

**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 1st day of April, 1998, at the offices of Hicks, Muse, Tate & Furst, Incorporated, 200 Crescent Court, Suite 1600, Dallas, Texas, said meeting having been called by J. Luther King, Jr., 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.
Robert H. Allen

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. King called the meeting to order at 9:25 a.m.

Approval of Minutes

The first item to come before the Committee was consideration of approval of the minutes of the Committee meeting held on February 24, 1998, 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 February 24, 1998, be and are hereby approved in the form presented to the Committee.

Approval of the 1998 Performance Plan

The next item to come before the Committee was a comprehensive review of the Corporation's performance plan including proposed amendments to the plan, copies of which had previously been furnished to each member of the Committee. Mr. Ricks reviewed with the Committee the existing plan structure and the recommended changes to the plan. Changes to the plan included a change in the calculation of the private investment professional's performance compensation to

convert deferred compensation for private investment staff under Plan B to a current basis. This change proposed to replace a complicated long-term deferred performance compensation structure with a structure in which current performance compensation would be paid based on a measurement matrix of several private investment objectives. The proposed plan also eliminated Plan C which included non-investment professionals and combined these individuals with the Plan B members. Performance Compensation for all members in the plan will now be based on investment benchmarks predetermined by the Compensation Committee. The Committee discussed the new plan structure and Mr. Ricks answered their questions. After discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that Amendment No. 1 to UTIMCO Performance Compensation Plan be and is hereby approved in the form presented to the Committee.

Additional 1997 Performance Compensation Plan Awards

The next item presented to the Committee was to discuss the 1997 compensation awards for the private investment staff consisting of Austin Long, Craig Nickels, and Charles Preston. The Committee discussed appropriate awards for the private investment staff based on their performance for 1997. Mr. Ricks discussed with the Committee the accomplishments of the staff for 1997 and answered questions from the Committee members. Following the discussion it was recommended that the private investment professionals be paid performance compensation equal to 50% of their 1997 base pay. The next item brought to the Committee for discussion was the 1997 compensation awards for Dave Russ and Thomas Ricks. This action was deferred from the prior compensation committee meeting held on February 24, 1998. Mr. Ricks reviewed with the Committee the recommendation for bonus compensation for Mr. Russ and Mr. Ricks in which materials were previously provided to the Committee members. The discussion centered on Mr. Russ's accomplishments following employment at the Corporation. The Committee members determined that the recommended amount as provided by management did not reflect an appropriate amount of performance compensation to Mr. Russ. Based on this discussion it was determined that Mr. Russ be paid performance compensation based on 50% of his 1997 base pay. At this time Mr. Ricks and Ms. Iberg left the room and the members of the Committee convened in executive session.

During executive session, the Committee members determined that the recommended amount provided by management also did not reflect an appropriate amount of performance compensation to Mr. Ricks. Based on this discussion it was determined that Mr. Ricks be paid performance compensation based on 25% of his 1997 base pay.

Following a discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that additional 1997 performance compensation plan awards be paid to Austin Long, Dave Russ, Craig Nickels, and Charles Preston in amounts equal to 50% of their 1997 base compensation and that an additional 1997 performance compensation plan award be paid to Thomas Ricks equal to 25% of his 1997 base compensation.

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:05 a.m.

Approved: _____
Committee Chairman

Date: _____