

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

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| EXH | MOTION <i>Brandon</i> |
| GAN | SECOND <i>Taylor</i> |
| | ACTION APPROVED BY THE REGENT |
| NOTE: | JUL 21 2005 |

Subject: Alternative Asset Commitment

Action Requested: Approval of Claremont Creek Ventures, L.P.

Background and Summary: We recommend a commitment of \$10 million from the Long Term Portfolio to Claremont Creek Ventures, L.P., a \$100 million first-time, early stage venture capital fund based in Oakland, CA.

Claremont Creek Ventures (CCV) will invest in early stage information technology companies. The focus will be on high growth opportunities involving the application of information technology to the health care, mobile and wireless communications, and security sectors.

CCV's location in the East Bay area offers the opportunity for differentiated deal flow relative to the investment opportunities available to Silicon Valley venture capital firms.

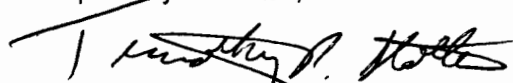
The principals of CCV, Nat Goldhaber, Randy Hawks, and John Steuart, have established track records of investing in, working with, and building management teams at a number of successful technology companies. They have significant operating experience and will provide hands-on guidance and advice to companies in areas such as strategic planning, business development, and financial management.

An important component of CCV's investment process involves a disciplined screening process to mitigate risk in early stage investment opportunities. To accomplish this, CCV identifies prospect companies and, prior to investing any capital, monitors them for several months through their early development period. This approach permits the investment team to measure company progress and is expected to enhance investment decision making.

CCV plans to invest in twenty to twenty-five early stage companies over a five year period. Initial investments will range from \$0.5 million to \$3 million for the first financing, with subsequent investments of \$1 million to \$3 million. The fund may also invest in a small number of seed stage companies. Exit strategies will include the sale of the portfolio company to a third party for cash or securities, an initial public offering, or the sale of the partnership's interest to the company itself or to its management.

A commitment to Claremont Creek will further diversify the University's venture capital portfolio by adding a new firm managed by a team with investment and operating experience in early stage technology companies.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2005