

MINUTES



To: Board Members
From: Monsen (ext. 353)
Subject: Minutes of December 1, 2010,
Board Meeting: Investment Properties **Date:** December 6, 2010
cc: Bielstein, Lott, Stoklosa, Proestakes, Yang, Mohrhauser, Farber,
Handy, Andrews, Raichilson, Chookaszian, Posta, Glotzer, Smith,
Mechanick, Gabriele, Sutay, Klimek, McGarity, Kiernan, Leisenring

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Scope of Investment Properties guidance

Basis for Discussion: Board Memorandum No. 6

Length of Discussion: 9:35 a.m. to 11:05 a.m.

Attendance:

Board members present: Seidman, Smith, Linsmeier, Siegel, and Golden

Board members absent: None

Staff in charge of topic: Yang

Other staff at Board table: Stoklosa, Monsen, Mohrhauser, Glotzer, and Farber

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of the scope of a forthcoming Exposure Draft addressing the accounting for investment properties.

The Board's technical plan calls for that Exposure Draft to be issued in the first quarter of 2011.

Summary of Decisions Reached:

The Board tentatively decided that the *investment properties* guidance would apply to an entity that meets all of the following criteria:

1. *Nature of Investment Activities.* The entity's substantive activities relate to investing in real estate properties for capital appreciation.
2. *Business Purpose.* The express business purpose of the entity is investing in real estate for capital appreciation, and the entity has identified potential exit strategies, for example, a defined time (or range of dates) or event at which it expects to exit the investments.
3. *Unit Ownership.* Ownership in the entity is represented by units of investments, such as shares or partnership interests, to which proportionate shares of net assets can be attributed.
4. *Pooling of Funds.* The entity has one or more unrelated investors that hold significant ownership interests in the entity.
5. *Reporting Entity.* The entity can be but does not need to be a legal entity.

The Board asked the staff to clarify some aspects of the criteria during the drafting process.

General Announcements: None.