MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
ENDOWMENT MANAGEMENT COMMITTEE

Tuesday, May 6, 2014 - The members of Endowment Management Committee of the University of Houston System convened at 1:21 p.m. on Tuesday, May 6, 2014, at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, Houston, Texas, with the following members participating:

ATTENDANCE –

Present	Member(s) Absent
Roger F. Welder, Chair	Durga D. Agrawal, Vice Chair
Spencer D. Armour, III, Member	
Beth Madison, Member	Non-Member(s) Present
Jarvis V. Hollingsworth, Ex Officio	Peter K. Taaffe, Regent
	Welcome W. Wilson, Jr., Regent
	Benjamin P. Wells, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum present, the Chair of the Committee, Roger F. Welder, called the meeting to order and moved to the first item on the committee agenda for information only and asked Mr. Don Guyton, Chief Audit Executive to present this item.

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AGENDA ITEMS

Information Item

1. Audit Report on UH System Support Organizations – University of Houston System, Item B, EM-B5-9

   Mr. Guyton stated that Item B, Audit Report on UH System Support Organizations – UH System referred to the compliance review of UH System Support Organizations and the UHS Support Organization Report. The compliance review of the UH System support organizations indicated the status of the receipt of this information. It was noted that the university had not received some of the requested information from some of the foundations. The UHS Support Organizations Report was a compilation of information from audited financial statements, IRS Forms 990, investment reports and other information furnished to UHS by the support organizations. The purpose of this report was to provide information on support organizations' activities and the Board of Regents' and UH System's responsibilities with respect to the foundations. As outlined in the report, the regents' fiduciary responsibilities to the UH System related to these organizations was addressed in agreements between the UH System and the organizations. In meeting the requirements of the Board of Regents' policy on support organizations, the UH System implemented a policy on support organizations which requires them to furnish certain information to the UH System. This requirement was spelled out in our agreements with the support organizations. The UH System has been in the process of trying to update these agreements for some time and all agreements have now been updated as noted in the compliance report. A brief discussion followed.

This item was presented for information only and required no committee action.

Following this presentation, Regent Welder moved to Item C on the agenda, the Report from Cambridge Associates regarding the UH System Endowment portfolio – University of Houston System and asked Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance to introduce this item.

Dr. Carlucci stated that before the committee would hear the report from Cambridge Associates, he wanted to address a question that was raised regarding the university's asset allocation. In order to respond to this question, Dr. Carlucci said that he reviewed six (6) years of reports that had been given to the university by Cambridge Associates. A Comparative Asset Allocation Analysis Report was prepared and distributed to the committee in a similar format which outlined the history that was used in the same format to analyze our performance. On this report, the UH 1 year, 3 years' and 5 years' performance was shown compared to the 19 institutions in our size (all Cambridge Associates clients); the college-university mean; 136 universities and colleges that they work with; the102 foundations; and the institutional mean. As noted, in December 2007, the UH System performance was good but we had zero private equity, zero venture capital, and zero emerging markets. Dr. Carlucci stated that these three (3) categories were distinct from our peers and that the university had no allocation to those asset classes.

In June 2008, after the market had had a serious correction, the university had a huge drop over the 1 year, 3 years' and 5 years' performance and performed much worse than our peers. We were at a negative compared to the results of our peers. It was emphasized that in the three (3) asset classes (private equity, venture capital, and emerging markets) we had nothing in those three (3) asset classes compared to our peers where they had, at times 5%-6% of their allocations in these asset classes. It was at this point that the university learned something about our asset allocations.

As of December 2010, the UH System had recovered. It was noted that UH's 1 year, 3 years', and 5 years' performance showed that the UH System had done quite well because the university had a great deal in equities and the market recovered; but we still had zero in private equity, zero in venture capital, and almost zero in emerging markets. Therefore, even though we were doing well, we had not diversified into these asset classes. It was in 2010 that the university engaged Cambridge Associates to assist us to not only do analytical work but also to build out our portfolio.

The next display was the result of almost two years' worth of work with Cambridge to come up with a targeted portfolio that was to reflect our attempt to invest in those three (3) asset classes in order to protect the university against the next market downturn. It was determined that we would invest 20% in hedge funds; 17% in private equity; and 10% in developing markets. This

was a real diversification strategy by placing almost 50% of our assets into those three (3) asset classes. After reviewing several years of materials, Dr. Carlucci stated it was clear that we went from discussing asset allocations (or rebalancing our portfolio) over a period of years to discussing manager selections. He believes that this history reflects our asset allocation; how we got there; and why we got there. The Board has the authority to change the asset allocation and certainly the questions being asked are appropriate, but this history states that the Board went to diversification and the reason for doing so is still valid. Dr. Carlucci stated that Regent Hollingsworth has had much more experience than most individuals present with the diversification of a large endowment; and while we will continue to have the asset allocation conversations, it was noted that we did do very well in our equity investments, but again not as dominant in the endowment as they once were.

This report was an attempt to respond to the question raised as to why our asset allocation was the way it was and to respond that we have also been aggressively building out our managers in the last few years. We will continue to do more, but particularly in private equity as it does take years for the investments to pay off. A brief discussion followed.

Regent Hollingsworth pointed out that there have been questions raised concerning how the UH's endowment was performing relative to other endowments our size. He thanked Dr. Carlucci for his report and Mr. Hamilton Lee's comments. The board wanted to be sure in terms of our risk adjusted return and we wanted to ensure that the endowment has the best possible asset allocation in your recommendation(s) to achieve our goals and to be at or above the mean of our peers. At this point, he has heard that as of the current market this is the recommended asset allocation. Was that correct? Mr. Lee confirmed that it was; and one of the important things that this group has done recently was to realize that due to the nature of UH's payout representing a small part of the budget, Cambridge stated that UH can afford to take on more risks, but also smart moves have been made in identifying the right types of risks to take.

Regent Hollingsworth asked that Mr. Lee introduce the Cambridge team who were present at the meeting; they were as follows:

- Phil Fiske and Katherine Chu - both involved in building out the private equity portfolio. They are responsible for identifying and accessing the top tier managers and ensuring that we have exposure in the correct areas;
- Shannon Thomas is Mr. Lee's fellow generalist consultant - together they set recommendations for asset allocation strategy and manager selection on all of the portfolio outside of the hedge fund and private equity realm; and
- Mark Dalton resides in Houston and is a hedge fund specialist. His responsibility is to monitor, identify, and access the best hedge fund managers. As Dr. Carlucci had pointed out earlier, and as Regent Hollingsworth has noted, it takes quite a bit more time to build out an allocation to private investment due to the life cycle of those funds then it does for a fund where one might invest the full 10%, etc. immediately. A hedge fund falls somewhere in between but it is much quicker than private equity.

A lengthy discussion followed. Regent Welder stated the discussions on asset allocation and the history of where we have been and where we are today were excellent and asked if there

were any additional questions or comments related to this issue. Regent Welder commented that once your target asset allocation was set, it was important to stay on task; therefore it was important to have a target allocation and for the most part to stick to it. There can be strategic shifts over longer periods of time but to be monkeying with the asset allocation model, quarter-to-quarter or even year-to-year sometimes can get you in trouble. Therefore, rebalancing should take care of a lot of it when a particular sector over-performs or under-performs. Rebalancing should correct that but our target should be relatively consistent.

Following the discussion of asset allocation, Regent Welder asked Cambridge to continue with their report.

Mr. Lee gave a brief performance update of the endowment portfolio as of March 31, 2014 and below is a brief outline of his comments.

- The University of Houston ended the first quarter up +1.2%, with all asset classes positive on an absolute basis.
- As of March 31, 2014, the quarter-to-date performance (12/31/13-03/31/14) and the trailing one-year performance (03/31/13-03/31/14) were addressed. The endowment was up 10.7%, approximately 50 basis points ahead of the benchmark. Over the course of the last year, there were still signs of what was driving the markets in 2013 – primarily risk assets and most noticeably U.S. and developed markets – up strong double digits.
- The one exception noted was emerging markets (developing markets) which in U.S. dollar investor terms was actually down. The University of Houston's manager was down -6.5% while the benchmark was down -1.1%. Mr. Lee noted this for several reasons:
  1. The entire amount represented Aberdeen which for the past four (4) years has been UH's only emerging markets manager.
  2. At a recent meeting when the asset allocation was addressed, it had been decided to double the allocation to emerging markets because of the attractive risks and adjusted returns it promises going forward. It was recommended to add another manager, Oldfield, which was approved and actually just funded in two (2) tranches – the first being five (5) days ago (May 1, 2014) and the second one being June 1, 2014.
  3. Mr. Lee stated that Cambridge would be recommending that the university terminate Aberdeen. It was highlighted that Aberdeen had underperformed by a wide margin but that it was the first time they have underperformed in the past five (5) years they have been in the portfolio. In the past 4-1/2 years, Aberdeen has beat the benchmark by approximately 460 basis points annualized; so their average annual compound return was 8.1% versus 3.6% for the benchmark. This was one of the real success stories in the portfolio over the last five (5) years.
  4. Aberdeen could continue this trend but Cambridge stated that their concerns were not recent performance based, but rather that their assets have moved from $10 billion, five (5) years ago to $50 billion now and they are dramatically restrained in terms of their liquidity and how nimble they can be in the market. A brief discussion followed these comments; and this issue would be addressed later on in the meeting.

Mr. Raymond Bartlett, Treasurer for the UH System added that in the Watch List materials that the committee had worked on a year or so ago to refine those, it clearly identified that one of the reasons that we would act quickly to remove a manager would be for qualitative reasons, whether the portfolio manager (PM) leaves or significant growth or a decrease in assets under management. There might be something systematic in the organization that leads us to want to be one of the first out, not the last out.

Mr. Lee presented the UH performance snapshot for the total UH portfolio over multiple time periods. Over the trailing 1-year, 3-years, and 5-years periods, the endowment portfolio has outperformed both its dynamic and its policy benchmarks by a fairly strong margin. The annualized since inception goes back to 2000. But to points made earlier by Dr. Carlucci, Cambridge has begun to work with the University of Houston in a more proactive and directive approach including the hedge fund and private equity build out of the programs. But if you compare the value added of managers to the benchmark to the previous five (5) years, the average value added relative to the benchmark was negative for the five (5) years prior to that change in strategy. Since then Cambridge has been able to improve the relative performance over the course of the last five (5) years through not only asset allocation but through manager selection, not only in the hedge funds and privates but elsewhere in the portfolio.

Mr. Mark Dalton presented the committee with the performance and allocation of the hedge fund program and below is a brief summary of his remarks.

- As of March 31, 2014, the University of Houston’s hedge fund allocation outpaced its HFRI benchmark by +5.5% over the trailing 1-year, and has achieved 66% of the return of global equities with approximately 40% of the volatility over the same time period.
- It was noted that Coatue had had a difficult first quarter, with the fund losing -6.0% for the period. March was a particularly difficult month, as the fund lost nearly -9% as part of the broad pullback among growth-oriented equities. Mr. Dalton stated at this time, Cambridge does not have any real concerns regarding this manager and believes that Coatue, as proven by its long-term record, is the best manager focused on technology. A brief discussion followed regarding this manager.

Ms. Katherine Chu presented the committee with an update on the University of Houston’s private investments (PI) and below is a brief summary of her comments.

- The UH’s private investments program is still relatively immature and at this point in time, the net asset value of the program is $41.5 million which ends up being a 7.0% allocation versus the total pool amount.
- Of the commitments made, $36.8 million is still unfunded which means that that capital will be called in the future and 65% of the money that has been put in has been paid back in distributions.
- The university is building its allocation from the current level of 7% to a long-term allocation and target of 17.5%.
- As we build our program to that target allocation, there are several things to consider, such as at what pace are we committing every year to get to that allocation and how quickly do we want to build this program? To reiterate Mr. Fiske’s earlier comment, Cambridge does believe it will take 4-6 or 5-7 years to prudently build a private investment program. With that being said, on a regular basis, Cambridge would like to reevaluate at what pace they are committing capital to building our program.

- After doing their modeling, one recommendation made by Cambridge was to increase the pace at which the university was committing capital to our private investment program.
- Since inception, the University of Houston’s private investment program returned 15.4%.
- Given the endowment’s strong growth, and to keep the private investment program building steadily toward a 17.5% target, Cambridge recommended increasing the commitment pace so it is commensurate with that growth.

- In summary, the university's current allocation pace has been $12-$15 million per year; and Cambridge recommended increasing the private investment commitment to $25-$35 million per year.
- The breakout would be between private equity / venture capital and hard assets.
- If the university does want to build out the private investment program prudently, it does take time and patience; typically 5-7 years to build out the private investment program.
- Manager selection is key since there is a significant dispersion of returns among private investments managers.
- Diversify by vintage year and asset sector to mitigate risk.
- Avoid overheated/overvalued sectors.
- And once a private investment program is stable, unfunded commitments should total ~50% of targeted NAV.
- Since 1995, the difference between the top quartile relative to the U.S. Private Equity and U.S. Venture Capital median has been 7.5% and 11.0%, respectively.

Mr. Phil Fiske addressed the two near term (NT) opportunities:
1. Insight Equity Fund III which is a distressed for control manager based in South Lake, Texas; and
2. Lexington Capital Partners Fund VIII which is a large secondary fund based in New York.

Mr. Fiske discussed the forward calendar of private investment managers which is used to identify funds that not only will be raising funds this year but next year through 2016 to help plan our programs. Even if Cambridge found some great managers in a particular sector in 2014, it would be important to know who is coming back in 2015 and 2016, so again they can get the proper vintage year diversification.

Mr. Fiske presented an overview of Insight Equity Fund III who is raising their third distressed for control fund. They are targeting the fund at $750 million. They have had a couple of closes already and they are trying to wrap up the fund this summer before our next meeting in August. Mr. Fiske stated he wanted to bring this to the committee's attention to preview it in order to see if the committee had an interest. If so, Cambridge would need to receive approval within the next couple of weeks and before the next formal meeting scheduled in August.

Insight focuses on underperforming companies in asset, intensive industries. Insight is based in Texas and led by four (4) partners who have worked together for 41 cumulative years. The firm is comprised of an 18-member investment team with multi-disciplinary backgrounds and operational expertise. Three (3) of the four (4) senior partners came from Bain Consulting and worked together in the 1990s at that firm. Two of the partners founded Insight in 2002 and the fourth partner was someone they hired as an associate in 2005 and has progressed through the

ranks over the past nine years. It is a team that has very extensive experience, very relevant experience and much of their work at Bain was working with troubled divisions of larger companies.

Mr. Fiske stated the principles of the company were investing $75 million of their own dollars into the fund, so 10% of the fund was coming from the four (4) principles which speaks highly of the confidence they have in their ability to perform going forward. Mr. Fiske and Ms. Chu are still in the process of completing their due diligence and were not ready to come to the committee with a formal recommendation, but they suspect that if everything was positive, they would be ready within the next three weeks to recommend this fund. It is a fund that is likely to be closed by the August timeframe. If the committee should decide to move forward, Cambridge recommended a commitment of $5.0 million. A lengthy discussion followed.

Regent Welder stated that when opportunities like this one present themselves that are solid, the committee chair can act, in conjunction with the chair of the finance and administration committee and approve the recommended action and then report back to the committee and the Board at their next regular meeting of the action(s) that had been taken so that these opportunities were not missed.

Mr. Fiske stated the second private equity opportunity presented by Cambridge was Lexington Capital Partners Fund VIII. This fund will most likely be opened throughout the remainder of the year. Mr. Fiske presented this opportunity to the committee stating that Lexington was a global, diversified secondary fund. They invest on a global basis and it is heavily orientated towards private equity and buyouts, but they will do some venture capital as well. They invest in the U.S. and Europe and Asia. It is a very senior team and the investment committee members have been at Lexington an average of 16 years with very little turnover.

Cambridge believes that a large secondary fund such as Lexington would be very well positioned in today's environment. Over the next four (4) years, Cambridge believes there will be a robust market of sellers in the marketplace. One of the values of investing in a secondary fund like Lexington is that the average asset one is buying has been in the ground 5-6 years; therefore, you are buying a private equity fund today that may be a vintage 2008 fund so 80% of that fund is already in the ground so if or when the money is committed it is immediately invested.

After reviewing the last four (4) funds, Mr. Fiske stated that all of them were above median. Three of the four (4) have net returns larger than 18%. It is a very diversified portfolio so Cambridge would not be overly committing to funds in any one geographic area; not overly committing to funds in any one particular vintage year; and not overly committing the funds in any one particular asset class. Following their review, Cambridge would come back to the committee with a recommendation of a $10.0 million commitment to Lexington.

During the investment period, the management fee would be 1% on committed capital for investors committing more than $10 million and 1.25% on committed capital for investors committing less than $10 million. After the investment period, the management fee would be 0.85% on the sum of NAV and unfunded commitments for secondary deals and 0.50% on the sum of NAV and unfunded commitments for primary investments. A brief discussion followed.

At this time, both near-term opportunities, Insight Equity Fund III and Lexington Capital Partners Fund VIII, were presented to the committee for information only.

Following these presentations by Cambridge Associates, the next three (3) action items on the agenda were presented together as follows:

Item D, Approval is requested to terminate an investment manager and to delegate authority to the Chancellor to negotiate and execute contracts for the hiring of investment managers for the University of Houston System Endowment Fund – UH System;

Item E, Approval is requested to delegate authority to the Chancellor to negotiate and execute contract for the hiring of a hedge fund investment manager for the University of Houston System Endowment Fund – UH System; and

Item F, Approval is requested to redeem the University of Houston's Investment in a hedge fund – UH System.

Dr. Carlucci introduced these items and Ms. Shannon Thomas, from Cambridge Associates, presented the first item, Item D, for the committee's consideration. Ms. Thomas stated that Cambridge was recommending the termination of Aberdeen and they would replace this firm with Somerset, which is a London-based boutique. The Somerset team has been together for approximately 10 years and their strategy is similar to Aberdeen in that they focus on quality GARP – growth-at-a-reasonable-price type companies but they also focus a little bit more on smaller SMID-cap stocks which is a nice compliment to Oldfield who focuses on large cap value. Like Oldfield, Somerset is a concentrated portfolio - it might hold 40 stocks in their portfolio and they are very high conviction.

When adding Somerset, another allocation was recommended to add Northern Trust, an emerging markets index fund. It is the non-securities lending option. A couple of reasons to add the emerging markets index fund along with the two active managers is that both of these managers are high conviction concentrated portfolios. Cambridge believes they will do well. A couple of reasons to add the index were noted: (a) inexpensive fees – 22 basis points to be in the index which is nice to bring the overall fees down; and (b) the daily liquidity of having the index exposure is helpful just from a rebalancing aspect.

Mr. Dalton presented the remaining two items, Item E and Item F, the hiring of a hedge fund investment manager for the committee's review and the redemption of an investment in a hedge fund. Mr. Dalton stated there were two recommendations being requested by Cambridge for the committee's consideration.

1. A $10.0 investment in SRS Partners Funds, a global long/short equity manager, as a replacement for Scout who returned investors' capital earlier this year; and
2. A redemption of $4.5 million from Samlyn Capital, LLC, at the first available opportunity (June 30, 2014).

Mr. Dalton stated that SRS Investment Management was founded by Portfolio Manager Karthik Sarma in 2007. Prior to founding SRS, Sarma worked as an analyst and managing director for five (5) years at the well-known hedge fund Tiger Global. SRS Partners Funds, the firm's only fund, was launched in March 2007 with $125 million in seed capital; and as of 12/31/13, the fund AUM was approximately $2 billion. The team spends approximately 70% of its time researching short positions, which have a 6-month average holding period, compared to 18 months on average for long positions. SRS seeks to construct a concentrated portfolio with gross exposure of 100-150% and net exposure of 0-50%. The portfolio comprises 25-60 positions, where long positions are sized at 2-15% of assets and short positions are typically 1-

6% of assets. SRS maintains a well-defined mandate that avoids sectors and securities that are outside the team's area of fundamental expertise.

Mr. Dalton addressed the full redemption of Samlyn Capital. Samlyn is a U.S., value-oriented, long/short equity fund which focuses on bottom up fundamental research. The position in Samlyn was originally funded in December of 2010 and has returned +7.2% since inception versus +5.8% for the custom hedged equity benchmark. Performance has been mediocre over the past three (3) years, returning +6.7% versus +6.1% for the benchmark. Their management fee of 2% is larger than the 1.5% average hedge fund management fee and their portfolio consists of 200 positions, making alpha generation more challenging. Since launching in 2007 with a specific focus on financials and healthcare, Samlyn has added sectors including industrials, energy and consumer. Cambridge recommended fully redeeming from Samlyn effective June 30, 2014.

On a motion by Regent Armour, seconded by Regent Madison, and by a unanimous vote of the committee members in attendance, the following three items were approved by the committee:

1. Approval is requested to terminate an investment manager (Aberdeen) and to delegate authority to the Chancellor to negotiate and execute contracts for the hiring of investment managers (Somerset and Northern Trust) for the University of Houston System Endowment Fund – UH System;

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute contract for the hiring of a hedge fund investment manager (SRS Partners) for the University of Houston System Endowment Fund – UH System; and

3. Approval is requested to redeem the University of Houston's Investment in a hedge fund (Samlyn Capital) – UH System.

These items unanimously approved by the committee do not require further board action.

The Report from Cambridge Associates regarding the topic of Active Share as it relates to the UH System endowment's active manager structure – UH System was addressed by Mr. Lee. This was an information item and Cambridge wanted to share information with the committee on how thinking about manager selection was developing and how they were looking at the UH portfolio in light of new analyses that come to the fore. A recent paper was written by Cramers

& Petajisto (Yale 2009) on "How Active is your Active Manager" and the methodology that they had come up with was called "active share" which is simply a measure of how different a manager's portfolio is from his benchmark. It is the sum of all absolute differences in weights of individual stocks relative to benchmark weights, divided by 2. For large cap equity managers, active share around 80 or higher is considered strong, while for small cap the number was closer to 90.

Cambridge had completed a white paper which indicated that more active managers – those that look different from their benchmarks – have better long-term returns. However, active share alone was not enough to go on. Concentration and tracking error were critical elements as well. Generally, higher concentration (fewer than 30 stocks for large cap, 40 for small cap) had a correlation with superior returns. Lower tracking error was associated with reducing the risk of outsized underperformance. In combination, these factors demonstrate an improved ability to isolate managers that were most likely to outperform their benchmarks – though there were still underperformers within this group, and all the caveats about the best managers temporarily underperforming still applied. Mr. Lee stated that the paper written by Cambridge, entitled *"2014 Hallmarks of Successful Active Equity Managers"* was included in their materials for reference.

Mr. Lee also addressed the active share in a manager structure. While active share provides a powerful framework for selecting individual managers, it also has important implications for a group of managers in aggregate (the "manager structure"). The obvious tradeoff between active and passive management is fees: Are you earning an excess return over a passive option for the fees you're paying to your active managers? Many investors employ both passive and active elements in order to reduce costs and control tracking error. Mr. Lee pointed out that the implication for manager structures is that the lower the active share of the aggregate structure, the higher the outperformance of individual managers needs to be and vice versa. While there is no "magic number" for the active share of manager structure, it is simply a tradeoff between attempting to gain excess return through active management versus reducing the risk of underperforming the market net of fees. The right answer is a function of where the investor's comfort lies.

This item was for information only and required no committee action.

Regent Welder thanked Cambridge for all of their presentations and reports given at the meeting.

The final item presented for information only was Item I, Report on the UH System's Invested Funds and Bank Deposits – UH System. Mr. Raymond Bartlett, Treasurer for the UH System presented this report.

Mr. Bartlett gave a summary of the report on the UH System's invested funds and bank deposits which focused mainly on non-endowed, bonds and debt service funds. The total invested funds and bank deposits were $1.3 billion. The total non-endowed funds was $533.1 million; the bond proceeds project funds totaled $198.6 million; and the debt service funds totaled $261K.

The bond and debt service funds are invested in triple AAAm-f rated money market funds and spent down over time as construction expenditures are incurred or debt service is paid. The investment of these funds is governed by the System Investment Policy for Non-Endowed Funds which requires that we focus on safety of principal, liquidity, and yield in this order of importance. This information is also posted on the Administration and Finance website within 60 days of the end of each fiscal quarter and submitted annually to the State Auditor's Office, Legislative Budget Board, Texas Comptroller of Public Accounts, and the Governor's Office of Budget, Planning and Policy.

This item was for information only and required no committee action.

There was no Executive Session held.

There being no further business to come before the Committee, the meeting adjourned at 3:22 p.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

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Others Present:

Renu Khator	Hamilton Lee	Mark Dalton
Carl Carlucci	Katherine Chu	Phil Fiske
Paula Myrick Short	Shannon Thomas	Raymond Bartlett
Dona Cornell	Don Guyton	Craig Ness
Vic Morgan	Tom Ehardt	David Ellis
Rathindra Bose	Chris Stanich	Phil Booth
Eloise Dunn Stuhr	Brian Thomas	Jon Aldrich
Marquette Hobbs	Brenda Robles	Gerry Mathisen