

ITEM 138-2005-R0308
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STATE OF MONTANA)
 : ss
COUNTY OF LEWIS AND CLARK)

The Board of Regents of Higher Education for the State of Montana held a lawful and regular meeting of the Board at and on the campus of The University of Montana-Western in Dillon, Montana, on Thursday, March 6, 2008, beginning at the hour of 7:30 o'clock a.m.

There were present at said meeting the following:

Present:

Chairman:

Other Regents:

Absent:

There were also present at said meeting: Central administrative officers of the Office of the Commissioner of Higher Education and administrative officers of Montana State University.

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

The Regents introduced and considered and discussed the following resolution:

ITEM 138-2005-R0308 - MONTANA STATE UNIVERSITY

RESOLUTION
RELATING TO CONSENT FOR CHANGES IN THE
INTEREST RATE MODE FOR, AND RELATING TO
APPROVALS, AMENDMENTS AND MODIFICATIONS
TO AND FOR ISDA MASTER AGREEMENTS AND
RELATED DOCUMENTS ENTERED INTO WITH RESPECT
TO, VARIOUS SERIES OF REVENUE BONDS
ISSUED FOR
MONTANA STATE UNIVERSITY

A RESOLUTION PROVIDING FOR AND RELATING TO CONSENT AND DIRECTION FOR CHANGES IN INTEREST RATE MODES AND PROVISION OF LIQUIDITY FACILITIES FOR CERTAIN OUTSTANDING REVENUE BONDS HERETOFORE ISSUED FOR MONTANA STATE UNIVERSITY, AND PROVIDING FOR APPROVAL AND AUTHORIZATION FOR AND RELATING TO THE NEGOTIATION, EXECUTION AND DELIVERY OF ISDA MASTER AGREEMENTS AND AMENDMENTS, ALTERATIONS, MODIFICATIONS AND SUPPLEMENTS THERETO AND TERMINATIONS THEREOF, FROM TIME TO TIME AS REQUIRED, AND AS ENTERED INTO BY THE BOARD AND MONTANA STATE UNIVERSITY WITH RESPECT TO VARIOUS SERIES OF REVENUE BONDS HERETOFORE ISSUED BY THE BOARD FOR THE UNIVERSITY; PROVIDING AUTHORIZATION AND APPROVAL FOR THE PREPARATION, EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS AND CERTIFICATES AS MAY BE REQUIRED IN CONNECTION WITH THE EXECUTION, DELIVERY AND IMPLEMENTATION OF SUCH ISDA MASTER AGREEMENTS AND SUCH AMENDMENTS, ALTERATIONS, MODIFICATIONS AND SUPPLEMENTS THERETO, OR IN CONNECTION WITH ANY TERMINATION THEREOF, WITH RESPECT TO ANY SUCH SERIES OF REVENUE BONDS, AS AND WHEN DEEMED BY THE UNIVERSITY AND THE COMMISSIONER OF HIGHER EDUCATION TO BE IN THE BEST INTERESTS OF, AND FOR THE ECONOMIC BENEFIT OF, THE UNIVERSITY, AND AS MAY BE CONTEMPLATED BY AND PROVIDED FOR IN ISDA MASTER AGREEMENTS ENTERED INTO WITH RESPECT TO ANY SUCH SERIES OF BONDS; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE AND REPEALING ANY ACTIONS TAKEN BY THE BOARD AND THE UNIVERSITY INCONSISTENT THEREWITH.

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 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 provision for and directed an administrative merger of various units of the Montana University System, whereby Montana State University–Bozeman, in Bozeman, Montana, Montana State University-Billings, in Billings, Montana, Montana State University-Northern, in Havre, Montana, and MSU College of Technology-Great Falls in Great Falls, Montana, were designated to become and have in fact become a multi-campus university named Montana State University (herein referred to as “Montana State University” or the “University”), all in the manner and becoming effective as directed by the Board; and

WHEREAS, in connection with the issuance of certain revenue bonds for Montana State University and heretofore issued for the University on November 9, 1993, the Board made provision for and approved and executed a Master Indenture of Trust (herein, together with the supplemental indentures thereto, the "Master Indenture" or "Indenture") for the University, pursuant to which certain revenues of the student housing system and auxiliary and other facilities and certain student and other fees and income of the various institutions and campuses comprising the University are pledged for the payment of revenue bonds which have been issued and which may be 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, including the outstanding Series G 2003 Bonds (the “Series G 2003 Bonds”) and Series J 2005 Bonds (the “Series J 2005 Bonds”) heretofore initially issued by the Board for the University with multi-modal variable interest rate provisions in an Auction Rate Mode (such Series G 2003 Bonds and Series J 2005 Bonds being collectively referred to herein as the “Bonds”); and

WHEREAS, the University has had discussions with The University’s underwriter and financial advisor from time to time in connection with the making of changes in the interest rate modes and the provision of liquidity facilities for outstanding Series G 2003 Bonds and Series J 2005 Bonds, as heretofore authorized and provided for in the Indenture, and in connection with the undertaking of negotiations for and entering into ISDA Master Agreements with respect to the Series G 2003 Bonds and the Series J 2005 Bonds, and for and with respect to alterations, modifications, supplements and amendments or terminations to existing ISDA Master Agreements as heretofore entered into by the Board and the University and currently in effect with respect to outstanding Series J 2005 Bonds, in each instance, when deemed in the best interests of, and of economic benefit to, the University in conjunction with the University’s cash and debt management practices and programs and for other purposes, as further described in the agenda item and the attachments thereto which have been presented to the Board at this meeting; and

WHEREAS, pursuant to and in the exercise of its constitutional powers and in conformity therewith, and as the result of conditions which may prevail in the municipal bond and financial markets from time to time which require or would be of benefit to the Board and the University and which would result in prudent cash, credit and debt management practices and programs as implemented by and for the University, the Board has determined to provide for and to give its consent for changes in the interest rate mode for, and the provision of liquidity facilities for, the Series G 2003 Bonds and the Series J 2005 Bonds from time to time, and to provide for and to give its approval and authorization for the University and the Commissioner of Higher Education (the “Commissioner”) to undertake, negotiate, enter into and provide for the execution and delivery of ISDA Master Agreements and related schedules, attachments and confirmations thereto in connection with such outstanding Bonds, and, further, to undertake, negotiate, enter into and provide for the execution and delivery of such alterations, modifications supplements, amendments and terminations with respect to ISDA Master Agreements and related schedules, attachments and confirmations thereto as so entered into by the Board and the University with respect to outstanding Bonds (such ISDA Master Agreements and related schedules, attachments and confirmations as entered into by the Board and the University in connection with outstanding Bonds issued by the Board for the University being referred to herein as “ISDA Master Agreements” or “ISDA Agreements”) and to provide for the execution and delivery of such other documents as may be required for and to implement such changes in interest rate modes, such liquidity facilities and such ISDA Agreements from time to time, in each instance, when deemed by the University and the Commissioner to be in the best interests of, and of economic benefit to, the University.

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 Actions. All action (not inconsistent with the provisions of this Resolution) heretofore taken and now taken by the Board and the University and directed toward and providing for consents for changes in and to the interest rate modes, for provision of liquidity facilities and consents thereto, and for the authorizations and approvals with respect to ISDA Agreements which are described and provided for herein, and any and all actions heretofore and hereafter taken with respect thereto, be, and the same are hereby in all respects, ratified, approved and confirmed.

Section 2. Consent to Changes in Interest Rate Modes and to Provision of Liquidity Facilities. As heretofore set forth in and expressly provided for and authorized by the Indenture, the Board hereby directs and consents to such changes in the interest rate modes for, and to the provision of such liquidity facilities as shall be required for, the Series G 2003 Bonds and the Series J 2005

Bonds, and which the University and the Commissioner shall determine to be in the best interests of, and of economic benefit to the Board and the University from time to time.

Section 3. Authorization for ISDA Master Agreement, Indenture Supplements and Other Documents. The Board authorizes and approves the negotiation, preparation, execution and delivery of (a) such ISDA Master Agreements and all related schedules, attachments and confirmations thereto (and the forms of which have been previously before and approved by the Board in connection with the authorization for execution and delivery of ISDA Agreements for and with respect to the Series J 2005 Bonds heretofore issued by the Board for the University) which may be prepared, negotiated, executed and delivered with respect to outstanding Series G 2003 Bonds and Series J 2005 Bonds heretofore issued by the Board for the University, as undertaken by the University upon written notification to the Board and on such terms and containing such provisions as the University and the Commissioner shall deem to be in the best interests of, and of economic benefit to, the University, and (b) the Board further authorizes and approves the preparation, negotiation, execution and delivery of (i) such alterations, modifications, supplements and amendments for, and such terminations with respect to, such ISDA Master Agreements and the schedules, attachments and confirmations pertaining thereto as heretofore executed and delivered by the Board and/or the University and currently in effect or which are hereafter so executed and delivered by the Board and the University and (ii) such other documents, if any, as may be required to undertake and implement the provisions of such ISDA Agreements, and such schedules, attachments and confirmations and such alterations, modifications, supplements, amendments and terminations thereto and thereof, and the Board hereby delegates authority to the University and to the Commissioner to undertake and complete the preparation, negotiation, execution and delivery of such ISDA Agreements, such schedules, attachments and confirmations pertaining thereto, such alterations, modifications, supplements, amendments and terminations as are deemed advisable with respect to such ISDA Master Agreements and such other documents as are required to be delivered in connection therewith. Upon the determination by the University and the Commissioner that the execution and delivery thereof will be in the best interests of, and of economic benefit to, the University, the Board and the University shall enter into and execute and deliver such ISDA Agreements and related schedules, attachments and confirmations, such alterations, modifications, supplements, amendments, terminations and other documents in accordance with and as contemplated by the provisions thereof and as so authorized hereby and all with such terms and provisions therein 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 and 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 such ISDA Agreements and the schedules, attachments and confirmations pertaining thereto, of such alterations, modifications, supplements, amendments and terminations with respect to such ISDA Agreements and of such other documents and of the execution thereof for and on behalf of the Board. The Chairman, Vice Chairman and Secretary of the Board are each hereby further authorized and directed to execute and deliver such ISDA Agreements and related schedules, attachments and confirmations, any such alterations, modifications, supplements, amendments and terminations with respect to ISDA Agreements and such other documents required to be delivered in connection therewith for and on behalf of the Board and for the benefit of and on behalf of the University.

Section 4. 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 for such changes in the interest rate modes for, and the provision of such liquidity facilities as may be required for, the outstanding Series G 2003 Bonds and Series J 2005 Bonds, and which shall be necessary or reasonably required for and by the parties to each ISDA Master Agreement and all schedules, attachments, confirmations, alterations, modifications, supplements, amendments and terminations thereto and thereof to effectuate their respective 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 such changes in the interest rate modes, for such liquidity facilities and for said ISDA Master Agreements, including without limitation, the execution and delivery of all related documents, and all closing documents, certificates and opinions authorized or required to be delivered in connection therewith, including with the execution and delivery of such ISDA Master Agreements and such schedules, attachments, confirmations, alterations, modifications, supplements, amendments and terminations thereto and thereof, as and which shall be deemed by the University and the Commissioner to be in the in the best interests of, and of economic benefit to, the University from time to time.

Section 5. Resolution Irrepealable. This resolution shall be and shall remain irrepealable for so long as Series G 2003 Bonds and Series J 2005 Bonds shall be and remain outstanding under the Indenture, and for so long as any one or more ISDA Master Agreements shall remain in full force and effect and for so long as the obligations of the parties to one ore more of such ISDA Agreements shall remain in full force and effect in accordance with the express provisions thereof and of the schedules, attachments and confirmations pertaining thereto.

Section 6. 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 7. 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 8. Effective Date. This resolution shall be in full force and effect upon its passage, adoption and approval.

PASSED, ADOPTED AND APPROVED THIS 6th day of March, 2008.

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

(SEAL)

By _____
Chairman

ATTEST:

Secretary

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At a regular meeting of The Board of Regents of Higher Education for the State of Montana, held on this 6th day of March, 2008, 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 items, subjects, changes in interest rate modes, liquidity facilities and the ISDA Master Agreements described in the foregoing resolution.

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

I, Sheila M. Stearns, the duly appointed, qualified and acting Secretary of The Board of Regents of Higher Education for the State of Montana, do hereby certify that the foregoing pages numbered 1 to 9, inclusive, are a true, correct and complete copy of the record of proceedings of The Board of Regents of Higher Education, insofar as such proceedings relate to the resolution therein contained, had and taken at a lawful and regular meeting of The Board of Regents of Higher Education at and on the campus of The University of Montana-Western in Dillon, Montana, on March 6, 2008, commencing at the hour of 7:30 o'clock a.m., as recorded in the regular official book of the proceedings of The Board of Regents of Higher Education of the State of Montana 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 6th day of March, 2008.

Secretary of The Board of
Regents of Higher Education

(S E A L)