

Resolution of the Board of Trustees of the University of the Virgin Islands to Amend the Ground Lease with the University of the Virgin Islands Research and Technology Park Corporation and Execute a Sublease Agreement

WHEREAS, on October 17, 2003 the University of the Virgin Islands ("UVI") and the University of the Virgin Islands Research and Technology Park Corporation ("RTPark") entered into a Ground Lease as amended by the Amendment to Ground Lease dated November 9, 2006 (collectively "the Ground Lease") pertaining to Plot No. 2-D, Estate Golden Grove, St. Croix, US Virgin Islands consisting of 10.849 US acres, more or less ("the Ground Lease Premises"); and

WHEREAS, the RTPark is desirous of constructing a building on the property leased from UVI pursuant to the Ground Lease, and has raised approximately \$9,000,000 towards the cost of constructing the building and needs additional funds to construct the building; and

WHEREAS, UVI is in need of teaching laboratories, classrooms, faculty offices, conference rooms and other space on the St. Croix campus in order to continue to fulfill its educational mission; and

WHEREAS, it is in the best interest of UVI and the RTPark to collaborate on the construction and use of the building to be constructed by the RTPark on the Ground Lease Premises, and UVI is willing to contribute \$2,000,000 towards the cost of construction of the building, and to invest \$2,000,000 for the build-out and furnishing of the space it will occupy; and

WHEREAS, UVI and the RTPark, intending to be legally bound, agree to amend the Ground Lease pursuant to the promises and conditions as contained in the Second Amendment to Ground Lease attached to this resolution as "Exhibit A;" and

WHEREAS, the parties intending to specify the rights and responsibilities of each party in regards to the use of the building to be constructed, have also entered into a Sublease Agreement attached to this resolution as "Exhibit B."

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

- Section 1. That the Board of Trustees of the University of the Virgin Islands hereby authorizes the University to execute the Second Amendment to the Ground Lease and the Sublease Agreement.
- Section 2. That the President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.
- Section 3. That this resolution shall be in full force and effect from and after its adoption.

CERTIFICATION

The Undersigned hereby certifies that the foregoing is a true and exact copy of a resolution approved by the Board of Trustees of the University of the Virgin Islands at a special meeting on February 11, 2011 recorded in the minutes of that meeting.



Secretary of the Board

February 11, 2011

Date

RESOLUTION TO FURTHER AMEND THE RESOLUTION ENTITLED "AMENDED AND RESTATED RESOLUTION OF THE UNIVERSITY OF THE VIRGIN ISLANDS AUTHORIZING AMENDMENT AND RESTATEMENT OF THE ORIGINAL INDENTURE AND ISSUANCE OF GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS OF THE UNIVERSITY OF THE VIRGIN ISLANDS" TO AUTHORIZE THE FINANCING OF THE ST. CROIX PROJECT AS AN INDEPENDENT PROJECT OF THE UNIVERSITY OR AS A JOINT VENTURE WITH THE UNIVERSITY OF THE VIRGIN ISLANDS RESEARCH AND TECHNOLOGY PARK.

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, on January 14, 2011, the Executive Committee of the Board of Trustees of the University (the "Executive Committee") adopted a Resolution entitled "Amended and Restated Resolution of the University of the Virgin Islands Authorizing Amendment and Restatement of the Original Indenture and Issuance of General Obligation Refunding and Improvement Bonds of the University of the Virgin Islands" (the "Amended and Restated Resolution");

WHEREAS, the adoption of that resolution is subject to ratification by the Board;

WHEREAS, the Board has determined that there is a need to provide flexibility for the University in structuring the financing of the construction of a building on the St. Croix campus to contain teaching laboratories, classrooms, faculty offices and conference rooms and for other University purposes (the "St. Croix Project") either as a joint venture with the University of the Virgin Islands Research and Technology Park Corporation (the "Research and Technology Park Corporation") or by the University independently.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY, that the Amended and Restated Resolution be and is hereby amended to authorize the Authority to finance the St. Croix Project either as a joint venture with the Research and Technology Park Corporation or by the University independently; and

RESOLVED, that the Amended and Restated Resolution is hereby ratified and confirmed in all respects except as further amended by this Resolution; and

RESOLVED, that this Resolution shall take effect immediately upon approval by the Board.

ADOPTED: February 11, 2011

APPENDIX A

AMENDED AND RESTATED RESOLUTION

AMENDED AND RESTATED RESOLUTION OF THE
UNIVERSITY OF THE VIRGIN ISLANDS AUTHORIZING
AMENDMENT AND RESTATEMENT OF THE ORIGINAL
INDENTURE AND ISSUANCE OF GENERAL OBLIGATION
REFUNDING AND IMPROVEMENT BONDS OF THE
UNIVERSITY OF THE VIRGIN ISLANDS

Upon motion duly made and seconded, the following was adopted by the Executive Committee of the Board of Trustees of The University of the Virgin Islands (the “Executive Committee”):

WHEREAS, on October 7, 2010, the Executive Committee of the Board of Trustees of the University (the “Executive Committee”) adopted a Resolution entitled “Resolution of the University of the Virgin Islands Authorizing Amendment and Reinstatement of the Original Indenture and Issuance of General Obligation Refunding Bonds of the University of the Virgin Islands”, as ratified by the Board of Trustees of the University on October 30, 2010 (the “Original Resolution”), which Original Resolution the Executive Committee desires to amend and restate in its entirety as set forth herein;

WHEREAS, in December, 1999, The University of Virgin Islands (the “University”) entered into its General Obligation and Improvement Bonds, Series 1999A in the aggregate principal amount of \$25,000,000 (the “Series 1999 Bonds”), under the Indenture of Trust, dated as of June 1, 1999 (the “Original Indenture”), by and between the University and Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), and resolutions adopted by the Board of Trustees on June 12, 1999 and November 6, 1999;

WHEREAS, to modernize certain terms of the Original Indenture and to permit the University to issue Additional Bonds or enter into Indebtedness secured by a parity lien on Gross Revenues of the University and, under certain circumstances, with potentially superior remedies in the event of the occurrence and continuance of an Event of Default, the University has determined to amend and restate the Original Indenture in accordance with the terms of Section 10.02(A)(10) of the Original Indenture pursuant to the terms of the First Supplemental Indenture of Trust (hereinafter defined);

WHEREAS, it is desirable for the University to refund all of the outstanding principal and interest due and payable on the Series 1999 Bonds to achieve interest cost savings and to increase debt capacity (the “Series 2011 Refunding”);

WHEREAS, the University has determined that (i) the construction of a 100-bed residence hall on the St. Thomas Campus of the University (the “St. Thomas Residence Hall”), (ii) the construction of teaching laboratories, faculty offices, conference rooms and other University purposes in a building being constructed by the University of the Virgin Islands Research and Technology Park Corporation on the St. Croix Campus of the University (the “St. Croix Project”) and (iii) other general improvements to the University facilities (the “2011 General Improvement”) (collectively, the “2011 Improvement Projects”) are both critical capital projects for which funding sources are required and for which all or portion of such funding may be achieved through external sources, including, but not limited to, the issuance of federally tax-

exempt and/or taxable Additional Bonds under the Indenture (hereinafter defined) or through the United States Department of Education (“DOE”) Historically Black Colleges and University’s (“HBCU”) loan program; and

WHEREAS, to finance all or a portion of the costs of the Series 2011 Refunding and the 2011 Improvement Projects, the University intends to issue its general obligation refunding and improvement bonds (the “Bonds”), pursuant to the Amended and Restated Indenture and a First Supplemental Indenture of Trust, each to be dated as of February 1, 2011, by and between the University and the Trustee (the “First Supplemental Indenture”, and together with the Amended and Restated Indenture, the “Indenture”), and a Certificate of Determination of the University as set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE EXECUTIVE COMMITTEE OF 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 (the “Act”), and the proceedings of the Executive Committee, the Executive Committee hereby authorizes the President and the Vice President for Administration and Finance of the University to amend the Original Indenture in accordance with the terms of Section 10.02(A)(10) of such Original Indenture, as set forth in the Amended and Restated Indenture of Trust, in substantially final form attached hereto as Appendix A. The final terms of such Amended and Restated Indenture to be set forth in the Certificate of Determination (the “Certificate of Determination”) pursuant to the Indenture. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture.

Section 2. Pursuant to the Act and the proceedings of the Executive Committee, the Executive Committee of the University hereby authorizes the issuance of General Obligation Refunding and Improvement Bonds of the University (the “Bonds”) in one or more Series, to (i) refund all of the University’s outstanding Series 1999 Bonds, (ii) finance up to \$11,000,000 for the St. Thomas Residence Hall, (iii) finance up to \$4,000,000 for the St. Croix Project, (iv) finance 2011 General Improvements Projects from any available Bond proceeds, (v) fund a debt service reserve fund to secure the Bonds, and (vi) finance costs incurred in connection with the issuance of the Bonds (collectively, the “2011 Project”).

In computing the total amount of bonds of the University which may be at any time outstanding, the amount of the outstanding 1999 Bonds to be refunded from the proceeds of the sale of the new Bonds shall be excluded.

The Bonds shall be direct and general obligations of the University payable from Pledged Revenues (as defined under the Indenture). The University is a body politic and corporate, constituting an institution of higher education and an instrumentality of the Government of the Virgin Islands (the “Government”) authorized under the Act.

Section 3. To accomplish the purposes of the Act and to provide for the financing of the 2011 Project, the issuance of the Bonds of the University is hereby authorized, subject to the provisions of this Resolution and the Indenture, the details of which Bonds shall be

determined by the Finance and Budget Committee of the Board of Trustees of the University (the “Finance Committee”) and the President of the University and the final terms of such Bonds shall be set forth in the Certificate of Determination. 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, all or a portion of the Bonds shall bear interest at a federally tax-exempt and/or federally taxable rate and/or may be issued in part as notes through the HBCU loan program, shall include a debt service reserve fund in an amount equal to the Debt Service Reserve Requirement, shall be dated, shall mature, shall provide for redemption, have such security therefore, and shall provide for financial tests, if any, for the issuance of Additional Bonds, all as particularly set forth in the First Supplemental Indenture in the form attached hereto as Appendix B and the Certificate of Determination; provided, however that:

- (i) the term of the Bonds shall not exceed 30 years from the date of issuance;
- (ii) the Bonds issued on a federally tax-exempt basis shall bear interest at a true interest cost not to exceed 7½% per annum and the Bonds issued on a federally taxable basis shall bear interest at a true interest cost not to exceed 9% per annum;
- (iii) 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 or such higher principal amount as shall be authorized as an appropriation for debt service by the Legislature of the Virgin Islands;
- (iv) the Series 2011 Refunding shall result in minimum Net Present Value savings of 3%; and
- (v) the Bonds shall be secured by the Pledged Revenues (as defined under the Indenture).

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 4. The execution and delivery of, or distribution of, each of the following documents is hereby authorized: the Amended and Restated Indenture, the Bonds, the First Supplemental Indenture and any other additional agreements between the University and the Trustee related thereto, a Bond Purchase Agreement between the University and Rice Financial Products Company (the “Underwriter”) (the “Bond Purchase Agreement”) in substantially similar form as attached hereto as Appendix C; the Preliminary Official Statement, dated December 8, 2010 in the form attached hereto as Appendix D, to be supplemented to reflect the issuance of Additional Bonds to finance all or a portion of the 2011 Improvement Projects, and a final Official Statement (hereinafter a “Preliminary Official Statement” and an “Official Statement”), or as otherwise approved by the Executive Committee and the President of

the University. The Amended and Restated Indenture, the Bonds, the First Supplemental Indenture, the Certificate of Determination, the Bond Purchase Agreement, the Representation Letter, the Preliminary Official Statement, the Official Statement and any other agreements to be delivered with respect to the Bonds pursuant to this Resolution are collectively 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. In the event the Finance Committee and the President determine it is in the University’s best interest to issue the Bonds in multiple series at different times, the Authorized Signatures shall be authorized to execute additional Financing Documents in substantially similar form as the Financing Documents appended to this Resolution. The execution and delivery of each Financing Document by said Authorized Signatories shall be conclusive evidence of due authorization and approval.

Section 5. 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 6. 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 7. 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 8. In connection with the financing of a portion of the costs of the St. Thomas Residence Hall and the St. Croix Project, the Executive Committee hereby declares its

intent to finance all or a portion of the costs of St. Thomas Residence Hall and the St. Croix Project through tax-exempt financing.

Section 9. This Resolution amends and restates in its entirety the Original Resolution and shall supersede any inconsistent provision of any other resolution previously adopted by the University and shall take effect immediately.

ADOPTED: January 14, 2011

APPENDIX A

AMENDED AND RESTATED INDENTURE

APPENDIX B

FIRST SUPPLEMENTAL INDENTURE

APPENDIX C

BOND PURCHASE AGREEMENT

APPENDIX D

PRELIMINARY OFFICIAL STATEMENT

