

ADDITIONAL ITEM
MEETING OF THE BOARD
NOVEMBER 13, 2002

11. U. T. Board of Regents: Resolution Regarding UTIMCO Issues

WHEREAS the Constitution of the State of Texas places the responsibility for investing the Permanent University Fund (PUF) in the Board of Regents of The University of Texas System (Board of Regents); and

WHEREAS *Texas Education Code* Section 66.08 authorizes the Board of Regents to delegate investment authority and enter into a contract with a nonprofit corporation to invest funds, including the PUF, under the control and management of the Board of Regents; and

WHEREAS The University of Texas Investment Management Company (“UTIMCO”) has been established as a nonprofit corporation meeting the requirements of *Texas Education Code* Section 66.08 for the purpose of contracting with the Board of Regents to invest funds, including the PUF, under the control and management of the Board of Regents; and

WHEREAS effective on March 1, 1996, the Board of Regents did enter into an Investment Management Services Agreement (Agreement) with UTIMCO; and

WHEREAS the Agreement, as amended, was restated by the Board of Regents and UTIMCO effective as of November 16, 2000; and

WHEREAS UTIMCO is currently investing the funds, including the PUF, under the control and management of the Board of Regents in accordance with investment policies approved by the Board of Regents; and

WHEREAS the control and management of funds, including the PUF, by the Board of Regents, involve matters of public policy;

NOW THEREFORE, BE IT RESOLVED that the Board of Regents recognizes and acknowledges that when investing funds, including the PUF, under the control and management of the Board of Regents, UTIMCO is acting as the agent of and for the Board of Regents, and

BE IT FURTHER RESOLVED that with respect to matters involving public policy decisions concerning the funds, including the PUF, under the control and management of the Board of Regents, including decisions with respect to the Texas Public Information Act, the Board of Regents reserves such decisions to itself and has neither expressly nor impliedly delegated such decisions to UTIMCO, its Board of Directors or its management.