

**Minutes of Real Estate Information Standards (REIS) Council Meetings
WEDNESDAY, JUNE 22 AND FRIDAY JUNE 24, 2005**

The REIS Council met twice during the conference-on Wednesday June 22 and on Friday June 24.

Wednesday, June 22

The topics discussed on Wednesday included: 1) an update on REIS Chapter 2, Accounting; 2) an update on REIS Chapter 3, Performance; 3) a review of the Valuation Committee's Development Properties White Paper; and 4) a status report on the Glossary initiative.

Chapter 2- Accounting

Sandy Jackson provided an update on the latest changes to Chapter 2 including the Market Value Accounting Manual and Sample Financial Statements. The REIS Council had an opportunity to review and comment on the Sample Financial Statements during an interim call of the Council members. Suggested changes, including sample disclosure for foreign currency translation were incorporated. The Council determined that the standing committees should have an opportunity to review the document during the Thursday meetings. A vote to bring this document to the Board was deferred, pending the Thursday meetings.

Chapter 3- Performance

Daryl Krivanec provided an update on the latest changes to Chapter 3. During the February meeting, the Council determined that the chapter should be reformatted into two sections, and guidance would be provided based on whether or not a firm is subject to GIPS. The Council received the document in advance of the meeting. As with the accounting chapter, the Council determined that the standing committees should have an opportunity to review the document during the Thursday meetings.

Development Properties White Paper

Elle Kerr presented a summary of the Development Properties white paper which the valuation committee is drafting. Guidance for valuing these properties during interim development phases will be provided. If input from other committees becomes necessary, the paper will be brought to the Council in order to facilitate that process.

Glossary Initiative

Chris Meyer provided a status report on the glossary project. Each standing committee will receive terms to define. Input will be solicited from all committees before definitions are finalized. This is a multi-phase project. Part one will define terms within REIS. The final prospectus will be made available to the Council before the October meeting.

Friday, June 24, 2005

The topics discussed on Friday included: 1) the debt exposure draft; 2) an update on compliance and verifiability; 3) the proposed timberland addendum to REIS; 4) and continued discussions from Wednesday's meeting with respect to Chapters 2 and 3 of REIS.

Debt Exposure Draft

Jeff Kiley informed the Council of the modifications required to the exposure draft based on initial feedback received from the Board. Such modifications included clarifying in the document the various alternatives considered as part of the REIS Council's recommendation to report fund level debt at market value. The revised draft was subsequently presented to the Board after the Council meeting and was approved for the public comment process which ends August 31, 2005.

Compliance and Verifiability

Jeff Kiley provided an update on the compliance and verifiability initiative. A task force was formed and plans to meet in July to discuss key issues with respect to this important undertaking. The initiative expects to examine REIS to determine if modifications are needed to allow for third party verification of compliance.

Timberland Addendum

Phil Nash presented a draft prospectus for the timberland addendum to REIS. The format will consider REIS on an exception only basis. Differences for timberland from the other assets include: a) accounting for depletion; b) valuation procedural differences; c) performance calculation differences resulting from the seasonality of cash flow. The Timberland Committee will discuss these issues in more detail with the Performance Measurement and Accounting Committees. The Timberland Committee is working toward presenting a draft of the addendum to the REIS Council in October.

Continuation of Wednesday's Meeting – Accounting and Performance

With regard to the Chapter 2 accounting revisions, the council concluded that the Market Value Accounting Manual should reference the Debt Exposure Draft in the section on Notes Payable, rather than keeping the REIS 2003 language with respect to debt. No other substantive changes were made to the document presented on Wednesday. Similarly, no substantive changes were made to Chapter 3 – Performance. The Council voted to approve presentation of Chapters 2 and 3 to the Board. After Board review and approval, it is expected that these documents will be made available for public comment.

