

UNIVERSITY OF THE VIRGIN ISLANDS
BOARD OF TRUSTEES RESOLUTION

PURPOSE: To modify the Board of Trustees Guiding Principles for the University of the Virgin Islands Research and Technology Park to allow for greater flexibility in the business form of the non-U.S. Virgin Islands entity that seeks a protected Cell License for operation within the Research and Technology Park.

WHEREAS, on October 12, 2002 the Board of Trustees for the University of the Virgin Islands approved the Guiding Principles for the University of the Virgin Islands Research & Technology Park (hereinafter "Guiding Principles"); and

WHEREAS, the declaration of purpose of the Park Corporation as established in Title 17 V.I.C. §480 provides for the development of a technology sector in the Virgin Islands to promote the development of a technology sector in the Virgin Islands to promote the economic growth, development and diversification of the Virgin Islands, and the broadening of the capabilities of the University of the Virgin Islands, including the training of the University of the Virgin Islands students through the creation and transfer of technology from campus-based research centers and their related technical and communications infrastructure to the marketplace with the support of a research environment which combines the resources of the University of the Virgin Islands, the public sector, private industry, and the human and economic resources available in a progressive community; and

WHEREAS, the Research and Technology Park Protected Cell Corporation ("Protected Cell Corporation") is established as a public corporation, to be located within the Research and Technology Park, and benefits provided under the statute shall only be provided to such Corporation and to its Protected Cells, as defined in the statute, for revenue generated from its operations within the Research and Technology Park. Incentives of the Protected Cell Corporation shall be as set forth in Section 806 of the Title 17 of the Virgin Island Code; and

WHEREAS, Section 800, of Title 17 of the Virgin Islands Code, established the Protected Cell Corporation as a means to provide hosting services to knowledge-based businesses in the Research and Technology Park and to offer tax benefits to the Park Protected Cell Corporation; and

WHEREAS, to achieve its purpose, the Protected Cell Corporation will host "Cells" that are engaged in providing and using hosting and e-commerce services to conduct e-commerce operations within the Territory; and

WHEREAS, Section IV(d) of the Guiding Principles provide for conditions that must be satisfied before the Protected Cell Corporation may issue a Cell License for e-commerce operations within the Territory. Among the conditions is the requirement that a Cell must be a company that is "incorporated and licensed to do business in the territory"; and

WHEREAS, it has been determined, after consultation with the Research and Technology Park's attorneys, and other professionals, that the requirement of every applicant of a Cell license to be incorporated in the United States Virgin Islands, limits the form of business that could apply for a cell license, and may subject the shareholder of the "intermediary" corporation to potentially adverse tax consequences that are inconsistent with the intent of the legislation establishing the Protected Cell Corporation, and

WHEREAS, the Guiding Principles were not intended to limit the form of organization that might seek a cell license, or to establish onerous tax or other obligations on applicants that are inconsistent with the provisions and intent of Chapter 43 of the Title 17 of the Virgin Islands Code;

NOW THEREFORE, BE IT RESOLVED THAT:

The Board of Trustees hereby approves an amendment to Section IV(2)(b) of the Guiding Principles by substituting "established" in the place of the term "incorporated".

CERTIFICATION

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 16, 2004 and recorded in the minutes of said meeting.

Secretary of the Board

Date