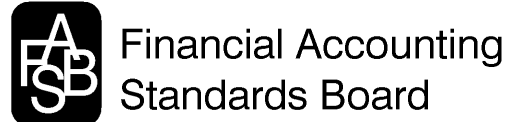


MINUTES



To: Board Members
From: Mohrhauser, x442
Subject: Minutes of August 31, 2010, Board Meeting: Investment Properties **Date:** September 3, 2010
cc: Bielstein, Golden, Stoklosa, Chookaszian, Proestakes, Leisenring, Lott, Posta, Guasp, Sutay, Klimek, McGarity, Gabriele, Yang, Couch, FASB Intranet

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: Investment Properties

Basis for Discussion: Board Memorandums 3 and 4

Length of Discussion: 9:00 a.m. to 10:00 a.m. EST

Attendance:

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

Board members absent: None

Staff in charge of topic: Yang and Mohrhauser

Other staff at Board table: Golden, Stoklosa, and Couch

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing investment properties.

The Board's technical plan calls for that document to be issued in the third quarter of 2010.

Summary of Decisions Reached:

The Board discussed issues relating to its project on investment properties and made the following tentative decisions.

1. An entity would recognize the effect of adoption as an adjustment to the opening balance of retained earnings in the period of adoption.
2. A practicability exception to fair value measurements would not be permitted for investment property, including investment property under construction. The Board recognizes that this decision is different from International Financial Reporting Standards (IFRSs), which permit an entity to measure investment property at cost when fair value cannot be reliably determined.
3. An entity that sells properties in the ordinary course of business would be required to continue to measure a previously recognized investment property at fair value when that entity commences development of the property with a review to sale. The Board recognizes that this proposal differs from IFRSs, which require an entity to transfer such properties from investment property to inventory.
4. Investment property acquired in a business combination would be excluded from *FASB Accounting Standards Codification*TM paragraph 805-20-30-5 relating to the acquirer's acquisition-date valuation of an acquired asset that is subject to an operating lease. The investment property would be measured at fair value as required by the proposed guidance on investment property.

The Board tentatively decided that an entity with investment property should disclose the following:

1. Its policy for classifying investment property in the statement of financial position
2. The amounts recognized in earnings for:
 - a. Rental income from investment property

- b. Direct operating expenses, separately for investment property that generated rental income during the year and investment property that did not generate rental income during the year.
3. A reconciliation of changes in the opening and closing balances of investment property
4. Any restrictions, for example, on the ability to increase rent, collect rental income, or collect proceeds on the sale of investment property
5. Any contraction obligations related to investment property.

In addition, the Board tentatively decided that the fair value disclosures required under the guidance in Topic 820 on fair value measurements and disclosures would apply to investment property. Therefore, no additional specific disclosures for investment property would be included in the guidance on investment property. The Board also tentatively decided not to exclude investment property from the measurement uncertainty analysis disclosure as proposed in proposed Accounting Standards Update, *Fair Value Measurements and Disclosures (Topic 820): Amendments for Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*.

General Announcements: None