

ITEM 116-1003-R0902 - THE UNIVERSITY OF MONTANA

FINAL BOND RESOLUTION
FOR UP TO
\$18,950,000
STATE OF MONTANA
THE BOARD OF REGENTS OF HIGHER EDUCATION
THE UNIVERSITY OF MONTANA
FACILITIES IMPROVEMENT REVENUE BONDS
SERIES G 2002

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 REVENUE BONDS, SERIES G 2002, IN AN AGGREGATE TOTAL PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,950,000, SAID BONDS TO BE ISSUED TO PROVIDE FUNDS TO BE USED BY THE BOARD AND THE UNIVERSITY FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUISITION, CONSTRUCTION, IMPROVEMENT, FURNISHING AND EQUIPPING OF A STUDENT HOUSING COMPLEX AT AND FOR THE MISSOULA CAMPUS OF THE UNIVERSITY OF MONTANA, AS DESCRIBED HEREIN, TO FUND CAPITALIZED INTEREST WITH RESPECT TO AND TO PAY THE COSTS OF ISSUANCE OF AND INSURANCE PREMIUMS FOR THE SERIES G 2002 BONDS AND, IF REQUIRED, TO FUND A DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES G 2002 BONDS; AUTHORIZING, APPROVING AND DIRECTING THE EXECUTION AND DELIVERY BY THE BOARD OF A SERIES G 2002 SIXTH SUPPLEMENTAL INDENTURE OF TRUST TO THE MASTER INDENTURE OF TRUST FOR THE UNIVERSITY OF MONTANA AND VARIOUS CLOSING DOCUMENTS AND CERTIFICATES AND THE SERIES G 2002 BONDS IN CONNECTION THEREWITH; AUTHORIZING, APPROVING AND DIRECTING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING, APPROVING AND DIRECTING THE PREPARATION, DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE OFFERING, SALE AND DELIVERY OF THE BONDS AND APPROVING AND DIRECTING THE DISTRIBUTION, EXECUTION AND USE OF A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH; MAKING DETERMINATIONS AS TO OTHER MATTERS RELATED TO SUCH FINANCING AND TO THE ISSUANCE OF THE SERIES G 2002 BONDS; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH.

(1) WHEREAS, The Board of Regents of Higher Education for the State of Montana (the "Board") has been vested with the government 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 purposes 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 authorize the use and application of the proceeds of such bonds and certain funds and monies of the institutions for such purposes; and

(2) 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 Western Montana College of the University of Montana, Dillon, Montana ("Western"), Montana College of Mineral Science and Technology, Butte, Montana ("Montana Tech") and Helena College of Technology, Helena, Montana ("Helena Tech") were designated to become and have in fact become a part of The University of Montana (with a primary campus located in Missoula, Montana and herein the "Missoula Campus") and have been renamed and are to be known in the future as The University of Montana Western, Montana Tech of The University of Montana and The University of Montana/Helena College of Technology, respectively, all in the manner and becoming effective as heretofore directed by the Board; and

(3) WHEREAS, in connection with the issuance of certain revenue bonds for The University of Montana (herein, together with the Western, Montana Tech, Helena Tech and the Missoula Campus, sometimes collectively designated the "University"), the Board has heretofore made provision for and 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 student housing system and auxiliary facilities and certain student and other fees 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

(4) WHEREAS, by a resolution of the Board passed, adopted and approved by the Board on July 11, 2002 (the "Prior Resolution"), the Board has heretofore provided its approval for a student housing complex for the Missoula Campus and for the financing of said student housing complex through the issuance of revenue bonds by the Board; and

(5) WHEREAS, pursuant to and in the exercise of its constitutional powers and in conformity with the provisions made therefor in the Master Indenture and the Prior Resolution, as described above, and as the result of present conditions in the municipal bond market which are of benefit to the Board and the University, the Board has determined to provide for and to give final approval for the issuance of revenue bonds under the Master Indenture in a total principal amount of not to exceed \$18,950,000, the proceeds of which are to be used to finance the acquisition, construction, improvement, furnishing and equipping of a student housing complex at and for the Missoula Campus (the "Project") and to provide for the payment of capitalized interest on the bonds and certain costs of issuance of and the

insurance premium for the bonds and, if required, to provide for the funding of a debt service reserve requirement for the bonds; and

(6) WHEREAS, based on the foregoing, the Board has now determined and does hereby determine pursuant to this resolution to provide final 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 Improvement Revenue Bonds, Series G 2002" (the "Series G 2002 Bonds"), in an aggregate principal amount not to exceed \$18,950,000, for the purpose of providing funds to finance the acquisition, construction, improvement, furnishing and equipping of the Project, to pay capitalized interest with respect to and to pay certain costs and expenses in connection with the issuance of the Series G 2002 Bonds (including the insurance premium therefor) and, if required, to fund a reasonably required debt service reserve fund for the Series G 2002 Bonds; and

(7) WHEREAS, in connection with the proposed issuance, sale and delivery of the Series G 2002 Bonds, there have been prepared and presented before the Board at this lawful and regular meeting thereof for approval by the Board by the adoption of this final bond resolution: (1) the form of the Series G 2002 Sixth Supplemental Indenture (the "Series G 2002 Supplemental Indenture") to the Master Indenture of Trust, to be dated as provided therein (and, collectively, together with the Master Indenture and the other supplemental indentures thereto, the "Indenture"), between the Board and U.S. Bank Trust 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 G 2002 Bonds, (2) the form of the Bond Purchase Agreement, to be dated as of the date of its execution (the "Bond Purchase Agreement"), and to be entered into and executed by the Board and the underwriters designated therein (collectively, the "Underwriter"), as the underwriters of the Series G 2002 Bonds, (3) the form of the Preliminary Official Statement for the Series G 2002 Bonds, to be supplemented with the addition of such information thereto as required for the Final Official Statement for the Series G 2002 Bonds, each to be dated as of the respective dates of their approval by the Chairman, Vice Chairman or Secretary of the Board and the Vice President for Administration and Finance of the University for use by the Underwriter (collectively, the "Official Statement"), in connection with and to consummate the offering, sale and delivery of the Bonds, and which Official Statement is hereby authorized to be used and distributed by the Underwriter for such purpose, and (4) the form of the Continuing Disclosure Agreement relating to the Series G 2002 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; and

(8) WHEREAS, the Board has determined to proceed with the final approval and authorization of the Board for the issuance, sale and delivery of the Series G 2002 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 G 2002 Supplemental Indenture, the Bond Purchase Agreement, the Official Statement and the Disclosure Agreement, and the Board has further determined

to provide its approval for and to authorize and confirm the use and distribution of the Official Statement in connection with the offer and sale of the Series G 2002 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 approval of the Project, the financing of the costs of the Project and the issuance, sale and delivery of the Series G 2002 Bonds for the purposes of paying the costs thereof, 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 final determination to exercise its constitutional powers and authority to supervise, coordinate, manage, govern and control the Montana University System through approval of the Project as provided for and authorized by the Prior Resolution and through the issuance, sale and delivery of the Series G 2002 Bonds for the purposes herein and therein 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 G 2002 Bonds, the Board and the University shall provide the funds required to finance the costs of the Project, to fund and pay capitalized interest with respect to and to pay certain costs and expenses (including the municipal bond insurance premium) incurred in connection with the issuance, sale and delivery of, the Series G 2002 Bonds, and to fund (if and to the extent required) a debt service reserve requirement pertaining thereto, all in accordance with the provisions hereof and of the Indenture, including the Series G 2002 Supplemental Indenture which is described herein and which is hereby authorized to be executed and delivered by the Board upon completion of the offering, sale and delivery of the Series G 2002 Bonds.

Section 3. Authorization for Series G 2002 Bonds. To defray the costs of the Project, to fund amounts for capitalized interest, to finance and pay certain expenses (including the municipal bond insurance premium) incurred in connection with the issuance of the Series G 2002 Bonds and to fund (if and to the extent required) a debt service reserve requirement for the Series G 2002 Bonds, there is hereby authorized and created an issue of revenue bonds of the Board designated "State of Montana, The Board of Regents of Higher Education, The University of Montana, Facilities Improvement Revenue Bonds, Series G 2002" in an aggregate principal amount not to exceed \$18,950,000 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 as shall be set forth in the Indenture.

Approval of the final principal amount and the final net effective interest rate for the Series G 2002 Bonds is hereby delegated to be given and confirmed by the Commissioner of Higher Education for

the State of Montana (the "Commissioner" who is also an ex-officio member of and the Secretary to the Board) and by the Vice President for Administration and Finance of the University, and 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 between the Board and the Underwriter, and the terms of which shall provide verification that the net final principal amount of the Series G 2002 Bonds does not exceed \$18,950,000 (i.e., the maximum principal amount established by this resolution) and that the net effective rate of interest payable on the Series G 2002 Bonds does not exceed a net effective interest rate of five and seventy-five one-hundredths percent (5.75%) per annum, each in accordance with the maximum principal amount and the maximum net effective interest rate as established by this final bond resolution for the Series G 2002 Bonds, and by the execution of said certificate and Bond Purchase Agreement, the final principal amount of the Series G 2002 Bonds and the net effective interest rate for the Series G 2002 Bonds shall have been 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 G 2002 Bonds shall be payable, shall be subject to redemption prior to maturity and shall be in substantially the form provided in the Indenture.

Section 4. Approval of Series G 2002 Supplemental Indenture. The form, terms and provisions of the Series G 2002 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, is hereby in all respects approved, and the Board shall enter into the Series G 2002 Supplemental Indenture with the Trustee in substantially the form of, and with substantially the same content as, the Series G 2002 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 or Vice Chairman 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 or Vice Chairman of the Board shall constitute conclusive evidence of the approval of the form, terms and provisions of the Series G 2002 Supplemental Indenture and the execution thereof for and on behalf of the Board. The Chairman or Vice Chairman of the Board are hereby authorized to execute and deliver the Series G 2002 Supplemental Indenture, and the Secretary of the Board is authorized to attest and to place the seal of the Board upon the Series G 2002 Supplemental Indenture upon its execution by the Chairman or Vice Chairman of the Board for and on behalf of the Board.

Section 5. Approval of Bond Purchase Agreement and Disclosure Agreement. The forms, terms and provisions, respectively, of each of the Bond Purchase Agreement and the Disclosure Agreement, in substantially the forms and with substantially the same content as required for their execution,

respectively, and as 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 shall enter into the Bond Purchase Agreement and the Disclosure Agreement with the respective parties thereto upon completion of the offering and sale of the Series G 2002 Bonds in substantially the forms of, and with the substantially same content as, the Bond Purchase Agreement and the Disclosure Agreement so filed in the Office of the Commissioner and before the Board for its approval, 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 or Secretary of the Board shall constitute conclusive evidence of the approval of the form, terms and provisions of the Bond Purchase Agreement and the Disclosure Agreement and the execution thereof for and on behalf of the Board. The Chairman or Vice Chairman of the Board and the Vice President for Administration and Finance of the University are each hereby further authorized to execute and deliver the Bond Purchase Agreement and the Disclosure Agreement and the Secretary of the Board is authorized to attest and to place the seal of the Board upon the Disclosure Agreement upon its execution by the Chairman or Vice Chairman of the Board for and on behalf of the Board.

Section 6. Approval of Preliminary Official Statement and Use of Preliminary Official Statement. The forms, terms and provisions of the Preliminary Official Statement, as filed in the Office of the Commissioner and before the Board at this meeting, are hereby approved and the Underwriter is authorized and directed to use and distribute the Preliminary Official Statement in connection with the offering and sale of the Series G 2002 Bonds, which Preliminary Official Statement shall be in substantially the form of, and have the substantially same content as, the Preliminary Official Statement so approved by the Board and approved by the University 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 approval thereof by said Chairman, Vice Chairman or Secretary of the Board and by the Vice President for Administration and Finance of the University shall constitute conclusive evidence of the approval of the forms, terms and provisions of the Preliminary Official Statement for use by the Underwriter in connection with the offering and sale of the Series G 2002 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 has been or may be supplemented, amended or corrected by the Board and the University from time to time, may and shall be treated as an Official Statement with respect to the Series G 2002 Bonds that is "deemed final" as of its date (or as of the date of any supplement or correction by the Board and the University for purposes of the Rule), except for the omission of certain pricing and other information permitted by the Rule, and is subject to completion in a

final Official Statement in accordance with the provisions of the Rule. The Preliminary Official Statement, when so supplemented and completed by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of and for the Series G 2002 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 G 2002 Bonds, as that term is defined and used in the Rule, and the Chairman, Vice Chairman or Secretary of the Board and the Vice President for Administration and Finance of the University are each 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 G 2002 Bonds.

Section 7. Approval of Series G 2002 Bonds and Execution. The form, terms and provisions of the Series G 2002 Bonds shall be set forth in the Indenture and the Chairman or Vice Chairman of the Board shall be authorized and directed to execute the Series G 2002 Bonds, either by manual or facsimile signature, and the Secretary of the Board shall be authorized and directed to attest, either by manual or facsimile signature, such signature on the Series G 2002 Bonds and the seal of the Board, or a facsimile thereof, shall be authorized and directed to be affixed to the Series G 2002 Bonds.

Section 8. Order for Authentication. The Series G 2002 Bonds, when executed by the Chairman or Vice Chairman and 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 G 2002 Bonds by the Trustee. Upon receipt of such written order, the Trustee shall authenticate and register the Series G 2002 Bonds by executing the Trustee's certificate of authentication and registration appearing thereon, and shall deliver the Series G 2002 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 G 2002 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 G 2002 Bonds.

Section 9. Resolution Contract. In consideration of the purchase and acceptance of the Series G 2002 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 G 2002 Bonds.

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 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 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, to finance the Project, 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 G 2002 Bonds.

Section 11. Resolution Irrepealable. After any of the Series G 2002 Bonds are issued, this resolution shall be and remain irrepealable until the Series G 2002 Bonds and the interest thereon shall have been fully paid, canceled 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 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 14. Effective Date. This resolution shall be in full force and effect upon its passage and approval.

PASSED, ADOPTED AND APPROVED THIS 19th day of September, 2002.

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

By _____
Richard Roehm, Chairman

(S E A L)

ATTEST:

Richard Crofts, Secretary

At a regular meeting of The Board of Regents of Higher Education for the State of Montana, held on the 19th day of September, 2002, 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:	Ed Jasmin
	Christian Hur
	John Mercer
	Lynn Hamilton
	Richard Roehm
	Margie Thompson

Those Voting Nay:

Those Absent: Mark Semmens ABSTAINED from vote.

Not less than a majority of the members 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 G 2002 Bonds described in the foregoing Resolution.

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

I, Richard Crofts, the duly appointed, qualified and acting Secretary of The Board of Regents of Higher Education of the State of Montana, do hereby certify that the foregoing pages numbered 1 to 10, 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 held on the Campus of Montana Tech of The University of Montana, in Butte, Montana, on Thursday, September 19th, 2002, 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 19th day of September, 2002.

Secretary of The Board of
Regents of Higher Education

(S E A L)