

RESOLUTION AUTHORIZING ISSUANCE OF
\$5,000,000 GENERAL OBLIGATION BOND
ANTICIPATION NOTES OF THE UNIVERSITY OF
THE VIRGIN ISLANDS.

Upon motion duly made and seconded, the following were unanimously adopted by the members of the Board of Trustees of The University of the Virgin Islands:

WHEREAS, it is necessary for The University of the Virgin Islands (the "University") to provide moneys for capital expenditures in connection with (i) the construction of dormitories on the St. Thomas Campus and (ii) a residence hall and ancilliary services facility on the St. Croix Campus (collectively, the "Project") and for purposes incidental thereto; and

WHEREAS, to finance all or a portion of the costs of the Project, the University intends to issue its general obligation bonds in an aggregate principal amount not to exceed \$12,000,000 (the "Bonds") upon adoption of a resolution (the "Bond Resolution") together with bond reserve funds and costs of issuance, prior to such issuance, and until such time as the Bonds are issued, to create, issue and sell its bond anticipation notes to temporarily finance costs of the Project.

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

Section 1. Authorization of Notes. Pursuant to Chapter 33 of Title 17 of the Virgin Islands Code, as amended, bond anticipation notes of the University are hereby authorized to be issued in the aggregate principal amount of not to exceed \$5,000,000 (the "Notes") for capital expenditures in connection with the construction of the Project including: (i) the construction of dormitories on the St. Thomas Campus; (ii) the construction of a residence hall and ancilliary services facility on the St. Croix Campus; and (iii) purposes incidental thereto including payment of certain costs of issuance of the Notes and planning and engineering studies, and payment of interest.

In computing the total amount of Notes which may be at any time outstanding, the amount of the outstanding Notes to be renewed or refunded from the proceeds of the sale of the new Notes or by exchange for new Notes shall be excluded.

The Notes shall be direct and general obligations of the University payable from (i) the proceeds of notes issued in renewal thereof, (ii) the proceeds of long-term bonds (the Bonds) to be issued by the University, and (iii) fees, charges or other revenues directly derived from or attributable to the ownership or operation of the Project. The University is a public undertaking authorized by an act of the Legislature of the

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Government of the Virgin Islands. The full faith and credit of the University are hereby pledged to the punctual payment of and interest on the Notes when the same shall become due and payable. The Notes shall be designated "General Obligation Bond Anticipation Notes, 1992 Series".

The Notes shall be issued at one time or in series from time to time, upon direction of the President of the University or Vice President for Business and Financial Affairs, shall be sold by private sale at such price or prices not less than the principal amount thereof and in such manner and on such terms and conditions, including any renewals thereof, on such date or dates no later than August 1, 1993, shall mature no later than September 1, 1993, shall bear interest payable at maturity, at such rate of rates not to exceed nine percent (9%) per annum, be subject to redemption at such time or times and on such terms, and shall be in minimum denominations of \$100,000 and integral multiples of \$5,000 in excess thereof or, as otherwise determined by the President or Vice President for Business and Financial Affairs, and, if issued in series, shall bear such further particular designation added to or incorporated in the title thereof, all as shall be determined by the President or Vice President for Business and Financial Affairs of the University by a Certificate of Determination. The President or the Vice President for Business and Financial Affairs of the University shall be authorized to enter into any appropriate contracts or agreements concerning the sale of any of such Notes and to authorize, if necessary, one or more official statements on behalf of the University (describing the University's financial condition and the Notes offered for sale, and other matters relative to the University and the security of the Notes, and making appropriate representations on behalf of the University) and generally to take such action as in his opinion will best serve the interests of the University.

In consideration of the purchase and acceptance of any and all of the Notes authorized to be issued under this Resolution by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the University and the Holders from time to time of the Notes; and the pledge made in this Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the University shall be for the equal benefit, protection and security of the Holders of any and all of the Notes, all of which, regardless of the time or times of their issue, shall be of equal rank without preference, priority or distinction of any of the Notes over any other thereof. The principal and interest on each Note shall be payable in lawful money of the United States of America at the office of the Paying Agent (as authorized below) or at the principal office of a bank, trust company or national banking association located within or

without the United States Virgin Islands, as shall be determined by the President or the Vice President for Business and Financial Affairs of the University.

All the Notes of each Series shall be executed by the University substantially in the form and manner set forth herein upon delivery of a Certificate of Determination of the President or Vice President for Business and Financial Affairs of the University authorizing such Series and setting forth the terms thereof, the written order of the University as to the delivery of the Notes of such Series, an opinion of bond counsel to the University with respect to the Notes of such Series and the security therefor.

The Notes shall be executed in the name and on behalf of the University by the manual or facsimile signature of the President or of the Vice President, Business and Financial Affairs of the University, and the corporate seal of the University or a facsimile thereof shall be affixed thereto and attested by the manual signature of the Secretary or Assistant Secretary of the University.

Section 2. Appointment of Paying Agent. The President or Vice President for Business and Financial Affairs is hereby authorized to appoint a Paying Agent for the Notes of any Series.

Section 3. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the University may cause to be executed, a new Note of the same Series and of like date, maturity or unpaid principal amount and tenor in exchange and substitution for and upon the cancellation of such mutilated Note, if any, or in lieu of and in substitution for such Note, destroyed, stolen or lost, upon the Holder's paying the reasonable expenses and charges of the University in connection therewith, and, in the case of a Note destroyed, stolen or lost, his filing with the University that such Note was destroyed, stolen or lost, and of his ownership thereof, and furnishing the University with indemnity satisfactory to it.

Section 4. Execution of Documents by the President or Vice President for Business and Financial Affairs in Connection with the Notes. The President or Vice President for Business and Financial Affairs of the University is hereby authorized and directed to execute and deliver any and all loan agreements with financial institutions, papers, instruments, opinions, certificates, affidavits and other documents and to pay any financing and other fees, and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the issuance of the Notes.

The University recognizes that due to the complexities of the financing it may become necessary that certain of the terms approved by this Resolution may require modification or deletion or that certain additional covenants and agreements of the University be added to this Resolution to effect the substance and intent of this Resolution. Therefore, the Board of Trustees of the University hereby authorizes and delegates to the President or Vice President for Business and Financial Affairs of the University, the approval of such modifications and additional covenants and agreements. The delivery of the Certificate of Determination for the first Series of Notes shall be deemed conclusive approval by the University of the terms, provisions covenants and agreements of this Resolution.

Section 5. Project Construction Account. The proceeds of the Notes shall be deposited in a Project Construction Account which shall be held by the University. The said proceeds shall be expended only for the purposes for which they are issued and, pending expenditure for such purposes, may be invested as set forth in Section 6 hereof.

Section 6. Investment of Funds. Moneys held under this Resolution shall be invested and reinvested by the Trustee, upon receipt of written instructions from the President or the Vice President for Business and Financial Affairs of the University, in, to the extent permitted by law, the following investment securities: (i) obligations of or obligations guaranteed by the United States of America or obligations guaranteed by any federal agency; (ii) certificates of deposit or time or demand deposits issued by nationally or state-chartered banks or savings and loan associations secured by any of the foregoing or insured by a federal insurance corporation; (iii) interest-bearing time or demand deposits or bank repurchase agreements secured by any of the foregoing, under which collateral is physically held by the lender or a third party, each with banks or other financial institutions; (iv) rate guarantee agreements or other similar banking arrangements collateralized with obligations described in (i) above, each with banks or other financial institutions; or (v) any other investment securities for which the Government of the Virgin Islands is authorized to invest public monies.

Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Notes shall be used, directly or indirectly, in such manner as to cause any Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

Section 7. Creation of Liens. The University covenants that it will not issue any bonds or other evidences of indebtedness, other than the Notes, secured by a lien or pledge

of the moneys, securities or funds held or set aside by the University under this Resolution and shall not create or cause to be created or suffer to exist any lien or charge on the Project, or such moneys, securities or funds; provided, however, that nothing contained in this Resolution shall prevent the University from (i) issuing evidences of indebtedness payable out of, or secured by a pledge of, revenues derived from the Project on and after such date as the pledge of the Project provided in this Resolution shall be discharged and satisfied or (ii) other evidences of indebtedness secured by the general obligation and full faith and credit of the University.

Section 8. Tax Covenant. The University agrees and covenants that it shall at all times do and perform all acts and things necessary or desirable and within its reasonable control in order to assure that interest paid on any Series of the Notes (the interest on which is intended to be excluded from gross income for Federal income tax purposes), shall, for the purpose of Federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

Section 9. Issuance of Bonds. The University shall use its best efforts to issue and sell Bonds in an amount sufficient, together with any other moneys available therefor, to pay in full at maturity the Notes herein authorized or any renewals thereof and shall promptly apply the proceeds of the Bonds, as and when received, or so much thereof as may be sufficient for the purpose, to the payment of the Notes and the interest thereon.

Section 10. Form of Note. Subject to the provisions of this resolution, the form of the Notes and the registration provision shall be substantially the following tenor:

(FORM OF NOTE)

No.

THE UNIVERSITY OF THE VIRGIN ISLANDS
GENERAL OBLIGATION BOND ANTICIPATION NOTES,
1992 SERIES _____

Maturity Date: _____ St. Thomas, United States
Interest Rate: ___ per centum (___%) Virgin Islands
Issue Date:
\$ _____

FOR VALUE RECEIVED, the undersigned, THE UNIVERSITY OF THE VIRGIN ISLANDS (hereinafter called the "University"), a body politic and corporate, constituting an educational institution of higher learning and an instrumentality of the Government of the Virgin Islands, and having its principal office on Charlotte Amalie, St. Thomas, Virgin Islands, organized and existing under

and by virtue of the Revised Organic Act of the Virgin Islands, as amended (the "Revised Organic Act"), and the laws of the Virgin Islands, including Chapter 33 of Title 17 of the Virgin Islands Code, as amended (the "Act"), hereby promises to pay to the registered owner hereof, on _____ upon presentation and surrender of this Note, at the _____ office of _____, as Paying Agent the principal sum of _____ Dollars (\$ _____), in lawful money of the United States of America, and to pay interest on said principal sum from the date hereof at said _____ office, in like money, at the rate of _____ per centum (____%) per annum, payable on the Maturity Date.

This Note is one of a duly authorized series of notes of the University designated "The University of the Virgin Islands General Obligation Bond Anticipation Notes, 1992 Series ____" (herein called the "Series ____ Notes"), in the aggregate principal amount of \$ _____, issued under and pursuant to the Revised Organic Act and the Act and under and pursuant to a resolution of the University adopted March 8, 1992, entitled "Resolution Authorizing Issuance of \$5,000,000 General Obligation Bond Anticipation Notes of The University of the Virgin Islands" (the "Resolution").

This Note is a direct and general obligation of the University payable from (i) the proceeds of notes issued in renewal thereof, (ii) the proceeds of the long-term Bonds to be issued by the University, or (iii) fees, charges or other revenues derived from and attributable to the Project set forth in the Resolution. The University, a public undertaking authorized by an act of the Legislature of the Government of the Virgin Islands, and the full faith and credit of the University are hereby pledged to the punctual payment of the principal of and interest on this Note as the same shall become due and payable.

The University has no taxing power and its obligations are not debts of the Government of the Virgin Islands or of any political subdivision of the Government of the Virgin Islands, or of the United States of America. The Series ____ Notes will not constitute a pledge of the faith and credit of the Government of the Virgin Islands or of any political subdivision thereof nor shall the Notes be payable out of funds or properties other than those of the University. The issuance of the Series ____ Notes will not obligate the Government of the Virgin Islands or any of its political subdivisions or the United States of America to levy or pledge the receipts from any form of taxation for the payment of the Series ____ Notes. This Note shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Series ___ Notes are issuable in fully registered form in minimum denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. Principal of, and interest on, the Series ___ Notes is payable upon maturity at the principal office of the _____, _____, the Paying Agent.

[The University may prepay this Note in whole or in part at any time, without premium or penalty, by paying all of the principal amount of the Note, together with unpaid interest accrued on the amount of principal as prepaid to the date of such prepayment, as set forth in the aforesaid resolution and upon not less than forty-five (45) days prior written notice.]

Neither the members of the University nor any person executing the Series ___ Notes shall be liable personally on the Series ___ Notes by reason of the issuance thereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Revised Organic Act, the Act and the laws of the Virgin Islands and this Resolution to exist, to have happened and to have been performed precedent to and in the issuance of the Series ___ Notes, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series ___ Notes, together with all other indebtedness of the University, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, The University of the Virgin Islands has caused this Note to be executed by the manual or facimile signature of its President and the seal of the University (or a facsimile thereof) to be hereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of its Board of Trustees all as of this ___ day of _____, 1992.

THE UNIVERSITY OF THE VIRGIN ISLANDS

By Orville Kean
President

[Seal]

ATTEST:

Assistant Secretary, Board of Trustees

Section 11. This resolution shall take effect immediately.

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CERTIFICATION

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 March 8, 1992, as recorded in the minutes of said meeting.

Owille Kean
Secretary of the Board

3/8/92
Date

UNIVERSITY OF THE VIRGIN ISLANDS

BOARD OF TRUSTEES RESOLUTION

ON

AUTHORIZING ARRANGEMENTS FOR UP TO \$5 MILLION IN BOND ANTICIPATION NOTES FOR THE FINANCING OF THE CONSTRUCTION OF A RESIDENCE HALL AND ANCILLIARY SERVICES FACILITY ON ST. CROIX AND THE CONSTRUCTION OF DORMITORIES ON THE ST. THOMAS CAMPUS AND AUTHORIZING UP TO \$12 MILLION IN BONDS FOR SUCH PROJECTS ON ST. CROIX AND ST. THOMAS

AS AMENDED AND ADOPTED

Purpose

1. Authorization to proceed to make arrangements for up to \$12 million in tax-exempt bond financing to finance capital improvements, including approximately \$8 million for a residence hall and ancillary services facility on the St. Croix campus and \$3 million for Dormitories on the St. Thomas campus together with bond reserve funds and costs of issuance for the Bonds.
2. To declare the intention of the University to repay from tax-exempt bond proceeds cash advances in the form of bond anticipation notes or moneys of the University for project related expenses prior to the issuance of the bonds.
3. To authorize the President and Vice-President for Business and Financial Affairs to enter into agreements and other arrangements to carry out the intent of this resolution.
4. To reserve the Board of Trustees' final approval of the bond documentation, the offer for sale of the bonds, as well as design plans and construction estimates for the residence hall and ancillary services facility on the St. Croix campus and the Dormitories on the St. Thomas campus.

WHEREAS, in June 1988, the Board of Trustees approved in principle the construction of a residence hall and ancillary services facility on the St. Croix campus; and

WHEREAS, in November 1989, the Board of Trustees authorized arrangements for \$5,000,000 in bond financing for the construction of a residence hall and ancillary services facility on the St. Croix campus, and

WHEREAS, the Board of Trustees has recognized that the future development of the St. Croix campus is closely tied to the availability of student residential facilities, and

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WHEREAS, the cost estimates for such facility on St. Croix has increased to approximately \$8 million, and

WHEREAS, the University may require interim financing in the form of bond anticipation notes for the payment of construction costs prior to the issuance of tax-exempt bonds,

WHEREAS, on December 16, 1990, the Board of Trustees approved the construction of Dormitories on the St. Thomas campus to accommodate 72 beds, and

WHEREAS, the Board of Trustees has recognized that the future development of the St. Thomas campus is closely tied to the availability of student residential facilities, and

WHEREAS, the costs of the St. Thomas dormitories is estimated to approximate \$3 million; and

WHEREAS, the need and pressures for future capital development will require the University to enhance its own creditworthiness, and to develop a market for securing external financing of capital projects now and in the future, and

WHEREAS, it is desirable to issue notes in anticipation of bonds, for financing construction of such facilities on St. Thomas and St. Croix, and

NOW, THEREFORE BE IT RESOLVED:

1. That the Board of Trustees of the University of the Virgin Islands hereby authorizes and approves this resolution to proceed with arrangements for an aggregate \$12 million in bond financing to finance capital improvements, including approximately \$8 million for a residence hall and ancillary services facility on the St. Croix campus and \$3 million for Dormitories on the St. Thomas campus together with bond reserve funds and costs of issuance for the Bonds and authorization for notes in the aggregate amount of not to exceed \$5 million to be issued in anticipation of such bonds.

2. That the Board of Trustees authorizes the repayment from tax-exempt bond proceeds of cash advances in the form of bond anticipation notes or moneys of the University for costs incurred for project related expenses prior to the issuance of the Bonds.

3. That the President and Vice-President for Business and Financial Affairs are hereby authorized to enter into agreements and other arrangements, and to take such other necessary actions to carry out the intent of this resolution.

4. The Board of Trustees of the University of the Virgin Islands intends to finance, on an interim basis, the costs of the residence hall and ancillary services facility at the St. Croix campus and the costs of the Dormitories at the St. Thomas campus, which costs are reasonably expected to be reimbursed with the proceeds of a tax exempt bond or note issue, to be issued in the maximum principal amount of \$12 million.

5. That the tax-exempt bonds, the offer for sale of the bonds, together with design plans and construction estimates for the residence hall and ancillary services facility on St. Croix and the Dormitories on St. Thomas as well as such other documents properly requiring the action of the Board shall be subject to the final approval of the Board of Trustees.

6. That this resolution is a declaration of official intent adopted pursuant to the requirements of Treasury Regulation Section 1.103-18(a) through (l).

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CERTIFICATION

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 March 8, 1992, as recorded in the minutes of said meeting.

Orville Kean
Secretary of the Board

3/8/92
Date