonds and Series K 2010 Bonds shall be payable, shall be subject to early redemption prior to maturity and shall be in substantially the form provided in the Indenture.

Section 5. Approval of Series J 2005 Supplemental Indenture. The form, terms and provisions of the Series J 2005 Supplemental Indenture, in substantially the form and with substantially the same content as required for its execution, and as filed in the Office of the Commissioner and before the Board for approval at the meeting at which this resolution was adopted, and with the provisions therein relating to variable and fixed interest rates and modes for, and for the undertaking of a forward interest rate swap for and with respect to, the Series K 2010 Bonds, is hereby in all respects approved and the Board shall enter into the Series J 2005 Supplemental Indenture with the Trustee in substantially the form of, and with substantially the

same content as, the Series J 2005 Supplemental Indenture so filed in the Office of the Commissioner and before the Board for its approval, but with such changes therein or modifications thereto as shall be consistent with the terms and provisions of this resolution and as the Chairman, Vice Chairman or Secretary of the Board, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, and the execution and delivery thereof by the Chairman, Vice Chairman and/or Secretary shall constitute conclusive evidence of the approval of the form, terms and provisions of the Series J 2005 Supplemental Indenture and the execution thereof for and on behalf of the Board. The Chairman and the Vice Chairman of the Board are each hereby authorized and directed to execute and deliver the Series J 2005 Supplemental Indenture, and the Secretary of the Board is authorized to execute, to attest and to place the seal of the Board upon the Series J 2005 Supplemental Indenture upon its execution by the Chairman or Vice Chairman of the Board and for and on behalf of the Board and for the benefit of and on behalf of the University.

Section 6. Approval of the Bond Purchase Agreement, the Interest Rate Agreement, the Escrow Agreement and the Disclosure Agreement; Provision for Series K Supplemental Indenture. The forms, terms and provisions, respectively, of each of the Bond Purchase Agreement for the Series J 2005 Bonds, the Interest Rate Agreement (setting forth various terms and provisions relating to the interest rate swap being undertaken for and with respect to the Series K 2010 Bonds), the Escrow Agreement and the Disclosure Agreement for the Series J 2005 Bonds, in substantially the forms and with substantially the same content as required for their execution, respectively, and, as so filed in the Office of the Commissioner and before the Board for approval at the meeting at which this resolution was adopted, are hereby in all respects confirmed and approved, and the Board and the University (as applicable) shall enter into the Bond Purchase Agreement, the Interest Rate Agreement, the Escrow Agreement and the Disclosure Agreement with the respective parties thereto upon completion of the offering and sale of the Series J 2005 Bonds (or, with respect to the Interest Rate Agreement, prior to or at and upon completion of the sale of the Series J 2005 Bonds, as shall be determined by the University taking into account credit market interest rate movements and trends following the date of adoption of this resolution), in substantially the forms of, and with the substantially same content as, the Bond Purchase Agreement, the Escrow Agreement, the Interest Rate Agreement and the Disclosure Agreement so on file in the Office of the Commissioner, as described above, but with such changes therein or modifications or amendments thereto as shall be consistent with the terms and provisions of this resolution and as the Chairman, Vice Chairman or Secretary of the Board, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve, and the execution and/or delivery thereof by the Chairman, Vice

Chairman and/or Secretary of the Board shall constitute conclusive evidence of the approval of the form, terms and provisions of the Bond Purchase Agreement, the Interest Rate Agreement, the Escrow Agreement and the Disclosure Agreement and the execution thereof for and on behalf of the Board. The Chairman, Vice Chairman and Secretary of the Board and the Vice President for Administration and Finance of the University are each hereby further authorized to execute (as applicable) and deliver the Bond Purchase Agreement, the Escrow Agreement, the Interest Rate Agreement and the Disclosure Agreement and the Secretary of the Board is authorized to attest and execute the Escrow Agreement, the Interest Rate Agreement and the Disclosure Agreement upon its execution by the Chairman or Vice Chairman of the Board for and on behalf of the Board and for the benefit of and on behalf of the University. The Board hereby directs the preparation and submission of the form of the Series K Supplemental Indenture (which shall be prepared and submitted to the Board in a form consistent with the provisions and authorization for the issuance, sale and delivery of the Series K 2010 Bonds herein contained) to the Board for its review and approval prior to the date of issuance and delivery of the Series K 2010 Bonds.

Section 7. Approval and Use of Preliminary Official Statement. The forms, terms and provisions of the Preliminary Official Statement for the Series J 2005 Bonds, shall be in the form on file in the Office of the Commissioner (which is also in the form used in connection with the offering and sale of various series of revenue bonds heretofore issued by the Board for the University, e.g., the Series I 2004 Bonds issued for the University), and are hereby in all respects approved and confirmed and the Board hereby further ratifies and approves the use and distribution of a Preliminary Official Statement by the Underwriter in connection with the offering and sale of the Series J 2005 Bonds, which Preliminary Official Statement shall be in substantially the form of, and have the substantially same content as, the Preliminary Official Statements so used in connection with revenue bonds heretofore issued by the Board for the University, with such supplements, amendments, modifications or corrections therein or thereto as shall be required and as shall be consistent with the terms and provisions of this resolution and as the Chairman, Vice Chairman or Secretary of the Board, the University, the Underwriter, Bond Counsel and Counsel to the Board shall approve and the approval thereof by said Chairman, Vice Chairman or Secretary of the Board and by the President or the Vice President of Administration and Finance of the University shall constitute conclusive evidence of the approval of the form, terms, provisions and contents of the Preliminary Official Statement, as supplemented, amended, modified or corrected, and as used by the Underwriter in connection with the offering and sale of the Series I 2004 Bonds. For purposes of compliance with Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), the Preliminary

Official Statement, as the same may be supplemented, amended, modified or corrected by the Board and the University from time to time, is and shall be treated as an Official Statement with respect to the Series J 2005 Bonds that is "deemed final" as of its date (or as of the date of any supplement, amendment, modification or correction thereto) by the Board and the University for purposes of the Rule, except for the omission of certain pricing and other information permitted by law, and is subject to completion in a final Official Statement in accordance with the provisions of law. The Preliminary Official Statement, when supplemented and completed by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Series J 2005 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 J 2005 Bonds, as that term is defined in the Rule, and each of the Chairman, Vice Chairman and Secretary of the Board and each of the President and the Vice President of 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 purchasers of the Series J 2005 Bonds for and on behalf of the Board and the University.

Section 8. Approval of Series J 2005 Bonds and Execution. The form, terms and provisions of the Series J 2005 Bonds shall be as set forth in the Series J 2005 Supplemental Indenture and the Chairman and Vice Chairman of the Board shall each be authorized and are directed to execute the Series J 2005 Bonds, either by manual or facsimile signature, and the Secretary of the Board shall be authorized and is directed to attest, either by manual or facsimile signature, such signature on the Series J 2005 Bonds and the seal of the Board, or a facsimile thereof, shall be authorized and is directed to be affixed to the Series J 2005 Bonds.

Section 9. Order for Authentication. The Series J 2005 Bonds, when executed by the Chairman or Vice Chairman and by the Secretary of the Board, shall be delivered to the Trustee for authentication, accompanied by a written order of the Board executed by its Chairman, Vice Chairman or Secretary and directing the authentication and delivery of the Series J 2005 Bonds by the Trustee. Upon receipt of such written order, the Trustee shall authenticate and register the Series J 2005 Bonds by executing the Trustee's certificate of authentication and registration provided therein, and shall deliver the Series J 2005 Bonds, when duly executed and authenticated, to the Underwriter in accordance with the written instructions therefor executed on behalf of the Board by its Chairman, Vice Chairman or Secretary, which instructions the Chairman, Vice Chairman or Secretary are 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 J 2005 Bonds in accordance with the provisions of the

Bond Purchase Agreement, upon satisfaction of all conditions required hereunder and under the Bond Purchase Agreement and the Indenture for delivery of the Series J 2005 Bonds.

Section 10. Resolution Contract. In consideration of the purchase and acceptance of the Series J 2005 Bonds by those who shall own the same from time to time, the provisions of this resolution shall be part of the contract of the Board with the Registered Owners from time to time of the outstanding Series J 2005 Bonds.

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 law of the State of Montana and this resolution which shall be necessary or reasonably required by the parties to the Indenture, the Bond Purchase Agreement, the Escrow Agreement, the Interest Rate Agreement and the Disclosure Agreement to effectuate their provisions, and shall take all other action necessary or desirable, and in conformity with the Constitution and law of the State of Montana and this resolution, for the financing of the Series J Projects, for the issuance of the Series J 2005 Bonds and the issuance of the Series K 2010 Bonds and for the execution and delivery of the Interest Rate Agreement with respect to 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 J 2005 Bonds and the Series K 2010 Bonds and the execution and delivery of the Interest Rate Agreement.

Section 12. Resolution Irrepealable. After any of the Series J 2005 Bonds are issued, this resolution shall be and shall remain irrepealable until the Series J 2005 Bonds and the interest thereon shall have been fully paid, canceled 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. All bylaws, orders and resolutions of the Board, 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 15. Effective Date. This resolution shall be in full force and effect upon its passage, adoption and approval.

PASSED, ADOPTED AND APPROVED THIS 14th day of July, 2005

THE BOARD OF REGENTS OF HIGHER
EDUCATION for the State of
Montana

By _____
Chairman

(S E A L)

ATTEST:

Secretary

ANNEX A
TO
BOND RESOLUTION
ADOPTED AND PASSED JULY 14, 2005

The Series J Projects being undertaken at and for the campuses of the University include the following:

1. A multi-purpose administrative, office, classroom and meeting facility and building to be constructed at and on the Helena Campus.
2. Renovation, refurbishing, repair and equipping of the Avian Research Center and the School of Journalism at and on the Missoula Campus.
3. Resident hall sprinkler system improvements and upgrades at and for the various campuses of the University.
4. Replacement of Auxiliaries portion of steam and condensate lines at and for the various campuses of the University.
5. Construction, furnishing and equipping of Interdisciplinary Research Facility at and on the Missoula Campus.

At a regular meeting of The Board of Regents of Higher Education for the State of Montana, held on this 14th day of July, 2005, the foregoing resolution was moved for adoption, the same 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 J 2005 Bonds described in the foregoing resolution.

