

**MINUTES OF 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 a special telephonic meeting enabling all participants to hear, on the 23rd of August 2000 at the UTIMCO Board Room, 210 West 6th Street, Second Floor, Austin, Texas 78701, said meeting having been called by the Vice 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 (the "Board"):

Robert H. Allen, Vice Chairman
Susan M. Byrne
Woody L. Hunt
L. Lowry Mays
A. W. "Dub" Riter, Jr.
A. R. (Tony) Sanchez, Jr.

thus, constituting a majority and quorum of the Board of Directors. Director R. D. (Dan) Burck was absent. Director John D. McStay and J. Luther King, Jr. joined the meeting in progress as indicated below. Also participating in the meeting were Thomas G. Ricks, President of the Corporation; Cathy Iberg, Secretary of the Corporation; Dave Russ of Corporation's management; and Jerry Turner, Vinson & Elkins, legal counsel for the Corporation.

Mr. Allen called the meeting to order at 10:00 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each Director.

Minutes

The first item to come before the Board was approval of the minutes of the meeting of the Board of Directors held on June 29, 2000. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Board of Directors held on June 29, 2000 be and are hereby approved.

Mr. J. Luther King, Jr. joined the meeting following approval of the Board minutes.

Approval of Portfolio Managers-Alternative Equities, Marketable:

The next item to come before the Board of Directors was a follow-up review and approval of \$200 million commitment to Satellite Fund V. At the June 29, 2000 meeting the Board of Directors requested that two covenants to the partnership agreement be completed prior to approval. These covenants related to the general partners' investment of capital and the size and number of all capital managed by Satellite Asset Management. In response to the Board's request, Mr. Ricks and Mr. Russ stated that the principals of Satellite Asset Management agreed to invest a minimum of \$30 million in personal capital in the Satellite funds in addition to limiting the number of single investors to seven, and limiting the aggregate size of all funds under management to \$3.5 billion of initial contributed capital. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that capital contributions of up to \$200 million in the aggregate are hereby authorized to be made to Satellite Fund V, L. P. (the "Satellite Fund") on behalf of PUF, PHF and LTF, as limited partners of the Satellite Fund; and be it further

RESOLVED, that the capital contributions to Satellite Fund shall consist of initial capital contributions in the aggregate amount of \$150 million, plus a \$50 million reserve for future capital contributions for special situations as approved by the President and CEO of the Corporation.

Approval of Follow-on Direct Co-Investment-Alternative Equities, NonMarketable:

The last item presented to the Board of Directors was a review and approval to invest up to an additional \$6 million in Songbird Hearing, Inc. Mr. Ricks and Ms. Iberg reviewed the background information previously distributed to the Directors and answered their questions. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, the Board has reviewed a Due Diligence Review and Recommendation prepared by the Corporation's management recommending that the Corporation enter into a stock purchase agreement (the "Agreement") with Songbird Hearing, Inc. to invest up to an additional \$6 million of PUF, PHF and LTF assets in Songbird Hearing, Inc.;

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 the Due Diligence Review and Recommendation dated August 23, 2000 for Songbird Hearing, Inc. be approved; and be it further

RESOLVED, that the President, any Managing Director, and the Secretary 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 the intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

Prior to the adjournment of the meeting Mr. John McStay joined the meeting and was updated on Board approvals. There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 10:27 a.m.

Secretary: Cathy King

APPROVED:

Vice Chairman: Frank H. Allen