

RESOLUTION OF THE UNIVERSITY OF THE VIRGIN ISLANDS AMENDING AND RESTATING THE "RESOLUTION AUTHORIZING ISSUANCE OF UP TO \$20,000,000 GENERAL OBLIGATION BONDS 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:

WHEREAS, on June 12, 1999, the University of Virgin Islands (the "University") adopted a resolution (the "Prior Resolution") authorizing, among other things, the issuance of its general obligation bonds in an aggregate principal amount not to exceed \$20,000,000 pursuant to the Indenture (as defined below);

WHEREAS, the University has requested that the Prior Resolution be amended and restated to increase the principal amount of bonds authorized to be issued and the intended uses of the proceeds thereof; and

WHEREAS, the Board of Trustees desires to accommodate such request; and

WHEREAS, it is necessary for the University to provide moneys to refund all or a portion of the outstanding principal and interest due and payable on the 1994 Bonds, the IBM Notes and the Banco Loan (each as defined below) to achieve interest cost savings and/or to finance in part the costs of the construction, furnishing and equipping of a certain athletic facility on the St. Thomas Campus of the University and other capital projects of the University (collectively, the "1999 Project"); and

WHEREAS, to finance all or a portion of the costs of the 1999 Project, the University intends to issue its general obligation bonds in an aggregate principal amount not to exceed \$25,000,000 (the "Bonds") pursuant to an Indenture of Trust between the University and a trustee to be appointed by the University by a Certificate of Determination of the University as set forth below (the "Indenture");

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

Section 1. Pursuant to Chapter 33 of Title 17 of the Virgin Islands Code, as amended, general obligation bonds of the University are hereby authorized to be issued in an aggregate principal amount not to exceed \$25,000,000 (the "Bonds") to refund all or a portion of the outstanding portion of the University's General Obligation Bonds, 1994 Series A, dated September 1, 1994, issued in the original aggregate principal amount of \$15,000,000 (the "1994

Bonds") and/or all or a portion of the University's outstanding IBM Notes and the \$5,000,000 General Obligation Bonds (Capital Equipment Refinancings), 1994 Series A and 1994 Series B (collectively the Banco Loan"), and/or for general capital expenditures in connection with the financing of a portion of the costs of the construction, furnishing and equipping of the University's Sports and Fitness Center on the St. Thomas Campus and other capital projects of the University as set forth in the University's Ten Year Capital Development Program attached hereto and made a part hereof, collectively, the "Capital Projects" (collectively, the "1999 Project").

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

The Bonds shall be direct and general obligations of the University payable from fees, charges or other revenues of the University. The University is a public undertaking authorized by an act of the Legislature of the United States Virgin Islands (the "Act").

Section 2. To accomplish the purposes of the Act and to provide for the financing of the 1999 Project, the issuance of the Bonds of the University pursuant to a Certificate of Determination as to the terms of the Bonds, to be determined by the Finance Committee of the Board of Trustees (the "Finance Committee") and the President (the "Certificate of Determination"), is hereby authorized subject to the provisions of this Resolution and the Indenture. The Bonds shall be issued in fully-registered form, be payable as to principal and redemption premium, if any, at the corporate trust office of the Trustee, be payable as to interest by draft, check or wire transfer, be sold to such purchaser(s) at such purchase price, bear interest from the date thereof at the rates of interest specified therein, may include capitalized interest and a debt service reserve fund, be dated, shall mature, may provide for redemption or defeasance of outstanding general obligation bonds of the University, have such security therefore, provide for financial tests, if any, for the issuance of Additional Bonds, all as particularly set forth in the Indenture and the Certificate of Determination; provided, however that:

(i) the aggregate principal amount of the Bonds which may be issued shall not exceed \$25,000,000;

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

(iii) the Bonds shall bear interest at a true interest cost not to exceed 7% per annum;

(iv) the maximum principal amount of Bonds outstanding, 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 sold at a price not less than 95% of the par value thereof; and

(vi) the Bonds shall be secured by a pledge of the general obligation of the University and 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 and one or more mortgage liens on certain real property of the University).

The Trustee shall hold any reserves and other funds as set forth in the Indenture. The provisions for signatures, authentication, payment, delivery, redemption and number of the Bonds shall be as set forth in the Indenture and the Certificate of Determination.

Section 3. The University hereby authorizes the President and the Vice President for Administration and Finance to negotiate: (i) credit enhancement from a bank, bond insurer or other credit enhancement provider ("Credit Enhancement") and (ii) one or more mortgage liens and security interests in certain real property owned by the University (the "Mortgages") the final terms of such Credit Enhancement and Mortgages, respectively, will be set forth in the Certificate of Determination.

Section 4. The President or Vice President for Administration and Finance of the University, pursuant to the Certificate of Determination, are hereby authorized to appoint a Trustee, bond registrar and paying agent in accordance with the terms of the Indenture.

Section 5. The execution and delivery of each of the following documents is hereby authorized: the Bonds, the Indenture and any other additional agreements among the University and the Trustee related thereto, a Bond Purchase Agreement between the University and CIBC Oppenheimer Corp., the underwriter (the "Underwriter") (the "Bond Purchase Agreement"); a Representation Letter of the University and the Trustee addressed to The Depository Trust Company (the "Representation Letter"), a Preliminary Official Statement or Preliminary Private Placement Memorandum, as applicable, an Official Statement or Private Placement Memorandum, as applicable, the Mortgages and the Credit Enhancement, each being substantially in the form presented to the Board of Trustees, or as otherwise approved by the Finance Committee and the President of the University. The Bonds, the Indenture, the Bond Purchase Agreement, the Representation Letter, the Preliminary Official Statement, or Preliminary Private Placement Memorandum, as applicable, the Official Statement, or the Private Placement Memorandum, as applicable, the Mortgages, the Credit Enhancement and any other agreements delivered pursuant to this Resolution or otherwise referred to herein as the "Financing Documents". The President or the Vice President for Administration and Finance (the "Authorized Signatories") of the University are hereby authorized to execute, acknowledge, finalize and deliver the Financing Documents and the Authorized Signatories are hereby authorized to affix the seal of the University on each Financing Document, as applicable, and attest the same. The execution and delivery of

each Financing Document by said Authorized Signatories shall be conclusive evidence of due authorization and approval.

Section 6. All covenants, stipulations, obligations and agreements of the University contained in this Resolution and contained in the Financing Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the University to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the University and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the University or the members thereof by the provisions of this Resolution or the Financing Documents shall be exercised or performed by the University or by such trustees, officers, board or body as may be required by law to exercise such powers and to perform such duties.

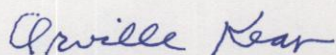
No covenant, stipulation, obligation or agreement herein contained or contained in the Financing Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any trustee, officer, agent or employee of the University nor shall any officer executing the Bonds be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 7. The Authorized Signatories are hereby designated authorized representatives of the University 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, the Financing Documents and the issuance of the Bonds.

Section 8. For purposes of the Act, the provisions of the Financing Documents shall be deemed to set forth, for purposes of the Act, the uses of the proceeds of the Bonds as set forth in the Indenture.

Section 9. This Resolution shall supersede any inconsistent provision of any resolution previously adopted by the University and shall take effect immediately.

ADOPTED: November 6, 1999



Orville Kean, Ph.D., Secretary of the Board