

RESOLUTION OF THE UNIVERSITY OF THE VIRGIN ISLANDS AUTHORIZING THE MORTGAGING OF CERTAIN PROPERTIES PURSUANT TO A FIRST PRIORITY MORTGAGE

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

WHEREAS, on September 22, 1994 the University of the Virgin Islands, (the "University") issued \$15,000,000 General Obligation Bonds (the "Bonds") pursuant to an Indenture of Trust, dated as of September 1, 1994, by and between the University and Marine Midland Bank, as Trustee (the "Indenture") for purchase by Rochester Fund Municipals and American Capital Asset Management (collectively, the "Purchasers");

WHEREAS, as a condition to the Purchasers agreement to purchase the Bonds, the University officials agreed to solicit approval from the Board of Trustees of the University to grant a first priority mortgage on the 102-bed residence facility to be constructed on St. Croix and the real property on which such facility will be constructed from the proceeds of the Bonds (See Exhibit A for a description of the St. Croix Residence Hall) (the "St. Croix Dormitory") and the 72-bed St. Thomas residence hall, and the real property on which such residence hall is constructed, (see Exhibit B for a description of the St. Thomas Residence Hall) (the "St. Thomas Residence Dormitory") to be refinanced from the proceeds of the Bonds; and

WHEREAS, the St. Thomas Dormitory may currently be encumbered by two existing mortgages securing certain existing debt which cannot at this time be discharged, but instead will require consent from the existing mortgagees to either a release of such property or agreement to take a subordinate security position with respect to such parcel, and therefore the University is prevented from granting a first mortgage lien on such property at this time; and

WHEREAS, the Purchasers have agreed to accept a first priority mortgage on the Evans Center and the parcel of real property upon which the Evans Center is located on the St. Croix campus in accordance with the terms of the Indenture, until a first priority mortgage can be obtained on the St. Thomas Dormitory (See Exhibit C for a description of the Evans Center); and

WHEREAS, a portion of the proceeds of the Bonds will be used to pay the outstanding principal and interest due and payable on the Academic Building Bonds of 1974, which are currently secured by a first mortgage lien on the Evans Center, which will permit the University to grant a first mortgage lien on the Evans Center

while the University proceeds to obtain the necessary consents and releases which will be required to enable the granting of a first mortgage on the St. Croix Dormitory and the St. Thomas Dormitory; and

WHEREAS, the Purchasers have agreed that upon receipt by the University of the necessary consents and releases that will enable the University to convey a first mortgage on the St. Thomas Dormitory, the University will be permitted to substitute a first mortgage to be secured by the St. Thomas Dormitory for the first mortgage secured by the Evans Center, as authorized by this Resolution, as additional security for the Bonds;

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

Section 1. The University is hereby authorized to secure federal approval for and to (a) grant a first mortgage lien and security interest on the St. Croix Dormitory and the Evans Center, and to enter into such other agreements as may be necessary and proper to implement such mortgages for the benefit of the Purchasers and (b) upon release of the St. Thomas Dormitory from the existing mortgages or the consent of the existing mortgagees to a subordination of their lien position, a first mortgage lien and security interest on the St. Thomas Dormitory in substitution for the mortgage on the Evans Center.

Section 2. The President or the Vice President for Business and Financial Affairs (the "Authorized Signatories") of the University are hereby authorized to execute, acknowledge, finalize and deliver the first priority mortgages on the St. Croix Dormitory and the Evans Center and to execute such other agreements as may be necessary and proper in connection therewith in accordance with the terms of the Indenture to effectuate this Resolution, and the Authorized Signatories are hereby authorized to affix the seal of the University on such first priority mortgages, and attest the same. The execution and delivery of the first priority mortgages by said Authorized Signatories shall be conclusive evidence of due authorization and approval.

Section 3. The Authorized Signatories are hereby authorized to execute, acknowledge, finalize and deliver a first mortgage lien on the St. Thomas Dormitory in the future in the event the University is capable of granting a first mortgage lien on the St. Thomas Dormitory in substitution for the first mortgage on the Evans Center and are hereby authorized to execute, acknowledge and finalize such agreements as necessary and proper.

Section 4. This resolution shall take effect immediately.

EXHIBIT ASt. Croix Residence Hall and Ancillary Services
(St. Croix Campus)

DESCRIPTION

The St. Croix Residence Hall and Ancillary Services facility will consist of approximately 46,116 gross square feet to be situated on approximately two acres of Parcel No. 2 and 1-B Estate Golden Grove, Prince Quarter, St. Croix, Virgin Islands. The Project will include the construction, furnishing and equipping of a 102-bed residence hall and ancillary services facility in St. Croix. Space allocations include in addition to student residential living areas, a director's apartment, study rooms, cafeteria, food services and health services facilities, reception area, lounges, mailroom, vending areas, student meeting rooms, laundry area, physical plant shops, storage areas, and recreation areas. Recreation areas included in the Project will consist of two tennis courts and two basketball courts.

The St. Croix Residence Hall and Ancillary Services facility will be constructed on an approximately two acre portion of real property described as Parcel No. 2 and 1-B Estate Golden Grove, Prince Quarter, St. Croix, U.S. Virgin Islands; said two acre portion shall be the only portion of Parcel No. 2 and 1-B Estate Golden Grove subject to the scope of the mortgage to granted.

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 October 1, 1994 and recorded in the minutes of said meeting.

Orville Kean
Secretary of the Board

Oct. 1, 1994
Date

EXHIBIT BEvans Center
(St. Croix Campus)

DESCRIPTION

Erected in 1974, The Evans Center is the principal facility on the St. Croix Campus of the University of the Virgin Islands. Comprised of approximately 44,000 square feet of space in nine levels which are connected by a series of interior courtyard walkways, this architecturally sophisticated building houses the general classrooms, library, and administrative offices for the campus. Physical Education facilities are in an adjacent building known as the North-West Wing of the Evans Center. The Evans Center has been completely renovated since 1989 at a total cost of \$2.9 million, including a new roof, air conditioning equipment, lighting and interior finishes. The Evans Center is located on a certain parcel of real property on St. Croix which shall be the only real property subject to the scope of the mortgage to be granted.

EXHIBIT CSt. Thomas Residence Hall
(St. Thomas Campus)

DESCRIPTION

The 72-bed St. Thomas residence hall, originally financed in 1992 with the proceeds of Bond Anticipation Notes which matured in September 1994, was completed in 1993. A portion of the proceeds of the 1994 bonds has refunded the Bond Anticipation Notes. The 22,000 gross square foot St. Thomas residence hall is a bed-suite style facility consisting of 12 suites, a common lounge and lobby, and student laundry facilities.

The St. Thomas Residence Hall is constructed on a two acre parcel of real property located on a portion of Parcel No. 66 Estate Lindberg Bay, No. 4A Southside Quarter, and Parcel Nos. 1 and 2 Estate John Brewers' Bay, No. 5 Southside Quarter, St. Thomas, U.S. Virgin Islands; said two acre portion shall be the only real property subject to the scope of the mortgage to be granted.