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**RESOLUTION AUTHORIZING THE  
FINANCING OF THE INSURANCE PREMIUM**

WHEREAS, due to recent cash flow limitations, the University of the Virgin Islands (the "University") has financed its property and liability premiums through insurance premium financing transactions with its various insurance providers;

WHEREAS, the University is continuing to operate on limited cash resources and needs to minimize large cash outflows;

WHEREAS, the University intends to annually enter into various commercial premium finance agreements in substantially the form as utilized in prior insurance premium financing transactions (the "Finance Agreement");

WHEREAS, the University intends to finance, from time to time, its various insurance needs to be provided by various insurance providers in a principal amount not to exceed \$2,000,000 per annum, each for a term not to exceed twelve months from the date of closing of such loan, at an interest rate not greater than 7% per annum payable in periodic installments in accordance with any such Financing Agreement or any other agreements reasonably necessary to implement such insurance premium financing transactions;

WHEREAS, the Board of Trustees of the University has previously approved the recommendation of the administration of the University to enter into such Finance Agreements;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY THAT:

1. The President and the Vice President for Business and Financial Affairs of the University are hereby authorized to borrow, from time to time, an aggregate principal amount not to exceed \$2,000,000 per annum for the payment of such insurance premiums upon such terms and conditions as the President and Vice President for Business and Financial Affairs, in the exercise of their discretion, shall determine and to execute and deliver any and all promissory notes, loan agreements, security agreements, financing statements, instruments and other documents and to do and cause to be done any and all acts necessary and appropriate to accomplish the foregoing.

2. The execution of any Finance Agreement and any other agreements or certificates in connection with the issuance of notes to evidence such indebtedness and the pledge of the security therefor, will not constitute a default under any existing bond resolution or indenture to which the University is bound. It

should be noted, however, that Paragraph III of the Granting Clause to the Indenture of Mortgage and Trust dated as of November 1, 1973 (the "1973 Indenture"), by and between the University and First National City Bank, as Trustee, provides for a first lien on and pledge of funds available to the University for general operation purposes from any other source, including appropriations from the legislatures of the Virgin Islands or the United States of America, to the extent required, together with other pledged revenues available to meet payments of the principal of and interest on the Consolidation and Construction Bond of 1973, Series A and Series B and to provide and maintain the accounts, funds and reserves required under the above-mentioned Indenture. Further, pursuant to the Indenture of Trust dated as of September 1, 1994, by and between the University and Marine Midland Bank, as Trustee, the University pledged and granted an additional lien on such available funds and other pledged revenues which is subject and subordinate to the first lien established under the 1973 Indenture.

3. The terms and conditions of any such Finance Agreement and all actions taken by the President and Vice President for Business and Financial Affairs taken in connection therewith are hereby ratified and confirmed.

4. The authority hereby granted to the President and the Vice President for Financial Affairs shall continue for a period of two years from the date of adoption of this Resolution.

The undersigned does hereby certify that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at its meeting on December 6, 1997, as recorded in the minutes of said meeting.

*Arville Rear*

Secretary of the Board