

**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 day of December, 1998 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
Susan M. Byrne
William H. Cunningham
J. Luther King, Jr.
Tom Loeffler
A. W. Riter, Jr.

thus, constituting a majority and quorum of the Board of Directors. Director Homer Luther was absent. Also participating in the meeting were Thomas G. Ricks, President of the Corporation; Austin Long, Craig Nickels and Charles Preston of Corporation management ("Management"); and Jerry Turner, William Schurman and Andrew DiNovo of Vinson & Elkins, legal counsel for the Corporation. The meeting was called to order at 10:20 a.m.

Approval of Co-Investment in Terastor Corporation

The first matter to come before the Board of Directors was a discussion regarding a proposed co-investment in Terastor Corporation. Mr. Ricks reviewed a Confidential Memorandum dated December 21, 1998 describing the proposed investment and subsequent due-diligence, copies of which had previously been furnished to each Director. The Directors discussed the proposed investment and upon motion duly made and seconded, the following resolutions were adopted with all Directors voting for approval.

WHEREAS, the Board has reviewed a Short Form Due Diligence Review and Recommendation dated December 10, 1998 and a Confidential Memorandum dated December 21, 1998 prepared by the Corporation's management recommending that the Corporation enter into a stock purchase agreement (the "Agreement") to invest up to \$8 million of PUF and LTF assets in Terastor Corporation; 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 Short Form Due Diligence Review and Recommendation dated

December 10, 1998 and Confidential Memorandum dated December 21, 1998 be approved; and be it further

RESOLVED, that the President and any Managing Director or 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 Terastor Corporation; and be it further

RESOLVED, that the President, any Managing Director or Vice President, 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.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 10:50 a.m.

Secretary: _____

APPROVED:

Chairman: _____