MEMORANDUM

TO: The University of Virginia
   Investment Management Company:

   William H. Goodwin, Jr., Chair
   A. Macdonald Caputo
   Christine P. Gustafson
   Donald Laing, III
   Timothy B. Robertson
   Leonard W. Sandridge, Jr.
   Matthew G. Thompson
   Henry L. Valentine, II
   James C. Wheat, III
   John P. Ackerly, III, Ex Officio

   and

   The Remaining Members of the Board:

   J. Michael Allen               Terence P. Ross
   Charles M. Caravati Jr., M.D.  Albert H. Small
   Champ Clark                    Elizabeth A. Twohy
   William G. Crutchfield, Jr.    Walter F. Walker
   T. Keister Greer               Benjamin P.A. Warthen
   Elsie Goodwyn Holland          Joseph E. Wolfe

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of a Meeting of the Board of Directors of the
   University of Virginia Investment Management Company on
   September 14, 1998

The Board of Directors of the University of Virginia
Investment Management Company met, in Open Session, at 10:30
a.m., Monday, September 14, 1998, in the offices of Morgan,
Stanley & Company, New York; William H. Goodwin, Jr., Chair,
presided. A. Macdonald Caputo, Ms. Christine P. Gustafson,
Donald Laing, III, Matthew G. Thompson, and James C. Wheat,
III were present. Also present were Leonard W. Sandridge,
Jr., Alexander G. Gilliam, Jr., Ms. Alice W. Handy, Rob W.
Freer, and Donald W. Lindsey.
The Chair entertained a motion to go into Executive Session:

The following motion was adopted:

That the University of Virginia Investment Management Company go into Executive Session for the purpose of discussing investment strategies relating to University Endowment Funds, as provided for in Section 2.1-344 (A)(6) of the Code of Virginia.

The Board adopted the resolution and went into Executive Session at 10:35 a.m. The meeting resumed in Open Session at 3:25 p.m. and the Board adopted the following resolution:

RESOLVED by the Board of the University of Virginia Investment Management Company, that the Executive Vice President and Chief Financial Officer is authorized to commit up to $50 million of the Endowment with Oaktree Capital Management for investment in a high yield bond portfolio.

On motion, the meeting was adjourned at 3:30 p.m.

AGG:lah
Copies to:  Mr. John T. Casteen, III
           Mr. Gene D. Block
           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
           Mr. Terry Holland
           Mr. L. Jay Lemons
           Ms. Louise Dudley
           Ms. Alice W. Handy