

~~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 2nd day of May, 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
Susan M. Byrne
William H. Cunningham
J. Luther King, Jr.
Tom Loeffler

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, Richard W. Fisher, and Homer L. Luther, Jr., were absent from the meeting. Mr. Hicks called the meeting to order at approximately 10:30 a.m.

Approval of Minutes

The first matter to come before the Board of Directors was the approval of the minutes of the meeting of the Board of Directors held on April 14, 1997, copies of which had previously been furnished to each Director. 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 April 14, 1997 be, and are hereby, approved in the form presented to the Board.

Amendment of Corporation's Bylaws

The next matter to come before the Board of Directors was the consideration of a proposed amendment to Article I of the Bylaws adding Section 5, entitled "Prohibited Transactions," and Section 6, entitled "Revolving Door", copies of which had previously been distributed to each Director. Mr. Ricks explained that this amendment was requested by the Office of the Governor of the State of Texas in connection with a review of Senate Bill 616, which was unanimously passed

by both houses of the 75th Texas Legislature to amend Section 66.08, Texas Education Code, relating to transactions or other communications between the Corporation and its former directors, officers and employees. Following discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Article I of the Bylaws of the Corporation be amended by adding Sections 5 and 6, as presented below, subject to approval of such amendment by the Board of Regents of the System at said board's meeting on May 8, 1997:

Section 5. Prohibited Transactions. In addition to the prohibitions of the laws of the State of Texas, the Corporation may not enter into an agreement or transaction with a former director, officer, or employee of the Corporation, or a business entity in which a former director, officer, or employee of the Corporation has an interest, on or before the first anniversary of the date the person ceased to be a director, officer, or employee of the Corporation. For purposes of this section (i) a former director, officer, or employee of the Corporation has an interest in a business entity if such person owns (a) five percent or more of the voting stock or shares of the business entity or (b) five percent or more of the fair market value of the business entity, and (ii) a former director of the Corporation has an interest in the business entity if money received by such person from the business entity exceeds five percent of the person's gross income for the preceding calendar year.

Section 6. Revolving Door. A former officer or employee of the Corporation may not make any communication to or appearance before a director, officer, or employee of the Corporation before the first anniversary of the date an individual ceased to be an officer or employee of the Corporation if the communication or appearance is made (a) with the intent to influence, and (b) on behalf of any person in connection with any matter on which the person seeks action by the Corporation. If a director of the Corporation knowingly communicates with a former officer or employee of the Corporation, whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such director shall be subject to removal from serving as a director of the Corporation. If an officer or employee of the Corporation knowingly communicates with a former officer or employee of the Corporation whose communication or appearance is made with the intent to influence, and on behalf of any person in connection with any matter on which the person seeks action by the Corporation, such officer or

employee shall be subject to disciplinary action. A two-thirds majority of the Board of Directors of the Corporation shall be required to forward to the Board of Regents a change to this Section.

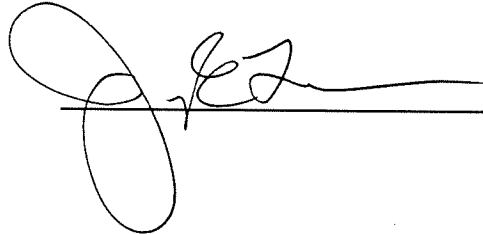
President's Report

Next, Mr. Ricks reported to the Board of Directors that the Corporation had terminated its Long-Term Fund small cap growth account at Bankers Trust Company in order to follow the portfolio manager, Mary Lisant, to Strong Capital Management, Inc., all as more fully described in Mr. Ricks' memorandum to the Directors dated April 30, 1997. Mr. Ricks also stated that he had received a letter from Mr. Fisher disclosing that his brother, Mike Fisher, is a Managing Director of Strong and that, if the Board of Directors had voted on the decision to terminate Bankers Trust Company and to engage Strong Capital Management, Inc., he would have recused himself from voting on the matter. Mr. Fisher's letter also requested the Corporation's records to reflect that he had nothing to do with the decision.

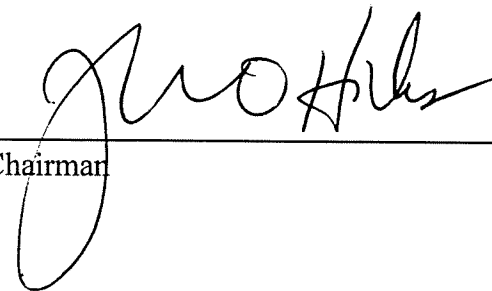
Mr. Ricks also reported that he intended to make a job offer to Mr. David Russ to serve as the Corporation's Managing Director—Public Markets. Mr. Ricks has previously circulated to each Director copies of Mr. Russ' resumé and the proposed terms of his employment.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 10:55 a.m.

Secretary



APPROVED:



Chairman