WASHINGTON STATE INVESTMENT BOARD
Board Meeting Minutes
November 16, 2006

The Washington State Investment Board met in open public session at 9:30 a.m. in the boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Present:	Pat McElligott, Chair Glenn Gorton, Vice Chair Senator Lisa Brown Charlie Kaminski John Magnuson (via teleconference) George Masten Sandy Matheson Bob Nakahara David Nierenberg Mason Petit Dave Scott Judy Schurke Jeff Seely Representative Helen Sommers
Absent:	Treasurer Mike Murphy
Also Present:	Joe Dear, Executive Director Gary Bruebaker, Chief Investment Officer Diana Will, Senior Investment Officer – Asset Allocation Steve Draper, Senior Investment Officer – Real Estate Kristi Haines, Executive Assistant Paul Silver, Assistant Attorney General George Roberts, Kohlberg Kravis Roberts and Company Mike Michelson, Kohlberg Kravis Roberts and Company Dominique Hansen, Kohlberg Kravis Roberts and Company Matt Smith, Office of the State Actuary

[Names of other individuals attending the meeting are not included in the minutes, but are listed in the permanent record.]

Chair McElligott called the meeting to order and roll call was taken.

ADOPTION OF THE OCTOBER 19, 2006, MINUTES

Mr. Masten moved to adopt the October 19, 2006, Board minutes; Vice Chair Gorton seconded and the motion carried unanimously.

PUBLIC COMMENT
There was no public comment.

EXECUTIVE DIRECTOR'S REPORT
Mr. Dear presented his monthly report for November on Board governance, staff, investments, budget, operations, public affairs, and open procurement activities. Mr. Dear announced that Peterson Sullivan's independent audit of the WSIB's control environment over the production of the financial statements showed no findings. The Board congratulated the Investment Accounting team on their good work.

Mr. Nierenberg suggested reconsideration of the board governance follow-up session currently scheduled for the January 18 Board meeting with Seattle University. He said his preference is to consider governance in two different ways: (1) an investment board operating in a government environment; and (2) practical wisdom from those with public and private board experience, similar to Jim Coulter's presentation at the July retreat. Mr. Kaminski said that he is interested in a follow-up from Seattle University on its observations of the Board at its July retreat. Mr. Masten said that he would like to see future presentations similar to Mr. Coulter's, but is also interested in the Seattle University follow-up specific to the Board's July meeting. Chair McElligott asked that staff request a written report from Seattle University for his review and he would discuss the matter further with Mr. Dear.

EDUCATION SESSION – UPDATE ON PLAN LIABILITIES
Mr. Smith was introduced to present the results of the most recent actuarial valuation, which is conducted annually.

An actuarial valuation is a comparison of the present value of a plan's projected liabilities to the actuarial value of assets at the valuation date. It includes key inputs such as participant and asset data, economic and demographic assumptions, actuarial methods, and funding policy; and produces key outputs such as employer and member contribution rates and funded status.
Mr. Smith said that the effect of short-term funding policy changes and gain-sharing benefits are taken into consideration. Short-term funding policy changes include suspension of funding of the Plan 1 unfunded liability, phased-in contribution rate increases, and suspension of future gain-sharing liability. A gain-sharing benefit is provided to PERS and TRS Plans 1 and 3 members under certain circumstances. He said that the impact of gain-sharing is a reduction in the assumed rate of investment return, which is currently 8 percent by statute.

Mr. Smith said the purpose of the valuation is to determine ongoing contribution requirements for plans as of the valuation date, September 30, 2005. He reviewed illustrations of employer contribution rates for Plans 1 and member contribution rates for Plans 2. Chair McElligott observed that rates for the LEOFF Plan 2 are increasing despite the fact it does not have a gain sharing provision. Mr. Smith offered to provide a separate report on LEOFF 2.

He described a summary of the data used in the valuation, which included the number of active participants; average annual salary, attained age, and years of service; and number of annuitants for all plans. Assumptions used included an 8 percent interest rate, 4.5 percent general salary increase, 3.5 percent inflation, and 1.25 percent membership growth. These economic

assumptions are scheduled for review in 2008. There is a lot of discussion on whether the inflation assumption is set too high, and Mr. Smith noted that the WSIB uses a different inflation rate in its capital market assumptions.

Representative Sommers observed that the funding situation with Plans 1 reflects the fact that there was not a state actuary at that time. She appreciated the OSA update. Mr. Nierenberg said he would like to have the update on a regular basis.

In conclusion, Mr. Smith reported that contribution rates are going up; all plans are well funded, except for PERS 1 and TRS 1. However, when using a market rate to discount the liabilities (5.5%) the funded status of the plans changes dramatically with all plans falling below fully funded status. The LEOFF 1 Plan is close to being fully funded, even at 5.5%. Accordingly, the WSIB may want to consider immunizing the portfolio in the future to eliminate the funding risk in that closed plan.

[The Board recessed at 10:45 a.m. and reconvened in open public session at 10:54 a.m.]

KKR ANNUAL PRESENTATION

Mr. Dear introduced the annual KKR presentation. Mr. Roberts introduced Ms. Dominique Hansen, who was recently hired by KKR as a client service representative, and briefly described her background.

Mr. Roberts said he believes there are four critical elements in looking at the business and future of KKR: (1) strong expertise to create and find more value in purchased businesses; (2) sufficient capital to compete in today's world; (3) attracting and retaining the best people; and (4) an ability to do business in every part of the world that is of interest.

Mr. Roberts reported that KKR has 35 investments in different companies, within 14 different industries. These companies generate $79 billion in sales and employ 360,000 people with businesses in India, Singapore, Australia, the U.S., France, Netherlands, Germany, and the U.K. He said there is plenty of capital, and the amount of additional capital around the world is staggering. Mr. Roberts noted that 40 to 45 percent of the KKR 2006 Fund was raised outside the U.S., and he expects that to increase to more than 50 percent over the next five years. KKR stays disciplined, focused, and works hard every day. It will continue to grow and position itself to take advantage of opportunities.

Mr. Michelson reported that the WSIB has been a leading investor with KKR since 1982, investing $4.1 billion with KKR returning $6.2 billion in realized proceeds and creating $4.4 billion in profits for the WSIB. The IRR is 20.2 percent over the history of the relationship, with a 2.1x multiple on invested capital. He said that the portfolio continues to perform well, with $866 million returned during 2006 to date and a $2.2 billion cash return over the past three years.

KKR was founded in 1976 and is currently the largest and most active participant in the buyout industry. It has announced or completed 145 transactions to date, 52 of which have an enterprise value in excess of $1 billion. KKR's approach is to find attractive business franchises and create

value strategies by working the management to enhance their competitiveness. KKR's own executives have invested and committed over $1 billion in KKR funds.

KKR has opened three new offices in Paris, Hong Kong, and Tokyo, and added 29 new employees during 2005-2006, which demonstrates how KKR continues to evolve. Four experienced advisors were added over the past year to focus on KKR's efforts in Asia.

[Senator Brown was in attendance at 11:06 a.m.]

Mr. Roberts discussed KKR's approach for Asia, which will be handled similarly to what was done in Europe. Four people have moved to Asia to lead development of the offices and develop a team with KKR's culture and values for success. The teams are primarily comprised by Asians who are experienced in various disciplines. There are 10 staff in Hong Kong and six in Tokyo, including Derek Maughn, KKR Asia Chairman. The Asian team will be fully integrated with a global approach, and will be driven by local expertise. Mr. Roberts briefly described KKR's strategy and approach for China, Japan, Australia, and New Zealand.

WSIB/KKR funds have outperformed the S&P 500 and Russell 3000 indices by 750-800 basis points (bps). The performance results in a 20.2 percent return. Details on WSIB investments in KKR funds was provided, including the amount invested and realized, remaining values, total valuation generated, returns and remaining capital. He said that the WSIB is a terrific supporter of KKR and believes they have earned the Board's continued support.

The 1996, European, and Millennium funds have generated returns at 13.5, 21, and 44 percent, respectively, substantially outperforming indices. With the HCA transaction completed, the Millennium Fund will be fully invested. KKR is very pleased with this fund's performance, but does not expect to duplicate these returns on a sustained basis.

Chair McElligott thanked KKR for its presentation. The WSIB values the 25-year relationship and hopes the outstanding fund returns will continue.

[The Board recessed at 11:43 a.m. and reconvened in open public session at 12:08 a.m.]

STRATEGIC ASSET ALLOCATION DISCUSSION

Mr. Bruebaker introduced the asset allocation discussion. He said that staff is not requesting Board action today but, rather, seeking input through discussion and specific direction. He described asset allocation as more of an art than science, and asked that the Board keep in mind that models are slaves to the assumptions used. He also said that risks would be discussed from a downside perspective because the downside is what needs to be managed, as the upside takes care of itself. He announced that staff plans to ask the Board for an increase to its private equity allocation sometime after the first of the year.

Ms. Will reported that things have changed dramatically since the Board approved its asset allocation in June 2005. Private equity was 14.5 percent of the portfolio at that time. The private equity allocation is expected to reach 17 percent very soon, and that we have already been at 17 percent during the month but not at month end. Since July 2005, there have been

some substantial commitments to some of the WSIB's best partners. Based on models used by staff as well as independent models used by Capital Dynamics, staff anticipates that the private equity allocation will reach 21 percent which is the upper limit on the current allocation. A decision is needed on whether to raise the allocation level or leave it unchanged. Ms. Will reviewed options, risks, and other considerations.

Option 1 is to leave the allocation as is; Option 2 is to raise the private equity exposure but leave the total portfolio risk at the current level; and Options 3, 4, and 5 involve raising private equity exposure and increasing the risk of the total CTF. Ms. Will described the assumptions used, risk exposure, and potential return outcomes of each option. She said that Option 5, which raises the private equity of the portfolio to a maximum of 25 percent, is the best option if you only look at volatility of return and are only focusing on a 50-year time horizon.

A discussion ensued regarding short-term fluctuations, legislative action on contribution rates, worst case scenarios, reaction risk resulting from extreme events, and why an increased allocation to private equity is important to long-term performance.

Maverick, size, and liquidity risks were discussed. Ms. Will introduced a peer comparison and discussed issues with comparing the WSIB against other plans. Staff is in the process of identifying which plans are the best at what and why. Representative Sommers said that it is important to look to the future when returns may not be as strong. She suggested a future discussion of how to sustain the Board's philosophy. Ms. Will described how the WSIB's size can be an advantage in public equity, but is a disadvantage in private equity. There is already difficulty with investing in venture capital as well as in small and mid-sized buyouts, and there is potential for concentration risk with large buyout investments. Ms. Will explained how liquidity affects the risk of the retirement portfolio as a whole.

In making a larger allocation to private equity, consideration must be given to the total portfolio. Will a larger allocation take away from adding new investment ideas? Is the risk budget being spent wisely?

Mr. Kaminski, Mr. Seely, and Ms. Matheson spoke in favor of increasing the private equity allocation. Vice Chair Gorton said that the Board needed more time to figure out where it is invested in private equity and he would like to see other alternatives. Mr. Masten said he had more concerns with what is taken away with an increase to private equity.

QUARTERLY INVESTMENT PERFORMANCE AND ANALYSIS

WSIB Managed Funds

Mr. Bruebaker reported that the CTF increased over the quarter by over $1.8 billion to almost $55.7 billion. For the calendar year, the CTF increased by almost $4.8 billion.

He reviewed the yield curve change, which reflects a shift down as rates went down and capital market returns for the quarter and year ended September 30, 2006. The fund outperformed the implementation value added benchmark for every time period. Allocation decisions hurt performance during the quarter by 5 bps. Manager decisions helped performance by 71 bps. U.S. equity outperformed the Wilshire 5000 in all periods except the five year, and is up 8 bps

for the quarter. International equity is up 24 bps for the quarter, but is lagging in the longer time periods. It was not a good quarter to be underweight in emerging markets. Mr. Bruebaker noted that staff plans to adjust its current mechanism for managing the emerging market exposure to allow for more underweighting and overweighting with managers. Developed and emerging markets returned 3.7 and 4.9 percent, respectively. Fixed income outperformed the Lehman in all periods, and outperformed the benchmark by 6 bps for the quarter.

Mr. Kaminski observed that the public equity charts include a nice visual depiction of robust information that drills down into the return results. He requested a similar depiction for private equity and real estate. Mr. Bruebaker stated that he and Mr. Ruggels had discussed this topic earlier in the week and that Mr. Ruggels would work directly with Mr. Kaminski to determine what detail to include. He further stated that he will bring this request to the Private Markets Committee for further discussion if the desired detail and modification of the report would require extensive staff work.

Innovation Portfolio

Mr. Bruebaker described the Innovation Portfolio as a mechanism to invest in areas that do not fit into the current asset classes. Any of these ideas may graduate to an asset class of their own, which would require Board approval. The Board previously granted staff authority to invest up to 5 percent of the portfolio in the Innovation Portfolio, with a limitation of one-fifth of the 5 percent to any single investment. Staff detailed its first few investment proposals for the Board to ensure thorough understanding.

Infrastructure

The first proposal is investment in infrastructure, which falls into two broad categories: economic and social. Economic infrastructure is what a user pays for directly. Social infrastructure supports the fabric of the community. Staff plans to invest in economic infrastructure. Mr. Bruebaker said that the demand for infrastructure investments is growing. He described advantages and related risks of infrastructure investments.

The strategy is to invest with management teams with long-term expertise in the asset class, looking at mature assets in North American and OECD (Organization for Economic Cooperation and Development) countries. Mr. Bruebaker shared a desire to be one of the top five investors in each fund to allow us to eventually move into co-investment opportunities. The real estate unit is performing due diligence on the proposal and staff plans to move forward with economic infrastructure investments and co-investments.

Mr. Nierenberg said that he serves on another board that is considering infrastructure. Part of their examination included a review of a general counsel report on infrastructure regarding rewrites of contracts. He suggested that staff's strategy include good legal advice and thorough due diligence of counterparts. Senator Brown cautioned that a change in political regimes could also affect relationships.

[Senator Brown was no longer in attendance at 1:58 p.m.]

In response to Board member questions, Mr. Bruebaker said that staff believes it is the right time to invest in infrastructure. These would be general partner relationships and, just like real estate and private equity, choosing partners is vital. The WSIB will obtain its legal advice from outside counsel as it does in both private equity and real estate. Just as in private equity and fund investments in real estate, once invested, the Fund's legal counsel would be selected and managed by the general partner. Due diligence will be very important. A discussion ensued regarding negative publicity that may accompany private purchase of a public entity. Mr. Nierenberg pointed out that a government agency may be dealing with budget constraints and elects to finance out to undertake new things it could not otherwise fund.

[Representative Sommers was no longer in attendance at 2:07 p.m.]

Mr. Bruebaker pointed out that there are members who do not believe these investments are good from a public policy point of view. Mr. Masten commented that staff should look at infrastructure investments whether or not it is in the best interest of another state, but consideration must be given to backing off of any investment surrounded by negative publicity.

Commodities
Mr. Bruebaker announced that the second investment under consideration is commodities. He said the rationale for the investment is because commodities generally react in an opposite direction of stocks and bonds, and due to the potential to enhance long-term returns. He described three basic ways to invest in commodities, noting that staff wants to focus on swaps and structured notes (derivatives). Mr. Bruebaker reported that a number of funds are looking at these types of investments, and endowments have been investing in commodities for decades. He noted that, while the current timing of investment may not be the best, if you find something that should be in a portfolio and you have a long-term view, you should enter into that investment by dollar cost averaging your investments. Mr. Bruebaker said he believes that commodities will benefit the portfolio in the long-term.

Mr. Kaminski said that exchange-traded funds (ETFs) would be another way to get into the asset class. Mr. Bruebaker said staff would look at that also, but does not plan that for the first investment.

[The Board recessed at 2:15 p.m. and reconvened in open public session at 2:26 p.m.]

Real Estate
Mr. Draper reported that, as of June 30, 2006, the real estate portfolio was valued at $5.7 billion, which represents 10.7 percent of the CTF. He said that institutional investors continue to be seriously interested in real estate investments, which is occurring globally but is particularly intense in the U.S. market. Generally, real estate investments outside the U.S. are more attractive than domestic investments at this time. He noted that returns are expected to moderate going forward, but staff feels good about the portfolio and its diversification. Mr. Draper made general comments about the market and returns. Many investors are now accepting lower returns for the same amount of risk. Rental growth appears stronger than in recent years. On the national basis, values are going up and returns are high. While staff has in recent years reported that fundamentals were weak even though values were rising, there is noted improvement

recently and, in some markets, fundamentals are quite strong. Mr. Draper said the key is to find niches in the market and exploit them.

Mr. Draper reviewed the net real estate returns compared to the NCREIF index, which are gross returns. The WSIB portfolio outperforms NCREIF in each time period. He noted the serious outperformance of the fund as illustrated on slide 4 of the presentation materials. Mr. Draper said that, while the appreciation is very nice, the primary goal is to create a high-quality, long-term, stable income stream from the real estate portfolio.

Mr. Draper reviewed the portfolio by property type. He noted that there is an underweight in office buildings, which is intentional due to the volatility and ongoing expense involved in owning that property type. The portfolio is also underweight in the retail sector, which is not by design. Good investment opportunities in retail have been hard to find. He compared WSIB's property type diversification against the NCREIF index, noting that the differences include the underweighting in office and retail. The portfolio has an overweighting in residential, which can be attributed to the Hometown America relationship. Mr. Draper reviewed the composition of investments listed as "Other;" he indicated that about half of the category is comprised of debt investments and investments in banks and financial companies in distressed areas, which have generated higher returns.

Mr. Draper compared the geographic diversification of the portfolio against the NCREIF. He noted that approximately one-third of the WSIB real estate investments are outside of the U.S. NCREIF is exclusive to the U.S. The WSIB is overweight in the West and South, which are growth markets, consistent with our strategy. He briefly reviewed the foreign exposure, noting that Asia growth is expected, which will come at the expense of Europe and Latin America.

Mr. Draper summarized that there are incredible amounts of money flowing into the markets, values and prices are going up, and returns are likely to moderate. The WSIB portfolio's outperformance is attributable to investments in REOCs, alternative asset types, and foreign markets. There will continue to be a focus on REOCs and growth markets going forward.

In response to members' questions, Mr. Draper described real estate as a fairly illiquid asset class and, while there could be some circumstances where money would rush out of the market, this was not a high likelihood. Some circumstance such as the dot-com bubble of the late 1990s could cause investors to move away from real estate. Following the events of September 11, 2001, he said that investors did not shy away from tall buildings as one would have expected. He said that he does not expect the under allocation in office space and retail to negatively affect the portfolio over the short-term, but there could be some underperformance in certain circumstances over the longer term. He added that the portfolio is not underweight in office space within certain geographic areas (specifically the west coast), and reiterated that the office space sector tends to be more volatile. Staff decided not to take volatility risk in that sector but, rather, in markets, following a risk budgeting exercise. He said that an underweighting of retail in the portfolio does not necessarily hurt performance but it would certainly help if more of these investments could be added.

AUDIT COMMITTEE REPORT

Mr. Masten reported that the Audit Committee met on November 1. There were no Committee action items to forward to the Board. The Committee reviewed an update to the 2006-2007 internal audit plan, received status on one outstanding audit recommendation, was updated on Peterson Sullivan's review of WSIB financial statements, and was briefed on the internal auditor's role with the agency's Enterprise Risk Management efforts. The Committee received an overview of the ERM program and future plans to focus on investment risk. The Committee recommends an ERM overview at a future Board meeting. The Committee also approved its 2007 meeting schedule, and received annual reports on directed brokerage and proxy voting.

PRIVATE MARKETS COMMITTEE REPORT – INVESTMENT RECOMMENDATIONS

Private Equity

OCM Principal Opportunities Fund IV, L.P.

> **Mr. Masten moved that the Board accept the Private Market Committee's recommendation to approve an investment of up to $150 million, plus fees and expenses, in OCM Principal Opportunities Fund IV, L.P., subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.**

Mr. Masten said that the WSIB has several investments with this partner with consistent net IRRs. It is a good investment opportunity.

> **The above motion carried unanimously.**

Hellman & Friedman Capital Partners, VI, L.P.

> **Mr. Masten moved that the Board accept the Private Markets Committee's recommendation to approve an investment of up to $275 million, plus fees and expenses, in Hellman & Friedman Capital Partners VI, L.P., subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.**

Mr. Masten reported that the net IRR on investments with this partner from 1987 to 2006 is 23 percent. Fund IV generated 35 percent. It is a good investment opportunity.

> **The above motion carried unanimously.**

Real Estate
Fillmore Strategic Investors, LLC

> **Mr. Masten moved that the Board accept the Private Market Committee's recommendation to approve a follow-on investment of $250 million, plus fees and expenses, in Fillmore Strategic Investors, LLC, subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.**

Mr. Masten reported that this team is a major player in structured finance, the WSIB has excellent governance rights, and Fillmore's track record is 13.5 percent over the six-year period.

> **The above motion carried unanimously.**

Corporate Properties of the Americas, LLC

> **Mr. Masten moved that the Board accept the Private Markets Committee's recommendation to approve a follow-on investment of $250 million, plus fees and expenses, in Corporate Properties of the Americas, LLC, subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.**

Mr. Masten said that this group is investing in Mexico. The WSIB made a follow-on investment to buy out other limited partners, so now there is just the WSIB and the managing partners. There is very good control of the investment, which primarily builds/owns manufacturing areas and big warehouse buildings. The deals are done in dollars with multi-national corporations running facilities. It is an excellent investment opportunity

> **The above motion carried unanimously.**

Morgan Stanley Real Estate Fund VI International – T.E., L.P.

> **Mr. Masten moved that the Board accept the Private Markets Committee's recommendation to approve an investment of $400 million (plus a 10 percent reserve, for a total commitment of $440 million), plus fees and expenses, in Morgan Stanley Real Estate Fund VI International – T.E., L.P., subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.**

Mr. Masten said that the WSIB has had a good relationship with this group and they have generated substantial returns. This is an opportunity to continue the relationship.

> **The above motion carried unanimously.**

Washington Holdings Structured Finance, LLC

Mr. Masten moved that the Board accept the Private Markets Committee's recommendation to approve a follow-on investment of $350 million, plus fees and expenses, in Washington Holdings Structured Finance, LLC, subject to continued due diligence and final negotiation of terms and conditions. Vice Chair Gorton seconded the motion.

Mr. Masten reported that the WSIB has had a relationship with this group for quite some time, which has produced good returns. It is a controlling relationship. This is a good opportunity for investment and to continue the relationship.

The above motion carried unanimously.

[Mr. Magnuson was no longer in attendance at 2:54 p.m.]

ETHICS TRAINING

Mr. Silver provided an education session on ethics in public service, which Board members are required to complete every three years. He highlighted key provisions in the Ethics in Public Service law and reviewed the Board's Conflict of Interest Policy. Mr. Silver focused on gift reporting, including rules on acceptance of food and beverages, and travel expenses paid for by an outside source. Mr. Silver noted that Board policy is stricter than state statute in these areas. Exceptions for gift acceptance include items that are made available as part of fees paid by WSIB under contract or agreement and made available to all clients or partners on an equitable basis. He said that the Office of Financial Management's travel policies still apply on WSIB reimbursements of travel paid by an outside source, unless the contract or agreement provides for alternate arrangements.

Mr. Silver reviewed ethics principles on use of position, confidentiality, post-service employment, personal investments, disclosure and filing requirements, recusals, and sanctions for violation of ethics law. Mr. Silver reports annually to the Audit Committee and Board on conflict of interest policy compliance. He advised that staff routinely advises members of filing requirements and timelines.

In response to Board member questions, Mr. Silver advised that bonds and ETFs are considered securities for purposes of personal investment reporting. Mr. Petit asked if positions on labor issues could be considered a conflict of interest. Mr. Silver advised that a conflict of interest exists if the sole or primary motivation for a member's position on a certain issue is due to external reasons. Primary consideration must be the WSIB's mission to maximize returns at a prudent level of risk, although a mix of issues could exist.

In response to Mr. Masten's question about accepting special rates at hotels where conferences are held, Mr. Silver advised that members can accept special rates one day before and one day after conference dates. If a personal side trip is involved, he advised members to request separate billing and inquire about and document lodging rate discounts available at that time. Mr. Silver said that he

would impose rack rates for reimbursement of any personal lodging submitted to the agency beyond the one day threshold where no other documentation of available rates was provided.

[Mr. Nierenberg was no longer in attendance at 3:23 p.m.]

OTHER ITEMS

Mr. Bruebaker advised that the private equity planning session with Capital Dynamics is planned for December 5 and 6 at Mercato Ristoranté in Olympia beginning at 8:30 a.m. each day.

There was no further business to come before the Board. The meeting adjourned at 3:24 p.m.

Pat McElligott
Chair

ATTEST

Joseph A. Dear
Executive Director