Form 8-K

BLACKBOARD INC - BBBB

Filed: June 15, 2007 (period: June 15, 2007)

Report of unscheduled material events or corporate changes.

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): June 15, 2007 (June 14, 2007)

Blackboard Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	000-50784	52-2081178
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1899 L Street, N.W., Washington, D.C.	20036
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (202) 463-4860
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On June 14, 2007, Blackboard Inc. (the "Company") entered into an underwriting agreement (the "Underwriting Agreement") with Credit Suisse Securities (USA) LLC, as representative of the underwriters party to the Underwriting Agreement, to issue and sell $150.0 million aggregate principal amount of 3.250% Convertible Senior Notes due 2027 (the "Notes") in a public offering pursuant to a Registration Statement on Form S-3 (File No. 333-143715) (the "Registration Statement") and a related prospectus supplement (the "Prospectus Supplement") filed with the Securities and Exchange Commission. In addition, the Company granted the underwriters an option exercisable for 30 days from the date of the Prospectus Supplement to purchase, at the public offering price less underwriting discounts, up to an additional $15.0 million aggregate principal amount of Notes, solely to cover over-allotments. The Company estimates that the net proceeds from the offering will be approximately $145.1 million, after deducting underwriting discounts and estimated offering expenses. The Notes are to be issued pursuant to an indenture to be entered into between the Company and U.S. Bank National Association, as trustee. The above description of the Underwriting Agreement is qualified in its entirety by reference to the Underwriting Agreement, which is filed as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01. Other Events.

On June 15, 2007, the Company announced the pricing of the Notes. The full text of the press release issued in connection with the announcement is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Wilmer Cutler Pickering Hale and Dorr LLP, counsel to the Company, has issued an opinion with respect to the Notes and the shares of the Company's common stock issuable upon conversion thereof pursuant to the Underwriting Agreement and the Registration Statement. A copy of such opinion, including the consent included therein, is attached to this Current Report on Form 8-K as Exhibit 5.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
1.1	Underwriting Agreement dated June 14, 2007.
5.1	Opinion of Wilmer Cutler Pickering Hale and Dorr LLP.
23.1	Consent of Wilmer Cutler Pickering Hale and Dorr LLP (contained in Exhibit 5.1 above).
99.1	Press Release dated June 15, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACKBOARD INC.

Date: June 15, 2007

By: /s/ Matthew Small

Name: Matthew Small
Title: Chief Legal Officer

EXHIBIT INDEX

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Exhibit 1.1

BLACKBOARD INC.
UNDERWRITING AGREEMENT

June 14, 2007
CREDIT SUISSE SECURITIES (USA) LLC,
As Representative of the Several Underwriters,
Eleven Madison Avenue,
New York, NY 10010-3629

1. *Introductory.* Blackboard Inc., a Delaware corporation ("**Company**"), agrees with Credit Suisse Securities (USA) LLC as representative (" **Representative** ") of the several Underwriters named in Schedule A hereto (collectively, the " **Underwriters** ") to issue and sell to the several Underwriters $150,000,000 principal amount (" **Firm Securities** ") of its 3.250% Convertible Senior Notes due July 1, 2027 (" **Securities** ") and also proposes to issue and sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than $15,000,000 additional principal amount (" **Optional Securities** ") of its Securities as set forth below, all to be issued under an indenture, to be dated as of June 20, 2007 (" **Indenture** "), between the Company and U.S. Bank National Association, as Trustee. The Firm Securities and the Optional Securities are herein collectively called the " **Offered Securities** ".

2. *Representations and Warranties of the Company*. The Company represents and warrants to, and agrees with, each Underwriter that:

(a) A registration statement (No. 333-143715), including a prospectus, relating to the Registered Securities has been filed with the Securities and Exchange Commission (" **Commission** ") and has become effective. " **Registration Statement** " as of any time means such registration statement in the form then filed with the Commission, including any amendment thereto, any document incorporated by reference therein and any information in a prospectus or prospectus supplement deemed or retroactively deemed to be a part thereof pursuant to Rule 430B (" **Rule 430B** ") or 430C (" **Rule 430C** " **)** under the Securities Act of 1933, as amended (" **Securities Act** ") that has not been superseded or modified. "Registration Statement" without reference to a time means the Registration Statement as of the time of the first contract of sale for the Offered Securities, which time shall be considered the " **Effective Date** " of the Registration Statement relating to the Offered Securities. For purposes of this definition, information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. " **Statutory Prospectus** " as of any time means the prospectus relating to the Offered Securities that is included in the Registration Statement immediately prior to that

time, including any document incorporated by reference therein and any basic prospectus or prospectus supplement deemed to be a part thereof pursuant to Rule 430B or 430C that has not been superseded or modified. For purposes of this definition, information contained in a form of prospectus (including a prospectus supplement) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Statutory Prospectus only as of the actual time that the form of prospectus (including a prospectus supplement) is filed with the Commission pursuant to Rule 424(b) (" **Rule 424(b)** ") under the Securities Act. " **Prospectus** " means the Statutory Prospectus that discloses the public offering price and other final terms of the Offered Securities and otherwise satisfies Section 10(a) of the Securities Act. " **Issuer Free Writing Prospectus** " means any "issuer free writing prospectus," as defined in Rule 433 (**"Rule 433** ") under the Securities Act, relating to the Offered Securities in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g). " **General Use Issuer Free Writing Prospectus** " means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being specified in Schedule B hereto. " **Limited Use Issuer Free Writing Prospectus** " means any Issuer Free Writing Prospectus that is not a General Use Issuer Free Writing Prospectus. " **Applicable Time** " means 4:30 p.m. (Eastern time) on the date of this Agreement.

(b) (i) (A) At the time the Registration Statement initially became effective, at the time of each amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether by post-effective amendment, incorporated report filed pursuant to the Securities Exchange Act of 1934, as amended (" **Exchange Act** ") or form of prospectus), on the Effective Date relating to the Offered Securities, on the date of this Agreement and on each Closing Date, the Registration Statement conformed and will conform in all material respects to the requirements of the Securities Act, the Trust Indenture Act of 1939 (" **Trust Indenture Act** ") and the rules and regulations of the Commission (" **Rules and Regulations** ") at the time, and did not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) on its date, at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Registration Statement in which the Prospectus is included, and on each Closing Date, the Prospectus will conform in all material respects to the requirements of the Securities Act, the Trust Indenture Act and the Rules and Regulations and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the foregoing does not apply to statements in or omissions from any of such documents based upon written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof.

(c) (i) (A) At the time of initial filing of the Registration Statement, (B) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective

amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus), and (C) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Securities Act) made any offer relating to the Offered Securities in reliance on the exemption of Rule 163 under the Securities Act, the Company was a "well known seasoned issuer" as defined in Rule 405 (" **Rule 405** ") under the Securities Act; the Registration Statement is an "automatic shelf registration statement," as defined in Rule 405.

(ii) The Company has not received from the Commission any notice pursuant to Rule 401(g)(2) (" **Rule 401(g)(2)** ") under the Securities Act objecting to use of the automatic shelf registration statement form. If at any time when Offered Securities remain unsold by the Underwriters, the Company receives from the Commission a notice pursuant to Rule 401(g)(2) or otherwise ceases to be eligible to use the automatic shelf registration statement form, the Company will (i) promptly notify the Representative, (ii) promptly file a new registration statement or post-effective amendment on the proper form relating to the Offered Securities, in a form satisfactory to the Representative, (iii) use its best efforts to cause such registration statement or post-effective amendment to be declared effective as soon as practicable, and (iv) promptly notify the Representative of such effectiveness. The Company will take all other action necessary or appropriate to permit the public offering and sale of the Offered Securities to continue as contemplated in the registration statement that was the subject of the Rule 401(g)(2) notice or for which the Company has otherwise become ineligible. References herein to the Registration Statement shall include such new registration statement or post-effective amendment, as the case may be.

(iii) The Company has paid or shall pay the required Commission filing fees relating to the Offered Securities within the time required by Rule 456(b)(1) under the Securities Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Securities Act.

(d) (i) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Offered Securities and (ii) at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, including (x) the Company or any other subsidiary in the preceding three years not having been convicted of a felony or misdemeanor or having been made the subject of a judicial or administrative decree or order as described in Rule 405, (y) the Company in the preceding three years not having been the subject of a bankruptcy petition or insolvency or similar proceeding, and (z) the Company not having had a registration statement be the subject of a proceeding under Section 8 of the Securities Act and not being the subject of a proceeding under Section 8A of the Securities Act in connection with the offering of the Offered Securities, all as described in Rule 405.

(e) As of the Applicable Time, neither (i) the General Use Issuer Free Writing Prospectus(es) issued at or prior to the Applicable Time, the Statutory Prospectus, and the information set forth in Schedule C hereto, all considered together (collectively, the " **General Disclosure Package** "), nor (ii) any individual Limited Use Issuer Free Writing

Prospectus, when considered together with the General Disclosure Package, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any prospectus included in the Registration Statement or any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(f) Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered Securities or until any earlier date that the Company notified or notifies the Representative as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information then contained in the Registration Statement. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information then contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, (i) the Company has promptly notified or will promptly notify the Representative and (ii) the Company has promptly amended or will promptly amend or supplement such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing two sentences do not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(g) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the General Disclosure Package; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole (“ **Material Adverse Effect** ”).

(h) Each subsidiary of the Company has been duly incorporated and is an existing corporation (or such other form of legal entity as its name and organizational documents may indicate) in good standing under the laws of the jurisdiction of its incorporation or organization, with power and authority (corporate and other) to own its properties and conduct its business as described in the General Disclosure Package,

except where the failure to be in good standing would not, individually or in the aggregate, have a Material Adverse Effect; and each subsidiary of the Company is duly qualified to do business as a foreign corporation (or such other form of legal entity as its name and organizational documents may indicate) in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would not have a Material Adverse Effect; all of the issued and outstanding capital stock or other ownership interests of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock or other ownership interests of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(i) The Indenture has been duly authorized and has been duly qualified under the Trust Indenture Act; the Offered Securities have been duly authorized; and when the Offered Securities are delivered and paid for pursuant to this Agreement on each Closing Date, the Indenture will have been duly executed and delivered, such Offered Securities will have been duly executed, authenticated, issued and delivered, will be consistent with the information in the General Disclosure Package and will conform to the description thereof contained in the Prospectus and the Indenture and such Offered Securities will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(j) This Agreement has been duly authorized, executed and delivered by the Company.

(k) When the Offered Securities are delivered and paid for pursuant to this Agreement on each Closing Date, such Offered Securities will be convertible into Common Stock of the Company in accordance with the terms of the Indenture; the shares of Common Stock initially issuable upon conversion of such Offered Securities have been duly authorized and reserved for issuance upon such conversion and, when issued upon such conversion, will be validly issued, fully paid and nonassessable; the outstanding shares of Common Stock have been duly authorized and validly issued, are fully paid and nonassessable, are consistent with the information in the General Disclosure Package and conform to the description thereof contained in the Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Offered Securities or the shares of Common Stock issued upon conversion.

(l) Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(m) Except for (i) the Third Amended and Restated Registration Rights Agreement dated April 6, 2001 among the Company and the stockholders referred to therein, (ii) the Registration Rights Agreement dated January 11, 2002 between the

Company and The George Washington University, or (iii) as otherwise disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act. To the knowledge of the Company, none of the parties to the registration rights agreements identified in clauses (i) and (ii) above hold registrable securities that are not eligible for resale under Rule 144 under the Securities Act, except for Matthew Pittinsky and Michael Chasen, who have waived their rights under such agreements.

(n) The outstanding shares of Common Stock are listed on The Nasdaq Global Select Market.

(o) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance and sale of the Offered Securities by the Company, except such as have been obtained and made under the Securities Act and the Trust Indenture Act and such as may be required under state securities laws.

(p) The execution, delivery and performance of the Indenture, this Agreement and the issuance and sale of the Offered Securities will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, (ii) any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or (iii) the charter or by-laws of the Company or any such subsidiary, except, with respect to (i) and (ii) above, where such breach, violation or default would not, individually or in the aggregate, have a Material Adverse Effect, and the Company has full power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement.

(q) Except as disclosed in the General Disclosure Package, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the General Disclosure Package, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(r) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct in

all material respects the business now operated by them and have not received any credible notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would, individually or in the aggregate, have a Material Adverse Effect.

(s) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that might have a Material Adverse Effect.

(t) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, " **intellectual property rights** ") necessary to conduct in all material respects the business now operated by them, or presently employed by them, and have not received any credible notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that the Company believes would, individually or in the aggregate, have a Material Adverse Effect.

(u) Except as disclosed in the General Disclosure Package, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, " **environmental laws** "), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would, individually or in the aggregate, have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(v) Except as disclosed in the General Disclosure Package, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would, individually or in the aggregate, have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under the Indenture or this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(w) The financial statements included or incorporated by reference in the Registration Statement and General Disclosure Package present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis; and the schedules

included or incorporated by reference in the Registration Statement present fairly in all material respects the information required to be stated therein.

(x) Except as disclosed in the General Disclosure Package, since the date of the latest audited financial statements included in the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the General Disclosure Package, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(y) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and its subsidiaries' internal controls over financial reporting are effective and the Company and its subsidiaries are not aware of any material weakness in their internal control over financial reporting.

(z) The Company and its subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective.

(aa) The Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and files reports with the Commission on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

(bb) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the General Disclosure Package, will not be an "investment company" as defined in the Investment Company Act of 1940.

3. *Purchase and Offering of Offered Securities*. On the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein, the Company agrees to sell to the several Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price of 97.125% of the principal amount thereof plus accrued interest from June 20, 2007 to the First Closing Date (as hereinafter defined), the respective principal amounts of Firm Securities set forth opposite the names of the Underwriters in Schedule A hereto.

The Company will deliver the Firm Securities to or as instructed by the Representative for the accounts of the several Underwriters in a form reasonably acceptable to the

Representative against payment of the purchase price by the Underwriters in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representative at the office of Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York 10022, at 9:00 a.m., New York time, on June 20, 2007, or at such other time not later than seven full business days thereafter as the Representative and the Company determine, such time being herein referred to as the " **First Closing Date** ". For purposes of Rule 15c6-1 under the Exchange Act, the First Closing Date (if later than the otherwise applicable settlement date) shall be the settlement date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering. The Firm Securities so to be delivered or evidence of their issuance will be made available for checking at the above office of Shearman & Sterling LLP at least 24 hours prior to the First Closing Date.

In addition, upon written notice from the Representative given to the Company from time to time not more than 30 days subsequent to the date of the Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per principal amount of Securities to be paid for the Firm Securities (including any accrued interest thereon to the related Optional Closing Date). Such Optional Securities shall be purchased for the account of each Underwriter in the same proportion as the principal amount of Firm Securities set forth opposite such Underwriter's name bears to the total principal amount of Firm Securities (subject to adjustment by the Representative to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by the Representative to the Company.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "**Optional Closing Date** ", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a " **Closing Date** "), shall be determined by the Representative but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Company will deliver the Optional Securities being purchased on each Optional Closing Date to or as instructed by the Representative for the accounts of the several Underwriters in a form reasonably acceptable to the Representative against payment of the purchase price therefore in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representative at the above office of Shearman & Sterling LLP. The Optional Securities being purchased on each Optional Closing Date or evidence of their issuance will be made available for checking at the above office of Shearman & Sterling LLP at a reasonable time in advance of such Optional Closing Date.

It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

4. *Certain Agreements of the Company*. The Company agrees with the several Underwriters that it will furnish to counsel for the Underwriters, one signed copy of the registration statement relating to the Registered Securities, including all exhibits, in the form it

became effective and of all amendments thereto and that, in connection with each offering of Offered Securities:

(a) The Company has filed or will file each Statutory Prospectus (including the Prospectus) pursuant to and in accordance with Rule 424(b)(2) (or, if applicable and consented to by the Representative, subparagraph (5)) not later than the second business day following the earlier of the date it is first used or the date of this Agreement. The Company has complied and will comply with Rule 433.

(b) The Company will advise the Representative promptly of any proposal to amend or supplement the Registration Statement or any Statutory Prospectus and will afford the Representative a reasonable opportunity to comment on any such proposed amendment or supplement; and the Company will also advise the Representative promptly of the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement or of any part thereof and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 under the Securities Act would be) required to be delivered under the Securities Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Securities Act, the Company promptly will notify the Representative of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the Representative consents to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) As soon as practicable, but not later than 18 months, after the date of this Agreement, the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the date of this Agreement and satisfying the provisions of Section 11(a) of the Securities Act.

(e) The Company will furnish to the Underwriters copies of the Registration Statement, including all exhibits, any related preliminary prospectus, any related preliminary prospectus supplement, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Representative reasonably requests. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such

jurisdictions as the Representative designates and will continue such qualifications in effect so long as required for the distribution.

(g) The Company will pay all expenses incident to the performance of its obligations under this Agreement, for any filing fees or other expenses (including fees and disbursements of counsel) in connection with qualification of the Registered Securities for sale and determination of their eligibility for investment under the laws of such jurisdictions as the Representative may designate and the printing of memoranda relating thereto, for any fees charged by investment rating agencies for the rating of the Offered Securities, for any applicable filing fee incident to, the review by the National Association of Securities Dealers, Inc. of the Registered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of Registered Securities, for expenses incurred in preparing, printing and distributing each Statutory Prospectus to the Underwriters and for expenses incurred in preparing, printing and distributing each Issuer Free Writing Prospectus to investors and prospective investors; *provided* that on the First Closing Date, the Underwriters will reimburse the Company for $200,000 of expenses incurred by the Company in the performance of its obligations under this Agreement.

(h) For a period of 60 days after the date of this Agreement, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any additional shares of its Common Stock or securities convertible into or exchangeable or exercisable for any shares of its Common Stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Representative, except that the Company may (i) issue shares of Common Stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options, in each case outstanding on the date hereof, (ii) grant employee stock options or restricted stock awards or other equity awards pursuant to the terms of a plan in effect on the date hereof, (iii) issue Common Stock pursuant to the exercise of such options or other equity awards, (iv) file registrations statements on Form S-8 with the Commission registering Common Stock issuable under its stock option plans in effect on the date hereof and (v) issue Common Stock in connection with an acquisition or merger approved by the Company's board of directors; *provided* that the prior written consent of the parties hereto shall be deemed to have been given in respect of any General Use Issuer Free Writing Prospectus listed on Schedule B hereto.

5. *Free Writing Prospectuses*. (a) The Company represents and agrees that, unless it obtains the prior consent of the Representative, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representative, it has not made and will not make any offer relating to the Offered Securities that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. Any such free writing prospectus consented to by the Company and the Representative is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company represents that it has treated and agrees that it will treat each

Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including timely Commission filing where required, legending and record keeping.

(b) The Company will prepare a final term sheet relating to the Offered Securities, containing only information that describes the final terms of the Offered Securities and otherwise in a form consented to by the Representative, and will file such final term sheet within the period required by Rule 433(d)(5)(ii) following the date such final terms have been established for all classes of the offering of the Offered Securities. Any such final term sheet is an Issuer Free Writing Prospectus and a Permitted Free Writing Prospectus for purposes of this Agreement. The Company also consents to the use by any Underwriter of a free writing prospectus that contains only (i)(x) information describing the preliminary terms of the Offered Securities or their offering or (y) information that describes the final terms of the Offered Securities or their offering and that is included in the final term sheet of the Company contemplated in the first sentence of this subsection or (ii) other information that is not "issuer information," as defined in Rule 433, it being understood that any such free writing prospectus referred to in clause (i) or (ii) above shall not be an Issuer Free Writing Prospectus for purposes of this Agreement.

6. *Conditions of the Obligations of the Underwriters*. The obligations of the several Underwriters to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) On the date hereof, the Representative shall have received a letter, dated the date of delivery thereof, from each of (i) Ernst & Young LLP and (ii) PricewaterhouseCoopers LLP in form and substance satisfactory to the Representative containing statements and information of the type customarily included in accountants' "comfort letters" to the Underwriters with respect to the financial statements and certain financial information of the Company.

All financial statements and schedules included in material incorporated by reference into the Prospectus or the General Disclosure Package shall be deemed included in the Prospectus or the General Disclosure Package for purposes of this subsection.

(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) of this Agreement. No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission.

(c) Subsequent to the execution of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of the Representative, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of the Representative, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the Nasdaq, or any setting of minimum prices for trading on such exchange; (v) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (vi) any banking moratorium declared by U.S. Federal or New York authorities; (vii) any major disruption of settlements of securities or clearance services in the United States or (viii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Representative, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d) the Representative shall have received an opinion, dated each Closing Date, of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Company in substantially the form attached hereto as Exhibit A.

(e) the Representative shall have received from Shearman & Sterling LLP, counsel for the Underwriters, such opinion or opinions, dated each Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities, the Registration Statement, the General Disclosure Package, the Prospectus and other related matters as the Representative may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(f) the Representative shall have received a certificate, dated each Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state on behalf of the Company that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied in all material respects with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date, that no

stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and, to their knowledge, no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in the General Disclosure Package or as described in such certificate.

(g) On or prior to the date hereof, the Representative shall have received lockup letters from each of the executive officers and directors of the Company.

(h) the Representative shall have received a letter, dated each Closing Date, from each of (i) Ernst & Young LLP and (ii) PricewaterhouseCoopers LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such letter will be a date not more than three days prior to such Closing Date for the purposes of this subsection.

The Company will furnish the Representative with such conformed copies of such opinions, certificates, letters and documents as the Representative reasonably requests. The Representative may in its sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters under this Agreement.

7. *Indemnification and Contribution*. (a) The Company will indemnify and hold harmless each Underwriter, its partners, members, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement at any time, any Statutory Prospectus at any time, the Prospectus or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission to state, in the case of the Registration Statement at any time, a material fact required to be stated therein or necessary to make the statements therein not misleading, or, in the case of any Statutory Prospectus at any time, the Prospectus or any Issuer Free Writing Prospectus, a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; *provided, however* , that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative, if any, specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in this Agreement.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement at any time, any Statutory Prospectus at any time, the Prospectus or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representative, if any, specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the General Disclosure Package and the Prospectus: the statement set forth on the cover page regarding delivery of the Offered Securities, the list of Underwriters and their respective participation in the sale of the Offered Securities in the 1st paragraph under the caption "Underwriting" in the prospectus supplement, the sentences related to concessions and discounts appearing in the 4th paragraph under the caption "Underwriting" in the prospectus supplement, and the information contained in the 11th paragraph under the caption "Underwriting" in the prospectus supplement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the

subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or behalf of an indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Securities Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Securities Act.

8. *Default of Underwriters*. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate principal amount of Offered Securities that such defaulting

Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, the Representative may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to the Representative and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 9 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. *Survival of Certain Representations and Obligations*. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv), (vi), (vii) or (viii) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. *Notices* . All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representative at Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: LCD-IBD, or if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at Blackboard Inc., 1899 L Street, N.W., Washington D.C. 20036, Attention: Matthew Small, Chief Legal Officer, with a copy to Brent B. Siler, at Wilmer Cutler Pickering Hale and Dorr LLP, 1875 Pennsylvania Avenue, N.W., Washington D.C. 20006; provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

11. *Successors*. This Agreement will inure to the benefit of and be binding upon the Company and such Underwriters as are identified herein and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

12. *Representation of Underwriters*. The Representative will act for the several Underwriters in connection with the financing described in this Agreement, and any action under this Agreement taken by the Representative will be binding upon all the Underwriters.

13. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. *Absence of Fiduciary Relationship.* The Company acknowledges and agrees that:

(a) the Representative has been retained solely to act as underwriters in connection with the sale of Offered Securities and that no fiduciary, advisory or agency relationship between the Company and the Representative have been created in respect of any of the transactions contemplated by this Agreement (including the provisions of this Agreement incorporated by reference therein), irrespective of whether the Representative has advised or is advising the Company on other matters;

(b) the price of the Offered Securities set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Representative and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated herein;

(c) the Company has been advised that the Representative and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Representative has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) the Company waives, to the fullest extent permitted by law, any claims it may have against the Representative for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Representative shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

15. ***Applicable Law***. **This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.**

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

Blackboard inc.

By /s/ Matthew Small
Name: Matthew Small
Title: Chief Legal Officer

The foregoing Underwriting Agreement is
hereby confirmed and accepted as
of the date first above written.
Credit Suisse Securities (USA) LLC

By: /s/ Adam Nordin
Name: Adam Nordin
Title: Managing Director
Acting on behalf of itself and as the
Representative of the several
Underwriters

SCHEDULE A

Underwriter	Principal Amount
Credit Suisse Securities (USA) LLC	$ 120,000,000
Citigroup Global Markets Inc.	30,000,000
Total	$ 150,000,000

SCHEDULE B

The Pricing Term Sheet attached as Schedule C hereto.

SCHEDULE C
Blackboard Inc.
$150,000,000 aggregate principal amount of 3.250% Convertible Senior Notes due 2027

The following information supplements the Preliminary Prospectus Supplement dated June 13, 2007.

Title of Securities:	3.250% Convertible Senior Notes due 2027.
Aggregate Principal Amount Offered:	$150,000,000 principal amount.
Over-allotment Option:	$15,000,000; 30-day option to cover over-allotments.
Price to Public:	100% of principal amount.
Net proceeds to the Company, after underwriters' discount, but before other offering expenses payable by the Company (assuming no exercise of over-allotment option):	$145.7 million.
Use of proceeds:	The Company intends to use $19.4 million of the proceeds to repay the amounts outstanding under its senior secured term loan facility, and to use the remaining net proceeds for working capital and general corporate purposes, which may include funding potential future acquisitions.
Estimated expenses of notes offering to be paid by the Company:	$550,000.
Interest payment dates:	January 1 and July 1 of each year, beginning on January 1, 2008.
Record dates:	June 15 and December 15.
Maturity:	July 1, 2027.
Ranking:	Senior unsecured.
Coupon:	3.250%.
Make-Whole Fundamental Change Protection	Adjustment to the applicable conversion rate upon certain corporate transactions (per attached table).
Principal amount per note:	$ 1,000.
Last Sale Price of the Company's common stock (June 14, 2007):	$40.03 per share.
Base Conversion Rate Per Note:	15.4202 Subject to adjustment as set forth in the prospectus supplement.
Base Conversion Price (approximately):	$ 64.85 Subject to adjustment as set forth in the prospectus supplement.
Incremental Share Factor:	9.5605 Subject to adjustment as set forth in the prospectus supplement.

Conversion Contingencies:	• During any calendar quarter subject to 130% conversion trigger; • On or after January 1, 2027, until the close of business on the business day preceding maturity; • If the average trading price for the notes is less than 95% of the applicable conversion value; • If the notes are called for redemption; or • Upon the occurrence of specified corporate transactions.
Optional Redemption:	On or after July 1, 2011 the Company may redeem the notes for an amount equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, up to but not including the date of redemption, payable in cash.
Repurchase of Notes at Holder's Option:	On July 1, 2011, July 1, 2017 and July 1, 2022 holders may require the Company to repurchase the notes for an amount equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, up to but not including the date of repurchase, payable in cash.
Repurchase upon a Fundamental Change:	Holders may require the Company to repurchase the notes for an amount equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, up to but not including the date of repurchase, payable in cash.
Book-Running Manager:	Credit Suisse Securities (USA) LLC.
Co-Manager:	Citigroup Global Markets Inc.
Gross Spread (%):	2.875%.
Gross Spread per Note:	$28.75.
Trade date:	June 15, 2007.
Settlement date:	June 20, 2007.
CUSIP:	091935 AA4.
ISIN:	US091935AA49.

The issuer has filed a registration statement (including a prospectus and prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and prospectus supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Credit Suisse Securities (USA) LLC toll-free at 1-800-221-1037.

Adjustment to Shares Delivered Upon Conversion Upon a Make-Whole Fundamental Change

The following table sets forth the increase in the Applicable Conversion Rate, expressed as a number of additional shares to be received per $1,000 principal amount of notes.

	Effective Date				
Stock Price	**June 20, 2007**	**July 1, 2008**	**July 1, 2009**	**July 1, 2010**	**July 1, 2011**
$ 40.03	9.56	9.56	9.56	9.56	9.56
$ 45.00	8.22	7.61	7.01	6.52	6.80
$ 50.00	7.32	6.59	5.78	4.91	4.58
$ 55.00	6.73	5.93	4.99	3.86	2.76
$ 60.00	6.36	5.52	4.52	3.24	1.25
$ 65.00	6.11	5.26	4.24	2.91	0.00
$ 70.00	5.31	4.47	3.46	2.14	0.00
$ 75.00	4.66	3.85	2.87	1.62	0.00
$ 80.00	4.14	3.36	2.42	1.25	0.00
$ 85.00	3.71	2.97	2.08	1.00	0.00
$ 90.00	3.36	2.65	1.82	0.83	0.00
$ 95.00	3.06	2.39	1.61	0.71	0.00
$ 100.00	2.81	2.17	1.44	0.62	0.00
$ 125.00	1.99	1.50	0.97	0.42	0.00
$ 150.00	1.53	1.16	0.75	0.33	0.00
$ 175.00	1.25	0.94	0.62	0.27	0.00
$ 200.00	1.05	0.79	0.52	0.23	0.00
$ 225.00	0.90	0.68	0.45	0.20	0.00
$ 250.00	0.78	0.59	0.39	0.17	0.00
$ 275.00	0.68	0.52	0.34	0.15	0.00
$ 300.00	0.61	0.46	0.30	0.13	0.00

The exact stock price and effective date may not be set forth on the table, in which case:

- if the stock price is between two stock prices on the table or the effective date is between two effective dates on the table, the number of additional shares will be determined by a straight line interpolation between the number of additional shares set forth for the higher and lower stock price amounts and the earlier and later effective dates based on a 365 day year, as applicable;

- if the stock price is in excess of $300.00 per share (subject to adjustment), no increase in the applicable conversion rate will be made; and

- if the stock price is less than $40.03 per share (subject to adjustment), no increase in the applicable conversion rate will be made.

EXHIBIT A
[Form of Opinion of Wilmer Cutler Pickering Hale and Dorr LLP]

WILMERHALE
+1 202 663 6000 (t)
+1 202 663 6363 (f)
wilmerhale.com

June 14, 2007
Blackboard Inc.
1899 L Street, N.W.
Washington, D.C. 20036
Re: Registration Statement on Form S-3
Ladies and Gentlemen:
This opinion is furnished to you in connection with the public offering by Blackboard Inc., a Delaware corporation (the "Company"), of $150,000,000 aggregate principal amount of the Company's 3.250% Convertible Senior Notes due 2027 (the "Notes") and the shares of the Company's common stock, $0.01 par value per share (the "Shares" and, together with the Notes, the "Securities") issuable upon conversion of the Notes, pursuant to a Registration Statement on Form S-3 (File No. 333-1143715) (the "Registration Statement") filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act") on June 13, 2007 and the prospectus supplement, dated June 14, 2007, to the prospectus dated June 13, 2007 included in the Registration Statement (the "Prospectus Supplement").
The Notes will be issued by the Company pursuant to an indenture (the "Indenture") between the Company and U.S. Bank National Association, as trustee (the "Trustee").
We are acting as counsel for the Company in connection with the issue and sale by the Company of the Securities. We have examined signed copies of the Registration Statement filed with the Commission, including the exhibits thereto, the Prospectus Supplement, to be filed with the Commission pursuant to Rules 424(b)(5) and 430B of the Securities Act on June 15, 2007, and the Underwriting Agreement dated June 14, 2007, by and among the Company and the underwriters named therein (the "Underwriting Agreement").
We have also examined and relied upon resolutions adopted by the Board of Directors of the Company, minutes of meetings of the Board of Directors of the Company as provided to us by the Company, the Certificate of Incorporation and By-laws of the Company, each as restated and/or amended to date, and such other documents as we have deemed necessary for purposes of rendering the opinions hereinafter set forth.
In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents. Insofar as this opinion relates to factual matters, we have assumed with your permission and without

independent investigation that the statements of the Company contained in the Registration Statement are true and correct as to all factual matters stated therein.

We have assumed that the Indenture will be duly authorized, executed and delivered by the other party thereto, the Trustee, and that such other party is duly qualified to engage in the activities contemplated by the Indenture. We are expressing no opinion herein as to the application of or compliance with any federal or state law or regulation or as to the power, authority or competence of such other party to the Indenture. We have assumed that the Indenture is the valid and binding obligation of such other party to the Indenture, and is enforceable against such other party in accordance with its terms.

We express no opinion herein as to the laws of any state or jurisdiction other than (a) as to the opinions given in paragraph 1, the laws of the State of New York and (ii) as to the opinions given in paragraph 2, the General Corporation Law of the State of Delaware.

Our opinions below are qualified to the extent that they may be subject to or affected by (a) applicable bankruptcy, insolvency, reorganization, moratorium, usury, fraudulent conveyance or other laws affecting the rights of creditors generally; (b) statutory or decisional law concerning recourse by creditors to security in the absence of notice or hearing; (c) duties and standards imposed on creditors and parties to contracts, including, without limitation, requirements of good faith, reasonableness and fair dealing; and (d) general equitable principles. We express no opinion as to the enforceability of any provision of any of the Notes that purports to select the laws by which it or any other agreement or instrument is to be governed. Furthermore, we express no opinion as to the availability of any equitable or specific remedy upon any breach of any of the agreements as to which we are opining herein, or any of the agreements, documents or obligations referred to therein, or to the successful assertion of any equitable defenses, inasmuch as the availability of such remedies or the success of any equitable defenses may be subject to the discretion of a court. In addition, we express no opinion with respect to the enforceability of any provision of the Notes requiring the payment of interest on overdue interest.

We also express no opinion herein as to any provision of any agreement (a) that waives any right of the Company; (b) to the effect that rights and remedies are not exclusive, that every right or remedy is cumulative and may be exercised in addition to or with any other right or remedy and does not preclude recourse to one or more other rights or remedies; (c) relating to the effect of invalidity or unenforceability of any provision of such agreement on the validity or enforceability of any other provision thereof; (d) which is in violation of public policy; (e) relating to indemnification and contribution with respect to securities law matters; (f) which provides that the terms of any such agreement may not be waived or modified except in writing; (g) purporting to indemnify any person against his, her or its own negligence or misconduct; (h) requiring the payment of penalties (including, without limitation, liquidated damages that may be

deemed or construed to constitute penalties) or consequential damages; or (i) relating to choice of law or consent to jurisdiction.
For purposes of our opinion, we have assumed that (i) at the time of offer, issuance and sale of any Securities, no stop order suspending the Registration Statement's effectiveness will have been issued and remain in effect; (ii) the Notes will be issued pursuant to the Indenture, which shall have been executed and delivered by the Company and the Trustee and shall contain such terms as shall have been authorized by the Board of Directors of the Company in respect of the Notes; (iii) prior to the issuance of any Shares upon conversion of the Notes, sufficient shares of Common Stock shall be duly authorized pursuant to the Certificate of Incorporation; (iv) the Notes will be delivered against payment of valid consideration therefor and in accordance with the terms of the applicable resolutions of the Board of Directors of the Company authorizing such sale and any applicable underwriting agreement and as contemplated by the Registration Statement and/or the applicable prospectus supplement; (v) such Shares shall be issued upon conversion of the Notes in accordance with the terms thereof, the Indenture and the resolutions of the Board of Directors; and (vi) the Company will remain a Delaware corporation.
Based upon and subject to the foregoing, we are of the opinion that:

1. With respect to the Notes, upon (i) due execution and delivery of the Indenture, on behalf of the Company and the Trustee named therein, (ii) due authentication by the Trustee, and (iii) due execution, issuance, and delivery of the Notes against payment of the consideration therefor specified in the Underwriting Agreement and otherwise in accordance with the Indenture and the Underwriting Agreement, the Notes will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms; and

2. With respect to the Shares issued upon the conversion of the Notes, upon (i) valid issuance of the Notes and (ii) due exercise of applicable conversion rights in accordance with the terms of the Notes, the Shares will be validly issued, fully paid and nonassessable.

It is understood that this opinion is to be used only in connection with the offer and sale of the Securities while the Registration Statement is in effect and may not be used, quoted or relied upon for any other purpose nor may this opinion be furnished to, quoted to or relied upon by any other person or entity, for any purpose, without our prior written consent.
Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Company's Current Report on Form 8-K to be filed on June 15, 2007 in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

WILMER CUTLER PICKERING
HALE AND DORR LLP

By: /s/ Brent B. Siler
Brent B. Siler, a Partner

Exhibit 99.1

News Release

Blackboard Contact:
Michael J. Stanton
Vice President, Investor Relations and Global Treasury
Blackboard Inc.
+1 (202) 463-4860 ext. 2305

Blackboard Inc. Prices $150 Million in Convertible Senior Notes Due 2027

WASHINGTON, DC – June 15, 2007 – Blackboard Inc. (NASDAQ: BBBB) today announced that it has priced an offering of $150 million aggregate principal amount of Convertible Senior Notes due 2027, pursuant to an automatically effective registration statement filed with the Securities and Exchange Commission on June 13, 2007. In addition, Blackboard has granted the underwriters an option to purchase up to an additional $15 million aggregate principal amount of Notes from Blackboard solely to cover overallotments.

The notes will be convertible, under certain circumstances, into cash or a combination of cash and Blackboard common stock at an initial base conversion rate of 15.4202 shares of Blackboard common stock per $1,000 principal amount of convertible notes. The base conversion rate represents an initial base conversion price of approximately $64.85, which is a 62 percent premium to the closing price of Blackboard's common stock on June 14, 2007. In addition, if at the time of conversion the applicable price of Blackboard's common stock exceeds the base conversion price, the conversion rate will be increased by up to an additional 9.5605 shares of Blackboard common stock per $1,000 principal amount of notes, as determined pursuant to a specified formula. In general, upon conversion of a note, the holder of such note will receive cash equal to the principal amount of the note and Blackboard common stock for the note's conversion value in excess of such principal amount.

The notes will bear interest at a rate of 3.25% per annum from the date of issuance, payable semi-annually on January 1 and July 1, commencing on January 1, 2008. The notes will mature on July 1, 2027 and may not be redeemed by Blackboard prior to July 1, 2011, after which they may be redeemed at 100% of the principal amount plus accrued interest. Holders of the notes may require Blackboard to repurchase some or all of the notes on July 1, 2011, July 1, 2017 and July 1, 2022, or in the event of certain fundamental change transactions, at 100% of the principal amount plus accrued interest. The closing of the offering is expected to occur on June 20, 2007, subject to the satisfaction of customary closing conditions.

Blackboard intends to use approximately $19.4 million of the net proceeds to repay amounts outstanding under its senior secured term loan facility. Blackboard intends to use the remaining net proceeds for general corporate purposes, which may include funding potential acquisitions.

The sole book-running manager of the offering is Credit Suisse Securities (USA) LLC and Citi is serving as the sole co-manager. A copy of the prospectus and prospectus supplement meeting the requirements of Section 10 of the Securities Act of 1933 may be obtained from Credit Suisse by writing to it at Credit Suisse Securities Prospectus Department, One Madison Avenue, Level 1B, New York, NY 10010.

About Blackboard Inc.

Blackboard Inc. (NASDAQ: BBBB) is a leading provider of enterprise learning software applications and related services. Founded in 1997, Blackboard enables educational innovations everywhere by connecting people and technology. Millions of people use Blackboard everyday around the globe. Blackboard is headquartered in Washington, D.C., with offices in North America, Europe, Australia and Asia.

Blackboard

Educate. Innovate. Everywhere.™

Any statements in this press release about future expectations, plans and prospects for Blackboard and other statements containing the words "believes," "anticipates," "plans," "expects," "will," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release include expectations regarding Blackboard's use of proceeds. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the factors discussed in the "Risk Factors" section of our Form 10-Q filed on May 4, 2007 with the Securities and Exchange Commission. In addition, the forward-looking statements included in this press release represent Blackboard's views as of June 15, 2007. Blackboard anticipates that subsequent events and developments will cause Blackboard's views to change. However, while Blackboard may elect to update these forward-looking statements at some point in the future, Blackboard specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Blackboard's views as of any date subsequent to June 15, 2007.

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