

~~MINUTES OF A SPECIAL MEETING OF~~
**THE BOARD OF DIRECTORS OF
THE UNIVERSITY OF TEXAS
INVESTMENT MANAGEMENT COMPANY**

The Board of Directors of The University of Texas Investment Management Company (the "Corporation") convened in special meeting on the 21st day of April, 1997 by means of conference telephone enabling all persons participating in the meeting to hear each other, said meeting having been called by the Chairman with notice provided to each Director in accordance with the Bylaws. Participating in the meeting were the following members of the Board of Directors:

Thomas O. Hicks, Chairman
Robert H. Allen
William H. Cunningham
Richard W. Fisher
Tom Loeffler
Homer L. Luther, Jr.

thus constituting a majority and quorum of the Board of Directors. Also participating in the meeting were Thomas G. Ricks, President of the Corporation; Jerry E. Turner, Secretary of the Corporation; and A.W. "Dub" Riter, Jr., a member of the Board of Regents of The University of Texas System (the "System"). Directors Donald L. Evans, Susan M. Byrne, and J. Luther King, Jr., were absent from the meeting; however, Mr. King joined the meeting in progress as indicated below. Mr. Hicks called the meeting to order at approximately 2:10 p.m.

Appointment of Members of Audit & Ethics Committee

The first matter to come before the Board of Directors was the appointment of new members of the Audit & Ethics Committee. After discussion, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that, subject to approval by the Board of Regents of the System, Robert H. Allen, Susan M. Byrne and A.W. "Dub" Riter, Jr., be appointed members of the Audit & Ethics Committee to serve until February 1, 1999, or until their successors are chosen and qualify, or until their earlier resignation or removal; and be it further

RESOLVED, that Robert H. Allen be designated the Chairman of the Audit & Ethics Committee to preside at Committee meetings.

Change in Fiscal Year

Next, the Board of Directors considered a change in the fiscal year of the Corporation. After discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the fiscal year of the Corporation shall begin on January 1 of any year and end on December 31 of the same year.

(At this point, Mr. King joined the meeting in progress.)

Report of Compensation Committee

Mr. Hicks then called upon Mr. Fisher to present a report from the Compensation Committee regarding the proposed terms of a performance compensation plan for Corporation employees. Mr. Fisher reminded the Board of Directors that they had previously approved a Total Compensation Assessment Report prepared by William M. Mercer, Incorporated, and had adopted the recommendation contained therein.

Mr. Fisher stated that the Compensation Committee had worked with Mr. Ricks and representatives of William M. Mercer, Incorporated, to design a 1997 performance compensation plan for Corporation employees. Mr. Fisher stated that the premise of the plan was that the Corporation must reward performance in order to get performance. Mr. Fisher then asked Mr. Ricks to review the proposed plan.

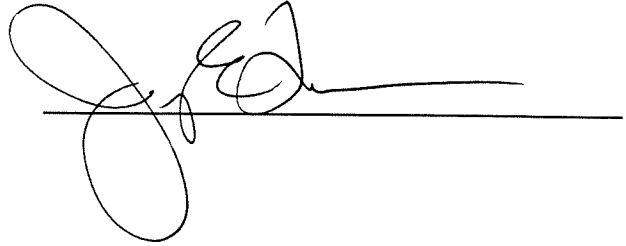
Mr. Ricks then reviewed a written report entitled "Performance Compensation Plan," copies of which had previously been distributed to each Director. Mr. Ricks also responded to questions from the Directors. After discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the terms of the 1997 Performance Compensation Plan, as presented by Mr. Ricks, are hereby approved.

Mr. Ricks stated that a written plan document incorporating the terms approved by the Board of Directors would be prepared. Mr. Ricks was directed to have the Corporation's general counsel, Vinson & Elkins L.L.P., review the plan document prior to the June meeting of the Board of Directors.

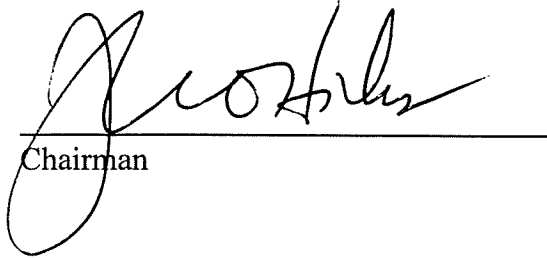
There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 2:45 p.m.

Secretary



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

APPROVED:



A handwritten signature in black ink, appearing to read 'J. O. Hines', positioned above a solid horizontal line.

Chairman