

**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 meeting on the 23rd of January 2001, by means of conference telephone enabling all persons participating in the meeting to hear each other, with the Corporation's Office as the host at 221 W. 6th Street, Suite 1700, South Conference Room, Austin, Texas, 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 (the "Board"):

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

thus, constituting a majority and quorum of the Board of Directors. Director John D. McStay was absent. Also participating in the meeting were Thomas G. Ricks, President of the Corporation; Cathy Iberg, Secretary and Treasurer for the Corporation; David Russ of Corporation management; and Jerry Turner, Vinson & Elkins, legal counsel for the Corporation.

Mr. Allen called the meeting to order at 1:30 p.m. Copies of materials supporting the Board meeting agenda were previously furnished to each Director.

Alternative Equities-Nonmarketable

Mr. Ricks reviewed the Alternative Equities Nonmarketable exposure for the PUF, PHF and LTF and in total as of December 31, 2000. Mr. Ricks reported on the proposed commitment activity whereby the uncommitted budget would be reduced from \$470 to \$410 million with the investment recommendations for Austin Ventures VIII and American Securities Partners III. Mr. Ricks reviewed the investment recommendation prepared by Cambridge Associates for Austin Ventures VIII, L. P. and American Securities Partners III, L. P. recommending a commitment to each investment in the amount of \$30 million. Mr. Ricks also reviewed the amendment to the delegation of investment authority and answered the Directors' questions on the proposed investments and the amendment. Upon motion duly made and seconded, all the Directors present adopted the following three sets of resolutions except for Luther King whom abstained from voting on the Austin Ventures VIII investment. Mr. King stated that Austin Ventures employ his niece.

(1) WHEREAS, the Board has reviewed an Investment Recommendation prepared by the Corporation's private equity advisor, Cambridge Associates LLC, recommending that the Corporation enter into an investment agreement (the "Agreement") with AV Partners VIII, L. P. to invest up to \$30 million of PUF, PHF and LTF assets in Austin Ventures VIII, L. P.; 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 the Investment Recommendation dated January 17, 2001 for Austin Ventures VIII, L. P. be approved; and be it further

RESOLVED, that the President and any Managing Director 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 Austin Ventures VIII, L. P.; 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 intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

(2) WHEREAS, the Board has reviewed an Investment Recommendation prepared by the Corporation's private equity advisor, Cambridge Associates LLC, recommending that the Corporation enter into an investment agreement (the "Agreement") with American Securities Capital Partners, LP to invest up to \$30 million of PUF, PHF and LTF assets in American Securities Partners III, L. P.; 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 the Investment Recommendation dated January 17, 2001 for American Securities Partners III, L. P. be approved; and be it further

RESOLVED, that the President and any Managing Director 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 American Securities Partners III, L. P.; 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 intent of the foregoing resolutions and to perform the obligations of this Corporation under the Agreement and the instruments referred to therein.

(3) WHEREAS, the Board has heard a presentation recommending that the Corporation's CEO be authorized to approve follow-on capital commitments to private equity limited partnerships in amounts such that total exposure to such partnerships does not exceed 1% of the endowment asset and the commitment to a new follow-on partnership does not exceed .25% of the endowment asset base as defined in the Delegation of Investment Approval Authority adopted by the Board on September 26, 2000;

NOW, THEREFORE, BE IT RESOLVED, that the amendment to the Delegation of Investment Approval Authority, as presented, be and is hereby approved.

US Equities-Small Cap

Mr. Russ reported on the current asset allocation to Small Cap managers, the Small Cap Value search process and the Corporation's Small Cap Value strategy. Mr. Russ reported on investment manager finalists and presented the proposed Small Cap allocations upon implementation of the manager hires. Mr. Russ and Mr. Ricks answered the Directors' questions concerning the proposed new manager selections.

Presentation: Energy Outlook

Mr. Steve Strongin, Director of Commodity Research, Goldman Sachs & Co., joined the Board meeting and presented Goldman's current oil view over the next 4 weeks, 6 months and beyond a 12-month period and answered the Directors' questions.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 2:42 p.m.

Secretary: Cathy Mey

APPROVED:

Chairman: Robert M. Allen