

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

| | |
|-------------------------|---------|
| MOTION | Newman |
| APPROVED BY THE REGENTS | Maynard |

Subject: Alternative Asset Commitment

DEC 15 2005

Action Requested: Greenfield Land Partners I, L.P.

Background and Summary: We recommend a commitment of \$35 million from the Long Term Portfolio to Greenfield Land Partners I, L.P., a \$350 million real estate fund established to make long-term land investments.

In addition, we recommend approval of up to an additional \$35 million commitment to be used for co-investment opportunities which will be offered to the limited partners on a pro rata basis to the extent that a partnership acquisition exceeds investment limitations. These co-investment opportunities will be at more attractive terms than the Fund investment.

Greenfield Partners, the General Partner, is a privately held investment and asset management organization established in 1997, with offices in Norwalk, Connecticut and Chicago, Illinois. The University has invested in three previous funds sponsored by Greenfield, all of which have a broader mandate to make opportunistic equity and debt investments in a diversified portfolio of real estate assets and operating companies. The team's overall strategy is to identify attractive investment opportunities for which capital is either unavailable or overly expensive.

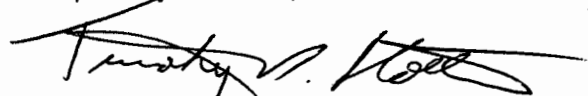
Greenfield has identified such an opportunity in the lack of investment capital for long-term land deals. However, the expected 20-25 year time frame for this investment makes it unsuitable for its existing funds.

Greenfield believes long-term land investments are priced inefficiently because of the much shorter term orientation of traditional real estate investors. In addition, attractive investment fundamentals including strong population growth and the increasing scarcity of large parcels of developable land, make this an attractive investment opportunity.

Greenfield intends to make investments primarily in undeveloped land located in the United States. Areas of investment focus will include partially developed land, development and redevelopment opportunities, and undervalued or distressed land.

This investment fits within the University's real estate strategy to invest with experienced managers who have demonstrated an ability to add value.

Respectfully submitted,



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

December 2005