

~~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 25th day of June, 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
Susan M. Byrne
William H. Cunningham
J. Luther King, Jr.
Tom Loeffler
Homer L. Luther, Jr.
A. W. Riter, 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 Austin M. Long, Craig Nickels and Charles Preston of the Corporation management. Directors Robert A. Allen and Richard W. Fisher were absent from the meeting. Mr. Hicks called the meeting to order at approximately 3:00 p.m.

Approval of Purchase of Portfolio from S.G. Warburg Investments (U.S.A.)

The first matter to come before the Board was consideration of a participation in the purchase of ten limited partnership interests from S.G. Warburg Investments (U.S.A.) (the "Warburg Portfolio"). Mr. Long reviewed an Executive Summary describing the proposed limited partnership investment, copies of which had previously been furnished to each Director. Mr. King stated that clients of his firm own publicly-traded stock in Chartwell Re Corp., one of ten companies that comprises the Warburg Portfolio. Mr. Luther requested a periodic review of the private equity investments and the status of particular investments. Mr. Turner reported that Mr. Allen had disclosed that he is a director and chairman of the Audit and Ethics Committee of Gulf Canada Resources, one of the ten companies that comprises the Warburg Portfolio. Mr. Allen's ownership is significantly less than the 5% threshold of Section 66.08 of the Texas Government Code, but he had informed Mr. Turner that he would abstain from deliberation or voting on the Warburg Portfolio. By motion duly made and seconded, the following resolution was unanimously adopted;

WHEREAS, the Board has reviewed an Executive Summary prepared by Corporation's management recommending that the Corporation enter into an agreement (the "Agreement") with S.G. Warburg Investments (U.S.A.) ("Warburg") to invest Permanent University Fund

("PUF") and Long Term Fund ("LTF") assets to acquire \$10 million of a total purchase price of \$34.6 million of limited partnership interests from Warburg (the "Fund"); and

WHEREAS, the Corporation has determined that the Agreement does not constitute an agreement or transaction entered into in violation of Subsection 66.08(i) of the Texas Education Code;

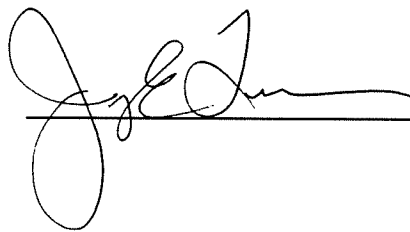
NOW, THEREFORE, BE IT RESOLVED, that the terms and provisions of the proposed investment as described in S.G. Warburg Investments (U.S.A.) Executive Summary dated June 25, 1997 be approved; and be it further

RESOLVED, that the President and any Vice President of this Corporation be, and each of them hereby is, authorized to make such further revisions to the terms and provisions as may be necessary or in the best interests of this Corporation, excluding an increase in the amount of the capital commitment to the Fund; and be it further

RESOLVED, that the President and any Vice President of this Corporation be, and each of them hereby is, authorized and empowered (any one of them acting alone) to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all notices and certificates required or permitted to be given or made under the terms of the Agreement), in the name and on behalf of the Corporation, or otherwise, as such officer of this Corporation may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 3:15 p.m.

Secretary



APPROVED:



Chairman