

December 23, 1997

MEMORANDUM

TO: The Finance Committee:

William H. Goodwin, Jr., Chair
Franklin K. Birckhead
C. Wilson McNeely, III
Elizabeth A. Twohy
Henry L. Valentine, II
Walter F. Walker
James C. Wheat, III
Hovey S. Dabney, Ex Officio

and

The Remaining Members of the Board:

John P. Ackerly, III	T. Keister Greer
Charles M. Caravati Jr., M.D.	Elsie Goodwyn Holland
Champ Clark	Kristine L. LaLonde
William G. Crutchfield, Jr.	Terence P. Ross
Albert H. Small	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Finance Committee
on December 23, 1997

The Finance Committee of the Board of Visitors of the University of Virginia met, in Open Session and by telephone, at 10:05 a.m., Tuesday, December 23, 1997; William H. Goodwin, Jr., Chair, presided. Franklin K. Birckhead, C. Wilson McNeely, III, Ms. Elizabeth A. Twohy, Henry L. Valentine, II, Walter F. Walker, James C. Wheat, III, and Hovey S. Dabney, Rector, participated; as did Leonard W. Sandridge, Jr., Ms. Alice W. Handy, Rob Walker Freer, and Ms. Jeanne F. Bailes.

The Chair asked Ms. Handy, University Treasurer, to present the Agenda.

Referring the Committee to material sent to them previously by FAX, Ms. Handy explained that the investments proposed will close prior to the January meeting of the Board of Visitors and one will close before January 2nd, thus necessitating this quickly called meeting of the Committee by telephone.

The first of these was discussed at the November meeting of the Board; it involves the third fund of the Brookdale Group, one of the most successful real estate managers of funds invested from the Endowment. Ms. Handy proposed an investment of \$20m in Brookdale Fund III, noting that Brookdale Fund I will probably return \$14m to the Endowment in March.

On motion, the Committee adopted a resolution approving the proposed investment.

The following resolution was adopted:

RESOLVED by the Finance Committee of the Board of Visitors of the University of Virginia, that the Executive Vice President and Chief Financial Officer is authorized to commit \$20 million of the Endowment for the following investment: BROOKDALE III, L. P.

The second proposed investment was also mentioned at the November Board of Visitors meeting. It is the fourth fund of Robert Chaney and would be the second in which the University has participated. Robert Chaney is involved in oil and gas technology and Ms. Handy recommended an investment of \$15m.

On motion, the Committee adopted a resolution approving the proposed investment.

The following resolution was adopted:

RESOLVED by the Finance Committee of the Board of Visitors of the University of Virginia, that the Executive Vice President and Chief Financial Officer is authorized to commit \$15 million of the Endowment for the following investment: R. CHANEY & PARTNERS IV, L. P.

Finally, Ms. Handy proposed an investment of \$5m in New Century Holdings XI, a private equity partnership which invests primarily in Russia. There was considerable discussion among Committee members about the potential risks of such an investment and Ms. Handy agreed that it is highly speculative.

On motion, the Committee adopted a resolution approving the proposed investment.

The following resolution was adopted:

RESOLVED by the Finance Committee of the Board of Visitors of the University of Virginia, that the Executive Vice President and Chief Financial Officer is authorized to commit \$5 million of the Endowment for the following investment: NEW CENTURY HOLDINGS, XI, L. P.

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The Committee adjourned, on motion, at 10:20 a.m.

AGG:lh

- Copies to: Mr. John T. Casteen, III
- Mr. Paul J. Forch
- Dr. Robert W. Cantrell
- Mr. Peter W. Low
- Mr. Leonard W. Sandridge, Jr.
- Mr. Robert D. Sweeney
- Mr. Ernest H. Ern
- Mr. William W. Harmon
- Ms. Colette Capone
- Ms. Polley Ann McClure
- Dr. Don E. Detmer
- Mr. Terry Holland
- Mr. L. Jay Lemons
- Ms. Louise Dudley
- Ms. Alice W. Handy