

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY**

The Board of Directors (the "Board") of The University of Texas Investment Management Company (the "Corporation") convened in an open meeting on the 12th day of December 2002, in Salons A&B of the Hotel Crescent Court, 400 Crescent Court, Dallas, Texas, said meeting having been called by the Chairman, A. W. "Dub" Riter, Jr., with notice provided to each member in accordance with the Bylaws.

Participating in the meeting were the following members of the Board:

- A. W. "Dub" Riter, Jr., Chairman
- J. Luther King, Jr., Vice-Chairman
- Susan M. Byrne
- Rita C. Clements
- Woody L. Hunt
- John D. McStay
- R. H. (Steve) Stevens, Jr.

thus, constituting a majority and quorum of the Board. Directors L. Lowry Mays and Chancellor Mark G. Yudof were not present at the meeting. Also, attending the meeting were R. D. Burck, Advisory Director; Bob Boldt, President, Chief Executive Officer and Chief Investment Officer of the Corporation; Cathy Iberg, Secretary of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Jerry Turner, legal counsel for the Corporation; Sara McMahon and Trey Thompson, Co-Managing Directors of Non-Marketable Alternative Investments of the Corporation; Philip Aldridge, UT System Office of Finance; and Bruce Myers of Cambridge Associates. Mr. Riter called the meeting to order at 10:10 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each Director or distributed at the meeting.

Minutes

The first matter to come before the Board was approval of the minutes of the meeting of the Board of Directors held on October 31, 2002. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Board of Directors held on October 31, 2002, be and are hereby approved in the form previously submitted to the directors.

Delegation of Authority

Chairman Riter asked Mr. Boldt to discuss the proposed revisions of the Non-Marketable Alternatives Exhibit B of the Delegation of Authority. Mr. Boldt explained that the revisions requested were for only Exhibit B of the Delegation of Authority and the changes were necessary to enumerate the updated relationship and role of Cambridge Associates as provided to the Corporation's non-marketable alternative investment staff. Mr. Boldt answered the Directors' questions. The possibility of hiring another consultant for independence in reviewing performance was also discussed. Mr. Boldt will come back to the Board with a recommendation. Prior to discussion of the proposed revisions, Mr. King disclosed that his firm was currently proposing for an investment management assignment with another institution for which Cambridge Associates provides consulting services and that he would not participate in the discussion of Cambridge and other consultants, and would abstain from voting on the following resolution. Upon motion duly made and seconded, the following resolution was adopted with Mr. King abstaining from voting:

RESOLVED, that the revised Exhibit B to the Delegation of Authority be, and is hereby approved in the form as presented to the Board.

Green Equity Investors

Mr. Riter read the proposal presented to the Board for an investment in Green Equity Investors IV, L.P. Mr. Boldt stated that a Certificate of Compliance confirming no pecuniary interest in the transaction or the business entities of GEI Capital IV, L.L.C. (the "General Partner") and Green Equity Investors IV, L.P. (the "Partnership") has been received from each director and key employees of the Corporation and that confirmation of receipt of each such Certificate of Compliance shall be reflected in the minutes of each meeting from this meeting going forward. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board has reviewed Investment Recommendations prepared by the Corporation and the Corporation's advisor, Cambridge Associates, recommending that the Corporation enter into a limited partnership agreement (the "Agreement") to invest in the aggregate up to \$25 million of the assets of the Permanent University Fund of the State of Texas ("PUF") and the Board of Regents of The University of Texas System General Endowment Fund ("GEF") in Green Equity Investors IV, L.P.; and

WHEREAS, the Corporation has determined that the Agreement does not constitute an agreement or transaction entered into in violation of Subsection 66.08(i) of the Texas Education Code;

NOW, THEREFORE, BE IT RESOLVED, that the terms and provisions of the proposed investment as described in the Investment Memorandum dated November 27, 2002 for Green Equity Investors IV, L.P. be approved; and be it further

RESOLVED, that the President and CEO, and any Managing Director of this Corporation be, and each of them hereby is, authorized to make such further revisions to the terms and provisions as may be necessary or in the best interests of this Corporation, PUF and GEF, excluding an increase in the amount of the capital commitment to Green Equity Investors IV, L.P.; and be it further

RESOLVED, that the President and CEO, any Managing Director, and the Secretary of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Agreement), in the name and on behalf of the Corporation in its capacity as investment manager of PUF and GEF, or otherwise, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

Non-Marketable Alternative Investments Budget

The next item to come before the Board was a report regarding the 2003 Non-Marketable Alternative Investments commitment budget. Ms. McMahon and Mr. Thompson gave the report and then answered the Directors' questions.

Derivative Applications and Structured Active Management

Ms. Iberg made a short presentation on the merits and the investment components of traditional and structured active management strategies. She then presented a recommendation to invest in Barclays Global Investors Equitized Global Market Neutral Fund, a structured active management strategy. Ms. Iberg and Mr. Boldt answered the Directors' questions and Bruce Myers of Cambridge Associates voiced his approval of the investment. A Certificate of Compliance confirming no pecuniary interest in the transaction or the business entities of Barclays Global Investors, N.A. and Barclays Global Investors, N.A. Equitized Global Market Neutral Fund has been received from each director and key employees of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board has reviewed Investment Recommendations prepared by the Corporation and the Corporation's advisor, Cambridge Associates, recommending that the Corporation invest in the aggregate up to \$150 million of the assets of the Permanent University Fund of the State of Texas ("PUF") and the Board of Regents of The University of Texas System General Endowment Fund ("GEF") in Barclays Global Investors, N.A. Equitized Global Market Neutral Fund; and

WHEREAS, the Corporation has determined that the Agreement does not constitute an agreement or transaction entered into in violation of Subsection 66.08(i) of the Texas Education Code;

NOW, THEREFORE, BE IT RESOLVED, that the terms and provisions of the proposed investment as described in the Investment Recommendation dated December 12, 2002 for **Barclays Global Investors, N.A. Equitized Global Market Neutral Fund** be approved; and be it further

RESOLVED, that the President and CEO, and any Managing Director of this Corporation be, and each of them hereby is, authorized to make such further revisions to the terms and provisions as may be necessary or in the best interests of this Corporation, PUF and GEF, excluding an increase in the amount of the capital commitment to **Barclays Global Investors, N.A. Equitized Global Market Neutral Fund**; and be it further

RESOLVED, that the President and CEO, any Managing Director, and the Secretary of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Agreement), in the name and on behalf of the Corporation in its capacity as investment manager of PUF and GEF, or otherwise, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

Mr. McStay requested that the Corporation's staff report monthly performance of BGI Equitized Global Market Neutral Fund to the Board.

Protégé Partners

Mr. Riter turned the meeting over to Mr. Boldt and he introduced the partners of Protégé Partners, Mr. Jeffrey Tarrant and Mr. Ted Seides. Jointly they presented the history and background of their company, individual backgrounds and discussed team members, their hedge fund manager selection expertise and investment strategy. After answering the Directors' questions, they left the meeting. After discussion, the motion to adopt a resolution approving an investment with Protégé Partners was defeated. Chairman Riter invited Mr. Boldt to develop further information responsive to the Directors' questions voiced during discussion of the motion and present the investment again at a future meeting.

Standard Pacific Capital Offshore Fund

Mr. Riter asked Ms. Iberg to present the next item on the agenda. She discussed the investment recommendation for Standard Pacific Capital Offshore Fund. Bruce Myers from Cambridge also spoke to this opportunity. A Certificate of Compliance confirming no pecuniary interest in the transaction or the business entities of Standard Pacific Capital L.L.C. and Standard Pacific Capital Offshore Fund, Ltd. has been received from each director and key employees of the Corporation. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board has reviewed Investment Recommendations prepared by the Corporation and the Corporation's advisor, Cambridge Associates, recommending that the Corporation purchase common shares in **Standard Pacific Capital Offshore Fund, Ltd.** for up to \$50 million of the assets of the Permanent University Fund of the State of Texas ("PUF") and the Board of Regents of The University of Texas System General Endowment Fund ("GEF"); and

WHEREAS, the Corporation has determined that the Agreement does not constitute an agreement or transaction entered into in violation of Subsection 66.08(i) of the Texas Education Code;

NOW, THEREFORE, BE IT RESOLVED, that the terms and provisions of the proposed investment as described in the Investment Recommendation dated December 12, 2002 for **Standard Pacific Capital Offshore Fund, Ltd.** be approved; and be it further


RESOLVED, that the President and CEO, and any Managing Director of this Corporation be, and each of them hereby is, authorized to make such further revisions to the terms and provisions as may be necessary or in the best interests of this Corporation, PUF and GEF, excluding an increase in the amount of the capital commitment to **Standard Pacific Capital Offshore Fund, Ltd.**; and be it further


RESOLVED, that the President and CEO, any Managing Director, and the Secretary of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Agreement), in the name and on behalf of the Corporation in its capacity as investment manager of PUF and GEF, or otherwise, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

Compensation Committee

Mr. King, Chairman of the Compensation Committee, stated that review of the Performance Compensation Plan will be deferred until the next meeting.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 2:32 p.m.

Assistant Secretary: 
Christy W. Wallace

Approved:  Date: 2/20/03
A. W. "Dub" Riter, Jr.
Chairman, Board of Directors of
The University of Texas Investment
Management Company