

A RESOLUTION covenanting to use lawfully available funds to purchase Board of Regents of The University of Texas System Permanent University Fund Bonds and Additional PUF Obligations tendered for purchase or maturing and not remarketed or reissued; approving and authorizing certain authorized officers and employees to act on behalf of the Board in the execution of amendments to a related Security Purchase Agreement; and reciting that this Resolution constitutes a “Credit Agreement”.

WHEREAS, on November 10, 2005, the Board of Regents (the “Board”) of The University of Texas System adopted a resolution (the “2005 Resolution”), pursuant to which the Board has covenanted and agreed to provide liquidity support for (i) its Board of Regents of The University of Texas System Permanent University Fund Flexible Rate Notes, Series A, in an amount at any one time outstanding of not to exceed \$400,000,000 (the “Notes”), and (ii) its variable rate demand bonds and commercial paper obligations issued pursuant to the Board’s Revenue Financing System (the “RFS Obligations”), by using lawfully available funds to purchase Notes and RFS Obligations tendered for purchase or maturing and not remarketed or reissued; and

WHEREAS, pursuant to the authority conferred in the 2005 Resolution, the Board has executed and delivered a Security Purchase Agreement dated as of November 10, 2005 (the “Security Purchase Agreement”), pursuant to which The University of Texas Investment Management Company (“UTIMCO”), as agent of the Board and investment manager of funds under the control and management of the Board, has agreed, subject to the limitations set forth therein, to purchase, as an investment of funds of the Board, Notes and RFS Obligations that cannot be remarketed or reissued; and

WHEREAS, the Board desires to reaffirm its obligations under the 2005 Resolution and for the 2005 Resolution to continue in full force and effect; and

WHEREAS, on the date hereof, the Board adopted a resolution (the “PUF Bond Resolution”) approving and authorizing the issuance of its Board of Regents of The University of Texas System Permanent University Fund Bonds (“PUF Bonds”) in a maximum aggregate principal amount not to exceed \$300 million, which are payable from the Interest of the System in the Available University Fund (as such terms are defined in the PUF Bond Resolution); and

WHEREAS, pursuant to the PUF Bond Resolution, the Board (i) has agreed to provide, or cause to be provided, immediately available funds to purchase any PUF Bonds that are not remarketed, and (ii) may provide such liquidity support by entering into a “Credit Agreement” (as defined in the PUF Bond Resolution); and

WHEREAS, the PUF Bond Resolution provides that a Credit Agreement may be a resolution adopted by the Board pursuant to which the Board covenants to provide liquidity support for the PUF Bonds by using lawfully available funds to purchase PUF

Bonds tendered for purchase and not remarketed, which resolution recites that it constitutes a “Credit Agreement” for purposes of the PUF Bond Resolution; and

WHEREAS, the Board is authorized to issue from time to time additional obligations of the Board payable from the Interest of the System in the Available University Fund (the “Additional PUF Obligations”); and

WHEREAS, pursuant to its terms, the Security Purchase Agreement may be amended if agreed to in writing by the Board and UTIMCO; and

WHEREAS, the Board desires to provide liquidity support for the PUF Bonds and any Additional PUF Obligations hereafter approved and issued by the Board that cannot be remarketed or reissued; and

WHEREAS, in furtherance of such desire, the Board and UTIMCO desire to amend the Security Purchase Agreement to provide that UTIMCO shall purchase, as an investment of funds of the Board, subject to the conditions and limitations set forth therein, PUF Bonds and Additional PUF Obligations that cannot be remarketed or reissued as provided for in the PUF Bond Resolution or the respective resolution of the Board authorizing the issuance of Additional PUF Obligations, as the case may be.

NOW, THEREFORE BE IT RESOLVED, that the Board covenants and agrees to provide liquidity support for the PUF Bonds and any Additional PUF Obligations hereafter authorized and issued by the Board by using lawfully available funds to purchase such PUF Bonds and Additional PUF Obligations tendered for purchase or maturing and not remarketed or reissued; and

BE IT FURTHER RESOLVED, that an Authorized Representative (as defined in the PUF Bond Resolution) is hereby authorized to execute and deliver one or more amendments from time to time to the Security Purchase Agreement, pursuant to which UTIMCO will agree, subject to the conditions and limitations set forth therein, to purchase, as an investment of funds of the Board, PUF Bonds and Additional PUF Obligations that cannot be remarketed or reissued as provided for in the PUF Bond Resolution or the respective resolution of the Board authorizing the issuance of Additional PUF Obligations, as the case may be; and

BE IT FURTHER RESOLVED, that this Resolution shall constitute a “Credit Agreement” for purposes of the PUF Bond Resolution and the respective resolution of the Board authorizing the issuance of Additional PUF Obligations, as the case may be; and

BE IT FURTHER RESOLVED, the Board hereby reaffirms its obligations under the 2005 Resolution and the 2005 Resolution shall remain in full force and effect.

PASSED AND ADOPTED, this the 23rd day of August, 2007.

ATTEST:

General Counsel to the Board

Chairman of the Board

(SEAL)