WHEREAS, over a period of many years, the University of the Virgin Islands ("University") has reinvested interest earned on an initial federal grant (hereinafter “the Quasi-endowment”) the University received by virtue of its status as a land grant institution; and

WHEREAS, through Fiscal Year 2010 the Legislature of the Virgin Islands appropriated monies annually to the University for tuition assistance to students who are active members of the V.I. National Guard and to students who are V.I. residents and veterans of the Armed Services; and

WHEREAS, the University receives contributions in the form of annual scholarships that are currently separate and apart from the endowed scholarships and the term-endowed scholarships, and which are currently administered by the University’s Scholarship Committee; and

WHEREAS, the Quasi-endowment is currently invested by the University with Merrill Lynch and yielded a consolidated quarterly performance of .77% as of March 31, 2013 and its projected one year consolidated performance is 3.65%; and

WHEREAS, in comparison, funds invested with FUVI through its fund manager – Commonfund, yielded a consolidated quarterly performance of 6.28% as of March 31, 2013 with a projected one year consolidated performance of 10.51%; and

WHEREAS, the National Guard Tuition Assistance Fund, the Veterans Tuition Assistance Fund, and the Annual Scholarship funds are currently held in low or no interest bearing accounts; and

WHEREAS, the University is currently experiencing serious financial challenges due to significant reductions in appropriations from the local government together with a decline in student enrollment; and

WHEREAS, the provisions of the Memorandum of Understanding between the University and the Foundation for the University of the Virgin Islands (FUVI) dated February 19, 2013 provides for the University to transfer funds to FUVI for management and investment purposes; and
WHEREAS, the University desires to consolidate the funds from the Quasi-endowment, the National Guard Tuition Assistance Fund, the Veterans Tuition Assistance Fund and the Annual Scholarship Fund (herein referred to as the “the UVI FUNDS”) and place them with FUVI in order to maximize the benefits of the aggregate earnings yield that is potentially derived from their investment together with the $24.4M corpus of the FUVI Endowment; and

WHEREAS, funds transferred from the University to FUVI will be held in separate accounts which are bundled by FUVI’s Investment Managers for investment purposes only in order to specifically manage the growth of each individual fund and the appreciation in value of each of the Funds will be accounted for separately; and

WHEREAS, the accumulative investments of the University through FUVI increases the amount of the annual grant from FUVI; and

WHEREAS, the interest earned on these UVI FUNDS, exclusive of the endowed and term-endowed scholarships can also be used for any purpose authorized by the Board of Trustees of the University and the endowed and term-endowed scholarships can be used to provide scholarships to assist students in their academic pursuits; and

WHEREAS, the FUVI is the primary manager of the University’s endowed funds; and

WHEREAS, on May 6, 2013, the Finance and Budget Committee of the University’s Board of Trustees voted to recommend to the Board of Trustees that the Quasi-endowment, the National Guard Tuition Assistance fund, the Veterans Tuition Assistance fund, and the annual scholarships with an aggregate corpus and interest earned of $9,726,459.03 as of March 31, 2013, be transferred from the UVI to FUVI for management and investment purposes and in keeping with the provisions of the MOU between the University and FUVI for the handling of such funds.

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

A. The Quasi-endowment, the National Guard Tuition Assistance fund, the Veterans Tuition Assistance fund, and several annual scholarships, with an aggregate corpus of $9,726,459.03 as of March 31, 2013, a listing of which endowment, funds and scholarships is incorporated into this resolution as “Exhibit A”, are hereby authorized to be transferred from the University to FUVI, effective June 15, 2013, in order for FUVI to invest them on behalf of the University for so long as and until the Board of Trustees determines otherwise. These funds are to be invested and managed by FUVI on behalf of University as their beneficial owner, in accordance with FUVI’s investment policy; provided however, the investment of the of the portion of the quasi-endowment fund that originated from the federal grant noted above, and interest earned thereon, must be specifically handled in conformity with Title 7 U.S.C. §301, et. seq. Specifically, Sections 304 and 305 mandate that the latter funds be invested and managed by FUVI such
that all such funds are invested in bonds of the United States or of the States or some other safe bonds and that the principal thereof shall forever remain unimpaired and the interest earned thereon shall be inviolably appropriated.

B. The University is entitled to receive one hundred percent of the interest earnings from the Quasi-endowment without limitations on an annual basis; any prior resolutions which limited the disbursements from the Quasi-endowment are hereby rescinded.

C. The corpus of the Quasi-endowment, the National Guard Tuition fund, the Veterans Tuition fund, and the annual scholarships shall each be placed in separate accounts within the investment portfolio of FUVI at Commonfund upon their transfer to FUVI. The current and future income earned on these funds shall be provided on a periodic basis to the University for its use in accordance with the purposes for each fund subject to any restrictions that were expressed by their respective donors, which are known to UVI.

D. The President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.

CERTIFICATION

The undersigned hereby certifies 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 a meeting on June 15, 2013 as recorded in the minutes of said meeting.

[Signature]

June 15, 2013

Secretary of the Board

Date
### Fund Name

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Fund Balance (March 31, 2013)</th>
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<tbody>
<tr>
<td>Quasi-endowment</td>
<td>$7,777,647.58</td>
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<tr>
<td>National Guard</td>
<td>$ 921,025.37</td>
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<tr>
<td>Veterans Fund</td>
<td>$ 683,607.65</td>
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<tr>
<td>Annual Scholarships</td>
<td>$ 344,178.43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,726,459.03</strong></td>
</tr>
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</table>