

A RESOLUTION covenanting to use lawfully available funds to purchase Board of Regents of The University of Texas System Permanent University Fund Flexible Rate Notes, Series A (the "Notes") tendered for purchase and not remarketed; approving and authorizing certain authorized officers and employees to act on behalf of the Board of Regents (the "Board") of The University of Texas System in the execution of a related Note Purchase Agreement; and reciting that this Resolution constitutes a "Credit Agreement" for purposes of the Board's resolution authorizing the Notes.

WHEREAS, on the date hereof, the Board of Regents (the "Board") of The University of Texas System has adopted an amended and restated resolution (the "Note Resolution") approving and authorizing the issuance of 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

WHEREAS, the Board, in Section 6.04(a) of the Note Resolution, covenanted and agreed that at all times while there are outstanding Notes, it will maintain one or more Credit Agreements (as defined in the Note Resolution) in amounts such that, assuming that all then outstanding Notes were to be tendered for purchase, the amount available to be drawn under the Credit Agreements would be sufficient at that time to pay the purchase price therefor at an amount equal to the principal of all such Notes; and

WHEREAS, Section 6.04(b) of the Note 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 Notes by using lawfully available funds to purchase Notes tendered for purchase and not remarketed, which resolution recites that it constitutes a "Credit Agreement" for purposes of the Note Resolution; and

WHEREAS, the Board desires to provide liquidity support for the Notes and in furtherance of such desire, the Board and The University of Texas Investment Management Company ("UTIMCO") desire to enter into a certain Note Purchase Agreement substantially in the form attached hereto and incorporated herein, pursuant to which UTIMCO will agree, subject to the conditions and limitations set forth therein, to purchase, as an investment for the Permanent University Fund, Notes in an aggregate amount up to but not exceeding \$400,000,000; **NOW, THEREFORE**

BE IT RESOLVED, that the Board covenants and agrees to provide liquidity support for the Notes by using lawfully available funds to purchase Notes tendered for purchase; and

BE IT FURTHER RESOLVED, that an Authorized Representative (as defined in the Note Resolution) is hereby authorized to execute and deliver a Note Purchase Agreement, pursuant to which UTIMCO will agree, subject to the conditions and limitations set forth therein, to purchase, as an investment for the Permanent University Fund, Notes in an aggregate amount up to but not exceeding \$400,000,000 together with any other documents called for thereunder.

BE IT FURTHER RESOLVED, that this Resolution constitutes a "Credit Agreement" for purposes of the Note Resolution.

PASSED AND ADOPTED, this the 13th day of November, 2002.

ATTEST:

Counsel and Secretary to the Board

Chairman of the Board

(Seal)