

**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 at 9:10 a.m. on the **22nd day of September, 2006**, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, 78701, said meeting having been called to order by the Chairman, H. Scott Caven, Jr., with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded.

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

H. Scott Caven, Jr., Chairman
Robert B. Rowling, Vice Chairman
Clint D. Carlson
J. Philip Ferguson
Colleen McHugh
Ardon E. Moore
Charles W. Tate

thus, constituting a majority and quorum of the Board. Director Mark G. Yudof, Vice Chairman for Policy, joined the meeting during executive session. Director Erle Nye participated by means of conference telephone enabling all persons participating in the meeting to hear each other. Also attending the meeting was Cathy Iberg, Interim President and CEO and Managing Director – Marketable Alternative Investments; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Bill Edwards, Managing Director of Information Technology; Larry Goldsmith, Managing Director of Public Markets; Andrea Reed, Risk Manager; Trey Thompson, Managing Director – Non-Marketable Alternative Investments; various staff members of the Corporation; Jerry Turner, legal counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; Ricky Richter of Ernst & Young; Barry Burgdorf, Scott Kelley, Philip Aldridge, Amy Barrett, William Huang, and Cathy Swain of UT System Administration; Bruce Myers and Hamilton Lee of Cambridge Associates. Mr. Caven called the meeting to order at 9:10 a.m.

Minutes

The first matter to come before the Board was approval of the minutes of the meetings of the Board of Directors held on July 13, 2006, July 25, 2006, and August 25, 2006. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meetings of the Board of Directors held on July 13, 2006, July 25, 2006, and August 25, 2006, be, and are hereby, approved.

Executive Session

Mr. Caven, at 9:12 a.m., announced that, "The Board of Directors of The University of Texas Investment Management Company having been duly convened in Open Session and notice of this meeting having been duly given, I hereby announce the convening of a closed meeting as an Executive Session to consult with General Counsel and to deliberate individual personnel matters, including resignation of Chief Executive Officer, appointment of interim Chief Executive Officer, search for new Chief Executive Officer, report of Compensation Committee regarding individual personnel compensation and evaluation matters.

This Executive Session meeting of the Board is authorized by Texas Government Code Section 551.071 (Consultation with Attorney on Legal Matters) and Section 551.074 (Personnel Matters).

The time is now 9:12 a.m. and the date is September 22, 2006."

Reconvene in Open Session

The Board reconvened at 10:44 a.m., in open session and Mr. Caven announced that, "the Open Session of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The time is now 10:44 a.m. During the Executive Session, the Board consulted with General Counsel and deliberated individual personnel matters, including resignation of Chief Executive Officer, appointment of interim Chief Executive Officer, search for new Chief Executive Officer, report of Compensation Committee regarding individual personnel compensation and evaluation matters, but did not take any final action or votes."

Corporate Resolutions

Mr. Caven continued by recommending a resolution to ratify and approve Bob Boldt's resignation as President, CEO and CIO, confirmation of Cathy Iberg as Interim President, CEO and CIO and appointment of an Board Advisory Search Committee. Mr. Carlson requested that the last sentence of the proposed resolution be changed to allow the Advisory Search Committee to recommend the engagement of the executive search firm. Upon motion duly made and seconded, the following resolution, as amended, was unanimously adopted:

RESOLVED, that the resignation, as of September 1, 2006, of Bob Boldt as the President, Chief Executive Officer and Chief Investment Officer of the Corporation on the terms recommended by the Chairman of the Board of Directors, be, and is hereby, ratified and approved; and be it further

RESOLVED, that the appointment as of September 1, 2006 of Cathy Iberg as the Interim President, Chief Executive Officer and Chief Investment Officer of the Corporation be, and is hereby, approved; and be it further

RESOLVED, that the appointment of a President and Chief Executive Officer

Advisory Search Committee ("Search Committee"), composed of the following individuals:

Clint Carlson, Chairman

J. Philip Ferguson

Robert B. Rowling

be, and is hereby, approved; and be it further

RESOLVED, that the Search Committee shall function in an advisory role to compile a list of one or more candidates considered qualified and suitable for consideration by the Board of Directors for appointment to the position of President, Chief Executive Officer and Chief Investment Officer of the Corporation; provided that the Search Committee shall have no authority or responsibility to establish or recommend compensation for such officer; and be it further

RESOLVED, that the Search Committee may also, at its discretion, recommend the engagement of an executive search firm to assist it in the performance of its functions hereunder.

Report from Compensation Committee

Mr. Caven asked Mr. Ferguson, Committee Chair, to give a report of the Compensation Committee. The Compensation Committee met previously on September 15, 2006 and September 21, 2006. Mr. Ferguson reported that the Compensation Committee recommended that the Board, as required by the Corporation's Compensation Program, confirm eligible positions and proposed participants for the 2006/2007 performance period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (the "Plan") provides that, in order to become a "Participant" in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "Board") as an "Eligible Position" for that Performance Period and (2) selected by the Board as a Participant for that Performance Period; and

WHEREAS, the Compensation Committee of the Board has recommended the "Eligible Positions" and individuals who may become Participants for the 2006/2007 Performance Period set forth on Exhibit 1 attached hereto; and

WHEREAS, the Board has reviewed Exhibit 1 and wishes to designate the "Eligible Positions" and select the individuals who may become Participants for the 2006/2007 Performance Period;

NOW, THEREFORE, be it:

RESOLVED, that the Eligible Positions and the individuals set forth on Exhibit 1 attached hereto are hereby designated as "Eligible Positions" for and "Participants"

in the Plan for the 2006/2007 Performance Period, effective as of July 1, 2006, except as any other date is specified for any such Eligible Position or Participant on such Exhibit 1.

Mr. Ferguson continued with recommendation from the Compensation Committee to approve the Performance Goals for the Managing Director, Marketable Alternatives and Deputy Chief Investment Officer. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.4(c) of the UTIMCO Compensation Program (the "Plan") provides that the Board of Directors of UTIMCO (the "Board") will determine the "Performance Goals" of the President/CEO for each Performance Period; and

WHEREAS, as of September 1, 2006, the President and CEO of UTIMCO terminated employment with UTIMCO, and currently there is no person holding the position of President/CEO, and the Managing Director, Marketable Alternatives Investments, Deputy Chief Investment Officer ("MD, Marketable Alternatives") has agreed to undertake to fulfill certain of the responsibilities of the President/CEO position in addition to her responsibilities as MD, Marketable Alternatives until the President/CEO position is filled and for a three-month transition period thereafter; and

WHEREAS, the Performance Goals for the MD, Marketable Alternatives have been modified to take into account those additional responsibilities; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has determined that, because of the increased responsibilities of the MD, Marketable Alternatives that would otherwise be responsibilities of the President/CEO, the Board rather than the Committee should approve the 2006/2007 Performance Goals for the MD, Marketable Alternatives; and

WHEREAS, the Committee has reviewed the proposed Performance Goals for the MD, Marketable Alternatives for the 2006/2007 Performance Period and has recommended that the Board approve the same;

NOW, THEREFORE, be it:

RESOLVED, that the Performance Goals for the MD, Marketable Alternatives for the 2006/2007 Performance Period as set forth on Exhibit 2 attached hereto (for her Entity and Asset Class Performance Goals) and the individual Performance Goals document as presented to the Committee (for her Individual Performance Goal) are hereby approved, effective as of July 1, 2006.

Continuing, Mr. Ferguson reported that the Compensation Committee recommended that the Board approve the Performance Incentive Award Opportunity for the Managing Director, Marketable Alternatives Investments and Deputy Chief Investment Officer. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, Section 5.4(d) of the UTIMCO Compensation Program (the "Plan") provides that the Compensation Committee (the "Committee") of the Board of Directors of UTIMCO (the "Board") will approve the weightings of the Performance Goals for each Eligible Position for each Performance Period, subject to approval by the Board; and

WHEREAS, Section 5.5(a) of the Plan provides that the Committee will determine the "Incentive Award Opportunity," including a threshold, target, and maximum award, for each Performance Goal for each Participant for each Performance Period, subject to approval by the Board; and

WHEREAS, the weightings and the Incentive Award Opportunities for the 2006/2007 Performance Period have previously been determined by the Committee and approved by the Board; and

WHEREAS, as of September 1, 2006, the President and CEO of UTIMCO terminated employment with UTIMCO and currently there is no person holding the position of President/CEO, and the Managing Director, Marketable Alternatives Investments, Deputy Chief Investment Officer ("MD, Marketable Alternatives") has agreed to undertake to fulfill certain of the responsibilities of the President/CEO position in addition to her responsibilities as MD, Marketable Alternatives until the President/CEO position is filled and for a three-month transition period thereafter; and

WHEREAS, the Committee has recommended that, notwithstanding the alteration of duties of the MD, Marketable Alternatives pending selection of a new President and CEO and for a three-month transition period thereafter, the 2006/2007 "Performance Incentive Award" of the MD, Marketable Alternatives shall be determined under the previously approved terms of the Plan for the Eligible Position of the MD, Marketable Alternatives and not for the Eligible Position of President and CEO;

NOW, THEREFORE, be it:

RESOLVED, that, notwithstanding the alteration of duties of the MD, Marketable Alternatives pending selection of a new President and CEO and for a three-month transition period thereafter, the Board hereby approves and confirms that the previously approved weightings for the Performance Goals of the MD, Marketable Alternatives (40% Entity Performance, 40% Asset Class Performance, and 20% Individual Performance) and previously approved percentages of base salary for determining the 2006/2007 Incentive Award Opportunities (and the 2006/2007 Performance Incentive Award) for the MD, Marketable Alternatives (18% for Threshold level achievement, 90% for Target level achievement, and 190% for Maximum level achievement) shall remain the same, as indicated on Exhibit 3 attached hereto; and

RESOLVED, that, the Board hereby determines that, in accordance with the terms of the Plan, for purposes of determining the 2006/2007 Performance Incentive Award for the MD, Marketable Alternatives, the base salary of the MD, Marketable Alternatives shall include the actual base salary she earned during the 2006/2007 Performance Period, including any increased base salary earned in connection with her agreement to undertake to fulfill certain of the responsibilities of the President/CEO position, notwithstanding that the initial projected Award Incentive Opportunities for the MD, Marketable Alternatives may have been based only on her base salary as MD, Marketable Alternatives unadjusted for any such increased responsibilities.

Mr. Ferguson also reported that the Compensation Committee recommended a revised approval of transition compensation adjustments and a retention incentive plan for several participants. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, effective as of September 1, 2006, the President and CEO terminated employment with UTIMCO, and currently there is no person holding the position of President and CEO; and

WHEREAS, the Managing Director, Marketable Alternatives Investments, Deputy Chief Investment Officer ("MD, Marketable Alternatives") has agreed to undertake to act as Interim President and CEO and to fulfill certain of the responsibilities of the President/CEO position in addition to her responsibilities as MD, Marketable Alternatives until the President and CEO position is filled and for a three-month transition period thereafter, and the duties of certain other employees of UTIMCO have been, or are expected to be, increased on account of the absence of a President and CEO; and

WHEREAS, in connection with the departure of the President and CEO and necessary reallocation of duties during the interim period during which a replacement is sought and for a three-month transition period thereafter, the Compensation Committee (the "Committee") of the Board of Directors of UTIMCO (the "Board") has recommended that the Board temporarily adjust the base salary of the MD, Marketable Alternatives, provide transition bonuses to certain UTIMCO employees, and establish a retention incentive plan for certain UTIMCO employees;

NOW, THEREFORE, be it:

RESOLVED, that the base salary of the MD, Marketable Alternatives is hereby adjusted as scheduled and set forth on Exhibit 4 attached hereto, effective as of September 1, 2006, assuming and contingent on her continued employment with UTIMCO; and

RESOLVED, that a transition bonus is hereby provided to the Managing Director, Public Markets as scheduled and set forth on Exhibit 4 attached hereto, effective

as of September 1, 2006, assuming and contingent on his continued employment with UTIMCO; and

RESOLVED, that a transition bonus is hereby provided to the Managing Director, Private Capital as scheduled and set forth on Exhibit 4 attached hereto, effective as of September 1, 2006, assuming and contingent on his continued employment with UTIMCO; and

RESOLVED, that the "UTIMCO Retention Incentive Plan," as the material terms are summarized on Exhibit 5 attached hereto, is hereby approved and adopted, effective as of September 1, 2006, and the participants in such Retention Incentive Plan shall be Cathy Iberg, Larry Goldsmith, Trey Thompson, Joan Moeller, Bill Edwards, and Andrea Reed; and

RESOLVED, that it is hereby expressly provided that, (1) because the additional salary provided to the MD, Marketable Alternatives is an increase in her "base salary," there will be a concomitant increase in any Performance Incentive Award under the Performance Incentive Plan (the "Plan") to which the MD, Marketable Alternatives may be entitled under the terms of the Plan, which, if awarded, is based on a percentage of a participant's base salary, and such additional salary will be included in base salary for purposes of the MD, Marketable Alternatives' retention bonus under the Retention Incentive Plan, and (2) because the transition bonuses provided to the Managing Director, Public Markets and to the Managing Director, Private Capital and the retention bonuses provided to the specified employees under the Retention Plan are not payments of base salary, any Performance Incentive Awards under the Plan to which those employees may be entitled under the terms of the Plan will not be increased by reason of any such bonus, and any such bonus will not be considered as base salary of those employees for purposes of the Retention Incentive Plan or any other UTIMCO employee benefit plan, program, or arrangement except as may otherwise be expressly provided in such plan, program, or arrangement; and

RESOLVED, that the Chairman of the Board shall be and hereby is authorized and directed to (1) do and perform all such acts and things, (2) prepare and execute the UTIMCO Retention Incentive Plan and any other relevant documents and instruments, (3) make any changes to the Retention Incentive Plan to the extent such changes do not materially alter the terms of the Retention Incentive Plan as summarized on Exhibit 5 attached hereto, and (4) take any and all other steps as he may deem necessary, advisable, convenient, or proper to effectuate the same, to accomplish the purposes of the foregoing resolutions, and/or to comply with all applicable provisions of all related documents and all applicable law, and any and all such actions heretofore or thereafter taken shall be, and they hereby are, ratified and approved.

Mr. Ferguson, for the Compensation Committee, proposed a recommendation of the level of achievement of the former President and CEO's 2005/2006 individual performance goals. There was discussion regarding interpretation of the Corporation's Compensation Plan ("Plan"). Mr. Caven suggested that at a

future meeting the Compensation Committee review the Plan with the Board to better clarify all aspects of the Plan. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.5(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Board of Directors of UTIMCO (the "Board") will determine the level of achievement of the President and CEO with respect to his Performance Goals for such Performance Period; and

WHEREAS, the President and CEO has submitted to the Compensation Committee (the "Committee") of the Board a report documenting the President and CEO's opinion of his actual performance during the 2005/2006 Performance Period relative to his Individual Performance Goal for such Performance Period; and

WHEREAS, the Committee reviewed the report of the President and CEO relating to the actual performance of the President and CEO during the 2005/2006 Performance Period, compared all such documentation of such actual performance relative to the Individual Performance Goal of the President and CEO for such Performance Period, and determined that the President and CEO achieved the level of his Individual Performance Goal for the 2005/2006 Performance Period set forth on Exhibit 6 attached hereto and recommended that such determination be adopted by the Board; and

WHEREAS, the Board has reviewed all documentation relating to the actual performance of the President and CEO during the 2005/2006 Performance Period, compared all such documentation of such actual performance relative to the Individual Performance Goal of the President and CEO for such Performance Period, and reviewed the Committee's determination of the level of achievement of the President and CEO's Individual Performance Goal for the 2005/2006 Performance Period;

NOW, THEREFORE, be it:

RESOLVED, that the Board hereby determines that the President and CEO has achieved the level of his Individual Performance Goal for the 2005/2006 Performance Period set forth on Exhibit 6 attached hereto.

Endowment and Operating Funds Update

Mr. Caven asked Ms. Iberg to present the Corporation's endowment and operating funds update. Ms. Iberg began by discussing performance information for June 30, 2006. She also presented July 31, 2006 and August 31, 2006 information. She reviewed portfolio policy ranges and policy targets, and then presented the Market Exposure chart showing market exposure and deviations from policy targets within tactical policy ranges. The net performance for the one-month period ended July 31, 2006, for the PUF was 1.18% and for the GEF was 1.16%, versus benchmark returns of 0.85% for each fund. The net performance for the one-year period ended July 31, 2006, for the PUF and GEF were 11.65% and 11.53%, respectively,

versus benchmark returns of 11.92% for each fund. The Intermediate Term Fund's (ITF) performance was 1.17% versus its benchmark return of 1.06% for the one-month period, and was 2.03% versus its benchmark return of 1.70% for the six-month period ended July 31, 2006. Performance for the Short Term Fund (STF) was 0.45% versus 0.42% for its benchmark for the one-month period, and was 4.41% versus a benchmark return of 4.18% for the one-year period ended July 31, 2006.

The net performance for the one-month period ended August 31, 2006, for the PUF was 1.31% and for the GEF was 1.33%, versus benchmark returns of 1.50% for each fund. The net performance for the one-year period ended August 31, 2006, for the PUF and GEF were 11.17% and 11.10%, respectively, versus benchmark returns of 12.51% for each fund. The Intermediate Term Fund's (ITF) performance was 1.37% versus its benchmark return of 1.34% for the one-month period, and was 3.54% versus its benchmark return of 3.14% for the six-month period ended August 31, 2006. Performance for the Short Term Fund (STF) was 0.45% versus 0.44% for its benchmark for the one-month period, and was 4.58% versus a benchmark return of 4.34% for the one-year period ended August 31, 2006. Ms. Iberg continued by reporting Cumulative Value Added under the Corporation's management for periods ended July 31, 2006 and August 31, 2006. Also presented was information on performance attribution, liquidity, risk dashboard, the Comprehensive Derivative Report, and actions taken under the Delegation of Authority. Mr. Goldsmith gave an update on the Intermediate Term Fund. Ms. Iberg, Mr. Goldsmith and Mr. Thompson answered the Directors' questions.

Presentations by Investment Areas

Ms. Iberg stated that there would be presentations from the three Managing Directors in each of the investment areas. Mr. Caven asked that the Managing Directors also note during their presentation any specific moves and tactical changes taken over the past year.

Mr. Goldsmith began with an overview of the public markets investments overview and assets under management. He discussed the US equity sector exposure, market capitalization exposure and the market environment. Also presented and discussed was an overview of international equity allocation, global sector allocation, fixed income, REITs and commodities. Mr. Goldsmith answered the Directors' questions.

Mr. Thompson continued by giving a private markets presentation including a portfolio update, commitment strategy, performance update and market observations. Mr. Thompson and Ms. Reed answered the Directors' questions.

The meeting was recessed at 1:00 p.m. The Board of the Corporation reconvened in an open meeting at the same meeting location at 2:10 p.m. Mr. Yudof left the meeting at this time.

Ms. Iberg gave a presentation of the Marketable Alternative Investment area. She discussed the trends in the hedge fund industry, the marketable alternatives program and the team's near term plans, and explained the due diligence process. Ms. Iberg, Mr. Goldsmith and Ms. Reed answered the Directors' questions.

Mr. Caven asked that the Staff work closely with Mr. Tate and the Risk Committee when focusing on asset classification issues going forward. Mr. Carlson left the meeting at this time.

Investment Consultant

Mr. Caven continued the meeting by addressing the recommendation of Cambridge Associates as investment consultant for the Corporation. Mr. Myers and Mr. Lee left the meeting at this time. Ms. Iberg summarized the request for proposal process that the Staff used to recommend retaining Cambridge Associates to provide consulting services to the Board and Staff. Ms. Iberg and Ms. Moeller answered the Directors' questions. Mr. Ferguson requested that going forward, the Board and Staff should jointly review the request for proposal responses. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Board approve the selection of Cambridge Associates as investment consultant for the Corporation.

Mr. Myers and Mr. Lee returned to the meeting and Mr. Tuner was excused at this time.

Legal Counsel

Mr. Caven asked Ms. Moeller to review the process of the request for information from law firms interested in providing legal services to the Corporation. The Staff recommended retaining Vinson & Elkins as legal counsel. During discussion, Mr. Rowling stated that he felt strongly that the Corporation could benefit from having in-house counsel and suggested that the Staff consider this in the near future. Ms. Iberg and Ms. Moeller answered the Directors' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted, with Ms. McHugh recusing herself from voting on this recommendation due to the fact that her son is associated with Vinson & Elkins:

RESOLVED, that the Board approve the selection of Vinson & Elkins, LLP as legal counsel for the Corporation.

Mr. Turner returned to the meeting at this time.

Risk Consultant Selection

Mr. Caven asked Mr. Tate to update the Board on the process of selection of a risk consultant. Mr. Tate, as Risk Committee Chairman, spoke for the Risk Committee and Staff and explained plans for a Risk Committee meeting within the month to review findings of the Request for Proposal from five candidates. The Committee will then interview finalists and bring a recommendation to the Board at the next meeting.

Budget Adjustment

Mr. Caven referred to Ms. Moeller to explain the final agenda item. Ms. Moeller stated that the Board approved UTIMCO's 2006/2007 budget at its meeting on July 13, 2006. Staff is requesting a one-time increase of \$668,570 in the UTIMCO services budget due to costs associated with the resignation of the

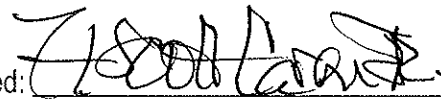
President and CEO and subsequent search and hire of a new President and CEO. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the \$668,570 increase to the Corporation's Operating Budget for the period September 1, 2006 through August 31, 2007 be, and is hereby approved; and further

RESOLVED, that the Corporation's Amended Operating Budget of \$57,359,907 and the Fee Request, for the period September 1, 2006 through August 31, 2007, be and are hereby approved, subject to approval by the U. T. System Board of Regents.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 3:05 p.m.

Secretary: 
Joan Moeller

Approved:  Date: 7.11.07
H. Scott Caven, Jr.
Chairman, Board of Directors of
The University of Texas Investment
Management Company

Appendix B (UTIMCO Peer Group)

Institutions with Market Values Greater Than \$1 Billion

As of June 30, 2004, 2005 and 2006

Based on NACUBO Studies

- 1 Boston College
- 2 Brown University
- 3 California Institute of Technology
- 4 Case Western Reserve University
- 5 Columbia University
- 6 Cornell University
- 7 Dartmouth College
- 8 Duke University
- 9 Emory University
- 10 Grinnell College
- 11 Indiana University and Foundation
- 12 Johns Hopkins University
- 13 Massachusetts Institute of Technology
- 14 New York University
- 15 Northwestern University
- 16 Ohio State University and Foundation
- 17 Pennsylvania State University
- 18 Pomona College
- 19 Princeton University
- 20 Purdue University
- 21 Rice University
- 22 Stanford University
- 23 Swarthmore College
- 24 The Rockefeller University
- 25 The Texas A&M University System and Foundations
- 26 UNC at Chapel Hill and Foundations
- 27 University of California
- 28 University of Chicago
- 29 University of Illinois and Foundation
- 30 University of Michigan
- 31 University of Minnesota and Foundation
- 32 University of Notre Dame
- 33 University of Pennsylvania
- 34 University of Pittsburgh
- 35 University of Richmond
- 36 University of Rochester
- 37 University of Southern California
- 38 University of Virginia
- 39 University of Washington
- 40 Vanderbilt University
- 41 Washington University
- 42 Wellesley College
- 43 Williams College
- 44 Yeshiva University

Exhibit 1
Designation of Eligible Positions and Plan Participants
in the 2006/2007 Performance Period

ELIGIBLE POSITION	PARTICIPANTS
<i>Investment Professionals</i>	
President and CEO	unfilled
MD, Marketable Alternative Investments and Deputy CIO Risk Manager	Cathy Iberg Andrea Reed
MD, Public Markets Invest.	Larry Goldsmith
MD, Private Markets (formerly Non-Marketable Alt Inv)	Trey Thompson
Sr. Portfolio Mgr., Fixed Income Invest.	Russ Kampfe
Portfolio Manager, Fixed Income Invest.	Harland Doak
Director, Public Markets	Tushar Shah
Director, Private Markets (formerly Non-Marketable Alt Inv)	Lindel Eakman
Director, Risk Management	Uzi Yoeli
Associate, Public Markets	Laura Patrick
Associate, Marketable Alternative	Glenn Stotts
Associate, Marketable Alternative	Ryan Ruebsahm
Associate, Private Markets (formerly Non-Marketable Alt Inv)	Mark Shoberg
Associate, Private Markets (formerly Non-Marketable Alt Inv)	Zac McCarroll*
Associate, Risk Management	Kathleen Wagner
Analyst, Public Markets	Russell Mollen
Analyst, Marketable Alternative	Eric Dooley
Analyst, Private Markets (formerly Non-Marketable Alt Inv)	Scott Bigham
<i>Operations/Support Professionals</i>	
MD, Accounting, Finance & Admin.	Joan Moeller
MD, Information Technology	Bill Edwards
Manager, Finance & Administration	Melynda Carter**
Manager, Investment Reporting	Gary Hill
Manager, Portfolio Accounting & Ops.	Debbie Childers

Participants are eligible as of July 1, 2006 unless otherwise notated

*eligible August 15, 2006

**eligible October 10, 2006

Exhibit 2

APPENDIX D

Asset Class	Benchmark	Policy Portfolio Weights		Performance Standards		
		Total	ITF	Threshold	Target	Maximum
		(% of Portfolio)	(% of Portfolio)			
Entity: Peer Group (Total Endowment Funds)	Peer group (Endowments w/>>\$1 B	n/a	n/a	40th %ile	60th %ile	75th %ile
Entity: Benchmark (Intermediate Term Fund)	Policy Portfolio	n/a	n/a	+0 bps	+32.5 bps	+65 bps
US Public Equity	Russell 3000 Index	20%	15%	+0 bps	+31 bps	+62 bps
Non-US Developed Equity	MSCI EAFE Index with net dividends	10%	5%	+0 bps	+37.5 bps	+75 bps
Emerging Markets Equity	MSCI Emerging Markets Index with net dividends	7%	5%	+0 bps	+75 bps	+150 bps
Directional Hedge Funds	MSCI Investable Hedge Fund Index	10%	12.5%	+0 bps	+65 bps	+130 bps
Absolute Return Hedge Funds	MSCI Investable Hedge Fund Index	15%	12.5%	+0 bps	+50 bps	+100 bps
Private Equity	Custom Benchmark Created from Venture Economics Database	11%	0%	+0 bps	+103.5 bps	+207 bps
Venture Capital	Custom Benchmark Created from Venture Economics Database	4%	0%	+0 bps	+103.5 bps	+207 bps
REITS	Dow Jones Wilshire Real Estate Securities Index	5%	10%	+0 bps	+37.5 bps	+75 bps
Commodities	Combination index: 66.7% Goldman Sachs Commodity Index minus .5% plus 33.3% DJ-AIG Commodity Index	3%	5%	+0 bps	+17.5 bps	+35 bps
TIPS	Lehman Brothers US TIPS Index	5%	10%	+0 bps	+2.5 bps	+5 bps
Fixed Income	Lehman Brothers Aggregate Bond Index	10%	25%	+0 bps	+12.5 bps	+25 bps
Cash	90 day t-bills	0%	0%	+0 bps	+0 bps	+0 bps

Exhibit 3

Appendix C

Eligible Positions, Weights, and Incentive Award Opportunities for each Eligible Positions
(for the performance Periods Beginning After June 30, 2006)

Eligible Position	Weighting		Incentive Award Opportunity (% of Salary)			
	Entity	Asset Class	Individual	< Threshold	Threshold	Target Maximum
<i>Investment Professionals</i>						
President, CEO & CIO	70%	0%	30%	0%	20%	100%
Deputy CIO & MD of Marketable Alt. Invest.	40%	40%	20%	0%	18%	90%
Risk Manager	70%	0%	30%	0%	18%	90%
MD, Public Markets Invest.	20%	60%	20%	0%	18%	90%
MD, Inflation Hedging Assets	20%	60%	20%	0%	18%	90%
MD, Non-Marketable Alt Inv	30%	50%	20%	0%	18%	90%
Sr. Portfolio Mgr., Fixed Income Invest.	20%	60%	20%	0%	10%	50%
Portfolio Manager, Fixed Income Invest.	20%	60%	20%	0%	10%	50%
Director, Public Markets	20%	60%	20%	0%	8%	40%
Director, Marketable Alternative	20%	60%	20%	0%	8%	40%
Director, Inflation Hedging Assets	20%	60%	20%	0%	8%	40%
Director, Non-Marketable Alternative	20%	60%	20%	0%	8%	40%
Director, Risk Management	70%	0%	30%	0%	8%	40%
Associate, Public Markets	20%	60%	20%	0%	6%	30%
Associate, Marketable Alternative	20%	60%	20%	0%	6%	30%
Associate, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%
Associate, Non-Marketable Alternative	20%	20%	60%	0%	6%	30%
Associate, Risk Management	70%	0%	30%	0%	6%	30%
Analyst, Public Markets	20%	60%	20%	0%	6%	30%
Analyst, Marketable Alternative	20%	60%	20%	0%	6%	30%
Analyst, Inflation Hedging Assets	20%	60%	20%	0%	6%	30%
Analyst, Non-Marketable Alternative	20%	20%	60%	0%	6%	30%
Analyst, Risk Management	70%	0%	30%	0%	6%	30%
<i>Operations/Support Professionals</i>						
MD, Accounting, Finance & Admin.	20%	0%	80%	0%	10%	50%
MD, Information Technology	20%	0%	80%	0%	10%	50%
Manager, Finance & Administration	20%	0%	80%	0%	8%	40%
Manager, Investment Reporting	20%	0%	80%	0%	8%	40%
Manager, Portfolio Accounting & Ops.	20%	0%	80%	0%	8%	40%
Manager, Client Services	20%	0%	80%	0%	8%	40%

EXHIBIT 4
TRANSITION COMPENSATION ADJUSTMENTS

**Adjusted Base Salary (Contingent on Continued Employment with UTIMCO) For:
Managing Director, Marketable Alternatives Investments, Deputy Chief Investment
Officer**

Period of Base Salary	Base Salary
9/1/06 through end of month during which a new President and CEO commences employment with UTIMCO (or an existing employee of UTIMCO assumes the position of President and CEO)	\$43,750 per month (\$525,000 annualized)
For three full months beginning with the month immediately following the month during which a new President and CEO commences employment with UTIMCO (or an existing employee of UTIMCO assumes the position of President and CEO)	\$43,750 per month (\$525,000 annualized)
Beginning with the fourth month immediately following the month during which a new President and CEO commences employment with UTIMCO (or an existing employee of UTIMCO assumes the position of President and CEO)	\$25,000 per month (\$300,000 annualized) (or, if after 8/31/07, any increased amount determined by the Compensation Committee)

**Transition Bonus (Contingent on Continued Employment with UTIMCO) For:
Managing Director, Public Markets and Managing Director, Private Capital**

Months of Transition Bonus	Transition Bonus
For each month beginning with September 2006 and ending with the third month following the month during which a new President and CEO commences employment with UTIMCO (or an existing employee of UTIMCO assumes the position of President and CEO)	\$10,000 per month

**EXHIBIT 5
RETENTION INCENTIVE PLAN**

PARTICIPANTS

Cathy Iberg
Larry Goldsmith
Trey Thompson
Andrea Reed
Joan Moeller
Bill Edwards

RETENTION BONUS

For Iberg: Lump sum payment of 25% of total base salary (exclusive of Performance Incentive Plan awards and all other special or incentive compensation) paid to her for services performed during the "Retention Period" (9/1/06 through 8/31/07), less applicable withholdings

For Goldsmith, Thompson, Reed, Moeller, and Edwards: Lump sum payment of 25% of annualized base salary (exclusive of Performance Incentive Plan awards, transition bonuses, any other bonus, and all other special or incentive compensation) in effect on 9/1/06, less applicable withholdings

DATE PAID

As soon as administratively practicable after September 1, 2007

CONDITIONS

- Continuous employment with UTIMCO from 9/1/06 through 9/1/07
- Must not have accepted other employment prior to 9/1/07
- Must not have actively sought other employment prior to 9/1/07

INVOLUNTARY TERMINATION OF EMPLOYMENT WITHOUT CAUSE

- Prorated Retention Bonus for each full month of employment during Retention Period
- Prorated Retention Bonus amount offset by any severance amount received under employment agreement or other UTIMCO severance plan, policy, or arrangement
- Conditions: Execution of Release; must not have accepted or actively sought employment prior to termination date; must not be termination for "cause" (as defined below)
- "Cause" means a determination by the Board in its sole discretion that a participant has (i) violated any securities law or any other law, rule, or regulation; (ii) engaged in substandard performance of his UTIMCO employment position; or (iii) engaged in willful misconduct that reflects negatively on the public image of UTIMCO or The University of Texas System.

EXHIBIT 6
LEVEL OF ACHIEVEMENT OF PRESIDENT AND CEO'S
INDIVIDUAL PERFORMANCE GOAL FOR 2005/2006

Eligible Position	Weighting			Incentive Award Opportunity (% of Base Salary)			
	Entity	Asset	Individual	<Threshold	Threshold	Target	Maximum
President/CEO	70%	0%	30%	0%	18%	90%	180%

Percentage of Determined Level of Achievement of 2005/2006 Individual Performance Goals
(0 to 100%): 80%