

RESOLUTION AUTHORIZING THE UNIVERSITY TO TAKE PRELIMINARY ACTION IN CONNECTION WITH THE PROPOSED ISSUANCE OF UP TO \$22,000,000 GENERAL OBLIGATION BONDS (CAPITAL FINANCING PROGRAM) OF THE UNIVERSITY OF THE VIRGIN ISLANDS.

Upon motion duly made and seconded, the following was adopted by the Board of Trustees of the University of the Virgin Islands (the "Board"):

WHEREAS, it is necessary for the University of the Virgin Islands (the "University") to provide moneys to finance in part the costs of certain capital projects, which capital projects are part of a comprehensive ten year capital improvement plan for the University (collectively, the "Projects"); and

WHEREAS, to finance all or a portion of the costs of the Projects, the University intends to issue its general obligation bonds in one or more series in an aggregate principal amount not to exceed \$22,000,000 (the "Bonds") pursuant to certain financing terms to be developed by management of the University together with the Executive Committee of the University;

WHEREAS, the President and Vice President for Business and Financial Affairs have investigated potential funding sources for the financing of all or a portion of the costs of the Projects through the United States Department of Education (the "Department of Education") Historically Black Colleges and Universities Capital Financing Program (the "HBCU Capital Financing Program") which is administered through the designated bonding authority approved by the Department of Education, the Educational Direct Loan Mortgage Corporation ("Eddie Mac");

WHEREAS, as of the date hereof, the University has obtained approval of its preliminary application and seeks to submit the complete application for approval of funding for all or a portion of the costs of the Projects through the HBCU Capital Financing Program; and

WHEREAS, the management of the University intends to make a comprehensive analysis of the HBCU Capital Financing Program as a potential funding source, it also desires to perform a comprehensive analysis of all other federally supported and private sources of funding for the Projects to ensure the University receives the most cost effective, flexible and beneficial financing available.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF THE VIRGIN ISLANDS AS FOLLOWS:

Section 1. To accomplish the purposes of the Act and to provide for the financing of a portion of the costs of the Projects through the HBCU Capital Financing Program or such other alternative source of financing as the Executive Committee of the Board of Trustees of the University (the "Executive Committee") and the President and Vice President of Business and Financial Affairs shall recommend and the President and the Vice President for Business and Financial Affairs are hereby authorized to take all preliminary actions as may be required to secure financing for all or a portion of the costs of the Projects through the HBCU Capital Financing Program or such other funding sources as may be recommended within the parameters set forth below:

(i) the aggregate principal amount of the Bonds which may be issued, in one or more series from time to time, shall not at any time exceed \$22,000,000;

(ii) the term of the Bonds shall not exceed 30 years from the date of issuance;

(iii) the Bonds shall bear interest at a maximum true interest cost not to exceed 8% per annum;

(iv) the maximum principal amount of Bonds outstanding at any time, together with all outstanding long-term debt of the University, shall not result in annual aggregate debt service payable by the University in excess of \$3,200,000;

(v) the Bonds shall be secured by a pledge of the general obligation of the University and may be further secured by such other security including, but not limited to, a pledge of amounts received by the University from appropriations of the Government of the Virgin Islands for payment of the University's debt service and other revenues of the University, a mortgage lien and security interest in certain real property of the University and a debt service reserve fund.

Section 2. The University hereby authorizes the President and the Vice President for Business and Financial Affairs, together with the Executive Committee, to investigate the HBCU Capital Financing Program and other alternative sources of financing for the Projects meeting the criteria set forth in Section 1 of this Resolution, and to the extent the President and Vice President for Business and Financial Affairs identify such eligible alternative sources of financing, shall be authorized to proceed to negotiate the terms of such financing for further consideration by the Board of Trustees and subsequent ratification of such source of financing by the Board of Trustees.

Section 3. The President and/or Vice President for Business and Financial Affairs of the University, are hereby designated Authorized Signatories for the Board of Trustees and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and agreements and to do and cause to be done any and all proper acts and things necessary or desirable for carrying out this Resolution.

Section 4. This Resolution shall supersede any inconsistent provision of any resolution previously adopted by the University and shall take effect immediately.

CERTIFICATION

The undersigned does hereby certify that the foregoing is a true and exact copy of the resolution of the Board of Trustees of the University of the Virgin Islands adopted at its meeting on Saturday, June 12, 1999, as recorded in the minutes of said meeting.

Orville Kear

Secretary of the Board