

**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 special meeting, at the offices of Hicks, Muse, Tate & Furst, 200 Crescent Court, Suite 1600, Dallas, Texas, on the 18th day of January, 1996, 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
William H. Cunningham
Donald L. Evans
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, Bernard Rapoport, Chairman of the Board of Regents (the "Board of Regents") of The University of Texas System (the "System"), and Arthur H. Dilly, Executive Secretary to the Board of Regents. Mr. Hicks called the meeting to order at 3:20 p.m.

Director Candidates

Mr. Hicks reviewed the meeting agenda and stated that the major order of business concerned the interviewing of three Director candidates from the Dallas-Fort Worth area. He referred to the resumes of each candidate, which had been distributed in advance of the meeting, and reported that they each met the qualifications for Director.

Mr. Hicks then introduced Mr. Richard W. Fisher, Managing Partner of Fisher Capital Management of Dallas, Texas. Mr. Fisher presented his investment background as well as his qualifications for the position. He expressed an interest in serving as a Director of the Corporation and cited his other voluntary and charitable activities. He responded to several questions from individual Directors concerning his investment outlook as well as the globalization of the securities market.

Mr. Hicks next introduced Ms. Susan M. Byrne, Founder, President and CEO of Westwood Management Corp., a registered investment advisor with offices in Dallas and New York. Ms. Byrne reviewed her background on Wall Street and her experience investing the pension fund assets of GAF Corporation. She complimented the Board of Regents for establishing the Corporation and expressed her strong interest in serving as a Director. She mentioned that her interest was, in part, predicated on the System's activity in private investments and her interest in this area.

Mr. Hicks subsequently introduced the third candidate, Ms. Kay Moran McCord, a private investor and former Chairman and Co-Founder of Sound Warehouse, Inc., and President of White Rock Investment Company. Ms. McCord reviewed the business history of Sound Warehouse from evolution to eventual sale to Blockbuster, Inc. She discussed her activity as a private investor describing the current structure of her portfolio. The balance of the interview was devoted to a discussion of the Corporation's policies and practices and the amount of participation expected of Directors.

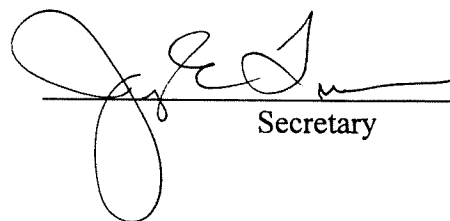
Mr. Hicks reported that it was his desire to schedule a similar series of interviews with other identified candidates in the Houston area. He noted that it would be difficult to complete the interview process by the March 1 effective date for the Corporation. Mr. Ricks stated that Mr. Turner of Vinson & Elkins had indicated that the Board of Regents could appoint a slate of outside Directors consisting of System personnel and the nominee of the Board of Regents of The Texas A&M University System ("A&M System") which would serve on a transition basis until the permanent Directors were selected. Mr. Ricks reported that Mr. Robert H. Allen, an A&M System regent from Houston, Texas, had been the sole nominee of the Board of Regents of the A&M System. He referred to Mr. Allen's resume, which had been distributed in advance of the meeting, stating that he expected the Board of Directors would want to interview Mr. Allen during the next series of interviews.

Board of Regents Meeting

Mr. Ricks also referred the Board of Directors to a draft agenda item which was expected to be presented for approval at the February 8, 1996, Board of Regents meeting in El Paso. He stated that the Board of Directors would have to meet again prior to March 1 to take the necessary actions to approve the investment services management agreement with the Board of Regents and to recommend a slate of Directors to the Board of Regents. This meeting would have to be followed by a Board of Regents meeting approving the Board of Directors and the composition of the Audit and Ethics Committee.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at approximately 5:10 p.m.


Secretary

Approved:



President