

**MINUTES OF MEETING OF
THE COMPENSATION COMMITTEE OF
THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY**

The Compensation Committee (the "Committee") of the Board of Directors of The University of Texas Investment Management Company (the "Corporation") convened in special meeting on the 24th day of February, 1998, at the offices of Hicks, Muse, Tate & Furst, Incorporated, 200 Crescent Court, Suite 1600, Dallas, Texas, said meeting having been called by Thomas O. Hicks, with notice provided to each member in accordance with the Bylaws. Participating in the meeting were the following members of the Committee:

Thomas O. Hicks
J. Luther King, Jr.

thus, constituting a majority and quorum of the Committee. Also, participating in the meeting was Thomas G. Ricks, President of the Corporation; Jerry E. Turner, legal counsel for the Corporation; and Cathy Iberg, Secretary of the Corporation. Mr. Hicks called the meeting to order at 12:15 p.m.

Appointment of Chairman of the Committee

The first item of business to come before the Committee was the election of a new chairman for the Committee. Mr. Fisher resigned from the Corporation's Board on December 24, 1997. Mr. Hicks introduced a motion nominating J. Luther King, Jr. to serve as the Committee Chairman. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that J. Luther King, Jr. be elected the Chairman of the UTIMCO
Compensation Committee.

Approval of Minutes

The second item to come before the Committee was consideration of approval of the minutes of the Committee meeting held on December 10, 1997, copies of which had previously been distributed to each Committee member. After discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the minutes of the meeting of the Compensation Committee held on
December 10, 1997, be and are hereby approved in the form presented to the
Committee.

Review of 1997 Performance

The next item to come before the Committee was a comprehensive review of the Corporation's performance report for the year ended December 31, 1997, copies of which had previously been furnished to each member of the Committee. Mr. Ricks reviewed with the Committee the Corporation's performance for each one of the Funds under Corporation's management. In addition to the Fund level performance, Mr. Ricks reviewed with the Committee the investment performance of individual investment managers recommended to receive awards under the Corporation's Performance Compensation Plan. Mr. Ricks answered various questions of the Committee members.

1997 Performance Compensation Plan Awards

Following the review of the 1997 performance report, Mr. Ricks proceeded to discuss the recommended 1997 Performance Compensation Plan Awards for Corporation's employees. Copies of the 1997 performance compensation recommendations had previously been furnished to each Director. Mr. Ricks went over the various plan types incorporated in the Performance Compensation Plan in addition to the recommended amounts for each employee covered under the plan. Mr. Ricks responded to the questions of the Committee members. Committee members expressed concerns that no plan awards for 1997 were recommended for the Corporation's President and Managing Director - Public Markets. Mr. Ricks then responded to questions regarding the methodology of the Performance Compensation Plan. Following a discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the 1997 Performance Compensation Plan Awards prepared by Corporation's management be and are hereby approved in the form presented to the Committee, except that no action is taken with respect to plan awards for the Corporation's President and Managing Director – Public Markets.

Further, Mr. Ricks was directed to report on recommended changes to the Performance Compensation Plan that would address concerns expressed by Committee members. Mr. King stated that upon receipt of such report, he would schedule a Committee meeting to consider plan changes as well as to consider 1997 plan awards for the Corporation's President and Managing Director - Public Markets.

There being no further business to come before the Committee, the meeting was adjourned at approximately 12:30 p.m.

Approved: _____
Committee Chairman

Date: _____

