

**WASHINGTON STATE INVESTMENT BOARD**  
**Special Private Markets Committee Meeting Minutes**  
**November 16, 2006**

The Private Markets Committee met in open public session at 8:30 a.m. in the boardroom at the Washington State Investment Board in Olympia, Washington.

Members Present:           George Masten, Chair  
                                  Glenn Gorton  
                                  John Magnuson (Teleconferenced)  
                                  Sandy Matheson  
                                  David Nierenberg  
                                  Jeff Seely

Members Absent:           Senator Lisa Brown  
                                  Treasurer Mike Murphy

Others Present:            Joe Dear, Executive Director  
                                  Gary Bruebaker, Chief Investment Officer  
                                  Steve Draper, Senior Investment Officer – Real Estate  
                                  Tripp Gantt, Investment Officer – Real Estate  
                                  Linda Buchanan, Administrative Secretary  
  
                                  Paul Silver, Assistant Attorney General  
                                  Michael Humphrey, Courtland Partners

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

The meeting convened at 8:30 a.m. with Chair Masten identifying members present.

**REAL ESTATE INVESTMENT RECOMMENDATION – WASHINGTON HOLDINGS STRUCTURED FINANCE, LLC**

Chair Masten explained that the recommendation for a follow-on investment in Washington Holdings Structured Finance, LLC, was discussed at the November 2, 2006, Private Markets Committee meeting. Committee members raised several questions at that time and, subsequently, staff and the consultant submitted additional material that answered the questions and laid the information out clearly.

**Mr. Gorton moved that the Private Markets Committee recommend to the Board 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. Ms. Matheson seconded the motion.**

Mr. Seely said that the supplemental materials did a good job of clarifying the issues. The additional information was needed due to the complicated structure of the investment. He stated that he fully supports the process and that Washington Holdings is a great entity.

Mr. Magnuson stated that the material provided did not change his recommendation supporting the investment but does clarify points brought up at the previous meeting. He said this investment is a nice niche for the WSIB portfolio and that the steady income return is consistent with the real estate business plan.

**The motion carried unanimously.**

### **OTHER ITEMS**

There was no further business to come before the Committee, and the meeting adjourned at 8:36 a.m.