

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 special meeting of the Board by telephone conference call originating from the Office of the Commissioner of Higher Education in Helena, Montana, on Tuesday, April 29, 2008, beginning at the hour of 2:00 o'clock p.m.

There were present and participating in said meeting the following:

Present:

Chair:

Other Regents:

Absent:

Also present and participating in said meeting were: 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 139-101-C0408 - MONTANA STATE UNIVERSITY

RESOLUTION RELATING TO
THE RESTRUCTURING AND REMARKETING
OF OUTSTANDING
STATE OF MONTANA
THE BOARD OF REGENTS OF HIGHER EDUCATION
MONTANA STATE UNIVERSITY
FACILITIES REFUNDING REVENUE BONDS
SERIES J 2005
MUNICIPAL AUCTION RATE SECURITIES (MARS)

A RESOLUTION OF THE BOARD OF REGENTS OF HIGHER EDUCATION FOR THE STATE OF MONTANA PROVIDING FOR DIRECTION, APPROVAL AND AUTHORIZATION FOR A SUPPLEMENTAL INDENTURE, A REOFFERING MEMORANDUM, A LIQUIDITY AND CREDIT FACILITY AGREEMENT AND SUCH OTHER AGREEMENTS, DOCUMENTS, CERTIFICATES AND OPINIONS AS MY BE REQUIRED FOR AND IN CONNECTION WITH THE RESTRUCTURING AND REMARKETING OF OUTSTANDING REVENUE BONDS OF THE BOARD OF REGENTS OF HIGHER EDUCATION FOR THE STATE OF MONTANA HERETETOFORE ISSUED FOR MONTANA STATE UNIVERSITY AND DESIGNATED STATE OF MONTANA, THE BOARD OF REGENTS OF HIGHER EDUCATION, MONTANA STATE UNIVERSITY, FACILITIES IMPROVEMENT REVENUE BONDS, SERIES J 2005, MUNICIPAL AUCTION RATE SECURITIES (MARS); MAKING CERTAIN DETERMINATIONS AS TO VARIOUS MATTERS RELATED TO SUCH RESTRUCTURING AND REMARKETING OF THE SERIES J 2005 BONDS; PROVIDING APPROVAL, AUTHORIZATION AND DIRECTION FOR THE EXECUTION AND DELIVERY OF SUCH SUPPLEMENTAL INDENTURE, REOFFERING MEMORANDUM, LIQUIDITY AND CREDIT FACILITY AGREEMENT AND SUCH OTHER AGREEMENTS, DOCUMENTS CERTIFICATES AND OPINIONS AS MAY BE REQUIRED FOR AND IN CONNECTION WITH THE RESTRUCTURING AND REMARKETING OF THE OUTSTANDING SERIES J 2005 BONDS; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

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 (the "Master Indenture") for the University, pursuant to which (together with certain supplemental indentures thereto) 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 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 outstanding revenue bonds issued by the Board for the University and designated as the State of Montana, The Board of Regents of Higher Education, Montana State University, Facilities Improvement Revenue Bonds, Series J 2005, Municipal Auction Rate Securities (MARS) (herein, the “Series J 2005 Bonds”) which were issued with multimodal interest rate provisions and which were initially issued in an Auction Rate Mode under and pursuant to the provisions of the Series J 2005 Eighth Supplemental Indenture of Trust to the Master Indenture (the “Series J 2005 Eight Supplemental Indenture” and, collectively, together with the Master Indenture and the other indentures supplemental thereto, herein referred to as the “Indenture”); and

WHEREAS, pursuant to and in the exercise of its constitutional powers and in conformity with the provisions made therefor in the Indenture as described above, pursuant to discussions with the University’s underwriter and financial advisor, and as the result of existing conditions in the municipal bond and credit markets which currently require the Board and the University to take action to restructure and remarket the outstanding Series J 2005 Bonds heretofore issued

by the Board for the University in order to provide for savings in present and future interest costs to the Board and the University with respect to the Series J 2005 Bonds (and being undertaken as contemplated by and as heretofore provided for in the Series J 2005 Eighth Supplemental Indenture), the Board has determined to provide for and to give approval and direction for the undertaking by the University to restructure and remarket the Series J 2005 Bonds pursuant to and as contemplated by the provisions of the Series J 2005 Eighth Supplemental Indenture, including making provision for payment of the costs to be incurred in connection with the restructuring and remarketing of the Series J Bonds and the securing of such liquidity and credit facility as may be required in connection with the restructuring and remarketing of the Series J 2005 Bonds; and

WHEREAS, in furtherance of the foregoing, the Board has now determined and does hereby determine pursuant to this resolution to provide approval, authorization and direction to the officers of the Board, the University and the Commissioner of Higher Education (who is also Secretary to and for the Board and herein, the "Commissioner") for the preparation, execution and delivery of such supplement to the Master Indenture, such reoffering memorandum, such liquidity and credit facility agreement and such other agreements, documents, certificates and opinions as may be required (and including such remarketing memorandum, such liquidity and credit facility and other agreements and such documents, certificates and opinions contemplated by the provisions of the Series J 2005 Eighth Supplemental Indenture) for and in connection with, and as required to consummate, the restructuring and remarketing of the Series J 2005 Bonds in the manner and as fully authorized, approved, directed and provided for herein and in the Indenture.

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 the University and directed toward the restructuring and remarketing of the Series J 2005 Bonds for the purposes described and set forth herein, and as contemplated by, and provided for in, the Series J 2005 Eighth Supplemental Indenture, and all actions heretofore taken pursuant thereto, be, and the same are hereby, ratified, approved and confirmed.

Section 2. Exercise of Powers and Authority to Remarket the Series J 2005 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 undertaking to restructure and remarket the Series J 2005 Bonds for the purposes herein set

forth, all of which shall be and are being undertaken by the Board pursuant to its authority conferred by and under Article X, Section 9 of the Constitution of the State of Montana and by the provisions of the Series J 2005 Eighth Supplemental Indenture. The actions taken by the Board and the University for the restructuring and remarketing of the Series J 2005 Bonds are being taken by the Board and the University in order to avoid and mitigate against higher current and future interest costs appertaining to the Series J 2005 Bonds resulting from the past and continuing occurrence of certain events and conditions in the municipal bond and other credit markets which are beyond the control of the Board and the University, and thereby provide the opportunity to the Board and the University to achieve current and future savings in interest costs attributable to the outstanding Series J 2005 Bonds.

Section 3. Further Authorizations Pertaining to Series J 2005 Bonds. The Board hereby authorizes, directs and approves the preparation, negotiation, execution and delivery of such supplement to the Indenture, such liquidity and credit facility agreement and such other agreements, documents, certificates and opinions as may be required in connection with the restructuring and remarketing of the Series J 2005 Bonds, and the Board hereby further authorizes, directs and approves the preparation, distribution, execution and use of a reoffering memorandum in substantially the form of the Official Statement for and as used with respect to and in connection with the offering of the Series J 2005 Bonds, with such changes and modifications thereto as may be required in connection with the remarketing of the Series J 2005 Bonds (and as such remarketing memorandum, agreements, documents, certificates and opinions were provided for in and contemplated by the provisions of the Series J 2005 Eighth Supplemental Indenture as heretofore executed and delivered by the Board), including such agreements, documents, certificates and opinions as may be required for and pursuant to a liquidity and credit facility agreement which may be provided for and which may be delivered in connection with such restructuring and remarketing of the Series J 2005 Bonds and, in each case, with such terms and provisions as the University and the Commissioner shall determine to be in the best interests of, and of economic benefit to, the Board and the University, as so authorized hereby and as shall be consistent with the provisions of this resolution, and as shall be approved by the Chairman, Vice Chairman and/or Secretary of the Board, the University and Bond Counsel and Counsel to the Board, and such supplemental indenture, remarketing memorandum, liquidity and credit facility agreement and such other agreements, documents, certificates and opinions are hereby authorized and directed to be fully approved, executed and delivered by the Chairman, Vice Chairman and/or Secretary of the Board and by the Vice President for Administration and Finance of the University for and on behalf of the Board and the University, and the execution and/or delivery thereof by the Chairman, Vice Chairman

and/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 form, terms and provisions of such supplemental indenture, such remarketing memorandum and such liquidity and credit facility and other agreements, documents, certificates and opinions and the execution and/or delivery thereof by, for and on behalf of the Board and the University.

Section 4. Resolution Contract. In consideration of the purchase and acceptance of the remarketed 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 5. 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 this resolution and the parties to the Indenture (including the Series J 2005 Eighth Supplemental Indenture), such supplemental indenture, such remarketing memorandum, such liquidity and credit facility agreement and such other agreements, documents and certificates as may be executed and delivered pursuant to the authority set forth in this resolution in order to effectuate the provisions thereof, 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, required for the restructuring and remarketing 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 restructuring and remarketing of the Series J 2005 Bonds.

Section 6. Resolution Irrepealable. While any of the Series J 2008 Bonds shall continue to remain outstanding, 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 7. 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 8. 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 9. Effective Date. This resolution shall be in full force and effect upon its passage, adoption and approval.

PASSED, ADOPTED AND APPROVED THIS 29th day of April, 2008

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

By _____
Chairman

(S E A L)

ATTEST:

Secretary

At a special meeting of The Board of Regents of Higher Education for the State of Montana, held by telephone conference call originating from the Office of the Commissioner of Higher Education on this 29th day of April, 2008, the foregoing resolution was moved for adoption, the same was put to a vote, and upon 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 being present and participating in such telephone conference meeting voted in favor of the motion, and, therefore, 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.

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 8, 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 special meeting of The Board of Regents of Higher Education held by telephone conference call originating from the Office of the Commissioner of Higher Education in Helena, Montana, on Tuesday, April 29, 2008, commencing at the hour of 2:00 o'clock p.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 29th day of April, 2008.

Secretary of The Board of
Regents of Higher Education

(S E A L)