THAT

Consistent with MCA 20-25-402 (Borrowing by the Regents), The Board of Regents of the Montana University System authorizes The University of Montana to proceed with the issuance of the Series L 2012 (Taxable & Tax Exempt) Refunding Revenue Bonds up to $46.0 million and adopts the Bond Resolution for the Series L 2012 (Taxable & Tax Exempt) Refunding Revenue Bonds.

EXPLANATION

The Series F 1999 Bonds
Outstanding Balance: $15,290,000 Payable through 2024
The Series G 2002 Bonds
Outstanding Balance: $15,175,000 Payable through 2033
The Series I 2004 Bonds
Outstanding Balance: $12,840,000 Payable through 2030

The Series F 1999, Series G 2002 and Series I 2004 Bonds issued on behalf of The University of Montana are excellent candidates for a refunding to achieve future debt service savings. Although these series of bonds were issued at low interest rates, current market interest rates have fallen to levels that make it beneficial for UM to refund. In order to take advantage of these low interest rates, which are extremely volatile, The University of Montana must expedite the issuance of the refunding bonds.

The Series L 2012 Refunding Bonds will consist of a portion issued as fixed rate tax-exempt debt with the balance as fixed rate taxable debt. The Series L 2012 Bonds will be issued for up to $46.0 million including Costs of Issuance. The following table represents the potential savings to UM on 3/20/2012.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Current Interest Rate</td>
<td>5.75%</td>
<td>4.60%</td>
<td>4.43%</td>
</tr>
<tr>
<td>Estimated New Rate</td>
<td>3.75%</td>
<td>3.46%</td>
<td>3.33%</td>
</tr>
<tr>
<td>Estimated NPV Savings (%)</td>
<td>16.90%</td>
<td>10.35%</td>
<td>1.50%</td>
</tr>
</tbody>
</table>

The University of Montana will only issue the debt if the combined present value savings is at least 5%, which is above the standard established for a cost beneficial refunding.

ATTACHMENTS

Series L 2012 (Taxable & Tax Exempt) Revenue Bonds Resolution