

UNIVERSITY OF THE VIRGIN ISLANDS

RESOLUTION OF THE UNIVERSITY OF THE VIRGIN ISLANDS TO AMEND THE
RESOLUTION AUTHORIZING THE LINE OF CREDIT FOR UP-FRONT
REIMBURSABLE COSTS FOR FEDERAL GRANT PROJECTS APPROVED BY THE
BOARD OF TRUSTEES ON OCTOBER 25, 1997, AS AMENDED ON MARCH 14, 1998,
TO PROVIDE FOR ALTERNATIVE INTEREST RATE INDEXES

PURPOSE:

To authorize the President or Vice President for Business and Financial Affairs to determine, through certificate of determination, the use of The Chase Manhattan Bank Prime Rate, the London Interbank Borrower Rate (LIBOR), or such other index as is customarily used for determining the interest rate on comparable municipal finance transactions, in connection with the line of credit authorized by the University Board of Trustees to provide up-front cash for Federal cost reimbursable grants.

WHEREAS, on October 25, 1997, the Board authorized a line of credit to provide up-front cash for cost reimbursable sponsored program grants funded by the Federal Government (the "Original Resolution"), and

WHEREAS, The Chase Manhattan Bank has issued a commitment to provide the revolving line of credit in a principal amount not to exceed \$3,000,000 for the financing of cost reimbursable federal grants for certain authorized programs.

WHEREAS, the annual rate of interest on the line of credit authorized by The Chase Manhattan Bank is calculated based upon The Chase Manhattan Bank "prime rate", as fined in the Commitment Letter, plus two percentum (2%).

WHEREAS, the Original Resolution authorized interest to be payable on the Line of Credit to be determined based upon LIBOR plus two percentum (2%).

WHEREAS, the University desires the flexibility to negotiate the most favorable interest rate for the University and to establish, by certificate of determination of the President or Vice President for Business and Financial Affairs (the "Authorized Signatories") the interest rate used to be payable in connection with the line of credit.

NOW THEREFORE BE IT RESOLVED:

Section 1: That the University is hereby authorized to establish, by certificate of determination of an Authorized Signatory, the index to be applied in the establishment of the interest rate to be payable on the line of credit based upon LIBOR plus 2% per annum, the Prime Rate of The Chase Manhattan Bank (plus 2% per annum) or such other index (plus the applicable factor) as is customarily used in the establishment of interest rates for lines of credit in comparable municipal finance transactions.

Section 2: That the Authorized Signatories of the University are hereby authorized to execute, acknowledge, and deliver the loan documents, and to execute such other agreements as may be necessary in connection therewith, in keeping with this amendment and the Original Resolution authorizing the line of credit for up-front reimbursable costs for federal grant projects approved by the Board of Trustees on October 25, 1997, and amended on March 14, 1998.

Section 3: This resolution shall take effect immediately.

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 March 6, 1999 and recorded in the minutes of said meeting.

Arwille Rear
Secretary of the Board

3-16-99
Date