

REIS Board Meeting Minutes June 19, 2008

Attendance:

Board Members Present: Rick Carlson; Blake Eagle; Michael Giliberto; Joe Pagliari; George Philip; Doug Poutasse (chair); Lynn Thurber; and Chuck Tschampion. Marybeth Kronenwetter (REIS Council Administrator) and Kenny Smith (REIS Council Chair) also participated. The meeting began at 2:00 PM Eastern and adjourned at 3:15 PM Eastern. From 3:30 PM Eastern until 5 PM Eastern the Board met with members of the Plan Sponsor and Portfolio Management Committees to discuss strategic planning and direction for REIS. Minutes from both meetings are included herein.

Board Meeting

Amended REIS Constitution: Doug Poutasse

- No substantive changes from version distributed to Board on May 28, 2008. Unanimously approved. Submitted to NCREIF and PREA Boards for approval.
- Follow up: Approved by NCREIF Board on June 20. PREA approval pending Board meeting scheduled for July.

REIS Council Nominating Process: Doug Poutasse/Kenny Smith

- Draft Process document shared with Standing Committees; will obtain Council feedback during Council meeting on June 20.
- Nominating Committee will consist of Rick Carlson, Blake Eagle, and Michael Giliberto. Supported by Doug Poutasse and Marybeth Kronenwetter.
- Need to disclose intent to keep Kenny Smith as Council Chair but not stipulate such in Process document.
- Council responsibilities to include keeping REIS Board apprised of emerging issues.
- Other edits suggested and incorporated in Process document: spell out acronyms; fix CFA designation to “chartered” not “certified”; remove name references and place in addendum; omit reference to “sponsoring organizations” and replace with PREA and NCREIF; NCREIF and PREA employees and independent contractors cannot nominate.
- Complete development of nomination form, post information to web site and disseminate relevant information by July 1.
- Approved pending incorporation of edits.

REIS Council Update: Kenny Smith/Marybeth Kronenwetter

- Accounting: comprehensive re-write in process; Board will receive draft no later than August 15; Board approval will be requested during August 26 Board meeting; Exposure Draft to be issued on September 2.
- Performance Measurement: task force work continues as described in previously approved Prospectus; initial focus on Fund/Account reporting of performance; expanded guidance for discretion will be provided upon completion of initial phase; Exposure Draft to follow Accounting (early 2009)
- Fund Reporting: Board reviewed changes incorporated into Standard resulting from public comments, Council and Task Force feedback (summary document distributed as part of Board meeting materials); Board requested development of guidance/best practices for content of Management Discussion section; Board requested guidance with respect to the

criteria for selection of appropriate benchmarks; REIS Council approval of Fund Reporting Standards anticipated during July 16 meeting; document to be submitted to REIS Board for Approval during August 26 Board meeting.

Meeting with Plan Sponsor and Portfolio Management Committees

- Goals and priorities: Fund reporting standards are critical; development of a path to compliance and verifiability; consistency of reporting; addressing issues surrounding debt valuation; clarity/confluence of agreement with Foundational Standards; and public recognition of REIS.
- Compliance level for REIS: support for both Fund level (useful to Plan Sponsors, particularly in separate accounts, who are not concerned with firm) and Firm level (overall statement of compliance)
- Standards based on style: more support for structure standards (open-end vs. closed-end)
- Global considerations: establish relationship within global groups such as INREV to heighten awareness of global issues; keep REIS focused on U.S. domiciled Funds
- Changes to Standards document: provide supporting calculations and definitions; provide search capabilities to enhance utility and user friendliness; enhance web site capabilities.

Minutes submitted by Marybeth Kronenwetter, REIS Administrator