Fall Meeting of the Board of Trustees
Stowe, Vermont
October 28, 2006

Meeting Summary

Below is a summary of the major issues addressed at the Fall Meeting of the Board of Trustees of The Appraisal Foundation which was held October 28, 2006 in Stowe, Vermont.

2007 Appointees to the AQB and ASB

Appraiser Qualifications Board (AQB)

The following appointments were made to the Appraiser Qualifications Board (with terms commencing January 1, 2007): Terry Bernhardt of Portland, Oregon was appointed to fill the remaining term of Larry Ofner, effective immediately until December 31, 2007; J. Andrew Hansz of Arlington, Texas for a three-year term; and, C. Scott Seely of Lufkin, Texas was re-appointed to a three-year term. Sandra Guilfoil of Seattle, Washington was appointed as the 2007 Chair of the Appraiser Qualifications Board and Gary Taylor was appointed as the 2007 Vice Chair of the Board.

Appraisal Standards Board (ASB)

The following appointments were made to the Appraisal Standards Board (with terms commencing January 1, 2007): Gregory Accetta of Providence, Rhode Island was re-appointed for a two-year term; Noreen Dornenburg of Pittsburgh, Pennsylvania was appointed for a three-year term; and William Henry Riley of Severna Park, Maryland was appointed for a two-year term. Gregory Accetta of Providence, Rhode Island was appointed as the 2007 Chair of the Appraisal Standards Board and Noreen Dornenburg was appointed as the 2007 Vice Chair of the Board.

2007 Officers Elected

The 2007 Officers of the Foundation Board of Trustees are:

Chair: Art Clapp of Tolland, Connecticut
Vice Chair: Shawn McGowan of Germantown, Tennessee
Secretary: Larry Kokel of Georgetown, Texas
Assistant Secretary: Alan Hummel of Des Moines, Iowa
Treasurer: John Bredemeyer of Omaha, Nebraska
Assistant Treasurer: Alyce DeJong of Newark, New Jersey
Immediate Past Chair: Lee Hackett of Milwaukee, Wisconsin

Elections to the 2007 Board of Trustees
Four individuals were elected to serve three-year terms, commencing January 1, 2007, as
At-Large members of the Board of Trustees: John Bredemeyer of Omaha, Nebraska (re-elected);
Shawn McGowan of Germantown, Tennessee (re-elected); Kenneth Wade of Washington, DC;
and, David Wilkes of Tarrytown, New York.

Retiring from the Board of Trustees on December 31, 2006 are: Peter Clark of Vancouver, British
Columbia; Charles Elliott of Houston, Texas; Richard Gilmore of Agawam, Massachusetts;
Frank McAtee of Alton, Illinois; John Ryan of Newburyport, Massachusetts; and, Tony Trodella
of Marlboro, Massachusetts. Their input and perspective will be missed.

Criteria Implementation Task Force
The Criteria Implementation Task Force has reported a successful finish to its second phase of the
project to inform State Regulatory Agencies and educational providers on implementation of
issues relating to the AQB 2008 Real Property Appraiser Criteria.

During 2005 and 2006, the group has produced some printed materials including an Executive
Summary of the Criteria and a detailed Implementation Guide as well as a first- and second-phase
seminar series. A total of nine seminars were held over the course of these years with 615
individuals attending, including representatives from 45 states and U.S. territories. The seminars
were offered free-of-charge and the Foundation offered travel reimbursement for state appraiser
regulatory attendance.

The Task Force has embarked on its third phase of the project: the production of an
informational DVD. The DVD, which was recorded in November 2006, will be distributed free to
all interested parties and menu selections from the DVD will be posted on the Foundation web
site. In addition, the Task Force anticipates producing a free tele-briefing in early 2007 and
continues to encourage complimentary one-on-one visits with State Boards to discuss the new
Criteria and how it will affect the regulatory process.

New Initiatives of the Foundation
Several new Task Forces and Initiatives were established earlier this year as a result of
discussions held at the January meeting of the Executive Committee and Sponsoring
Organizations. Initial reports were made in May and the following follow-up reports were made
in Stowe, Vermont.

University Appraisal Education Task Force
In discussions with our Sponsoring Organizations and other interested parties, it has become
evident that a dialogue needs to be established between the Foundation (particularly the AQB)
and university providers of valuation-related education. As a result, the Task Force on
University Appraisal Education, chaired by Alan Hummel, has been established and is charged
with establishing an ongoing dialogue between the Foundation and higher education providers
of valuation related education. The focus of this Task Force is to recommend ways to smooth the
transition between college courses and the AQB’s Required Core Curriculum; all as a means of
attracting qualified young people to the valuation profession.
During the last year, the Task Force has held several conference calls and has solicited the help of established academicians. The next steps for the Task Force will be the compilation of a catalog of all university programs that include professional valuation as a course of study. In addition, the Task Force will work with the American Real Estate Society (ARES) by preparing a panel presentation at the April conference of the ARES.

**Valuation Fraud Symposium**
The Foundation held its first ever symposium on October 12, 2006 with great success. The Symposium, a solutions-based program on Valuation Fraud, was attended by over 250 individuals. The day-long program included 12 panelists including representatives from the Department of Justice and the Federal Bureau of Investigation (FBI). Materials from the symposium are now available on the Foundation’s web site (www.appraisalfoundation.org) and a DVD of the program is in post-production. The DVD of highlights from the Symposium will be made available to all attendees on a complimentary basis and will be available to the general public for a nominal fee.

**State of the Valuation Profession Task Force**
The charge of this Task Force is twofold: (a) to conduct a comprehensive survey on the state of the valuation profession as it relates to present and future valuation needs of clients, and, (b) to identify and compile the best practices of business valuation specifically focused on valuation for financial reporting. Since there are two distinct tasks (as listed above), two subgroups have been formed. John Bredemeyer is chairing the overall task force. The sub-group on the survey project is led by Peter Clark and Jay Fishman is leading the sub-group on the best practices project.

The Subgroup on the survey has developed an RFP and this has initially been sent to several groups for response. Once costs are codified, determination will be made on whether to move forward with this project. The Subgroup on the Best Practices project has made headway with developing a solicitation for qualified participants to being the drafting of several best practices, as a beta-test for acceptance by the marketplace. The group intends to utilize a formal exposure process (much like that used by the AQB and ASB) as it moves through its work plan. Work is set to begin on these best practices in early-to-mid January 2007.

**International Relations**
There are several developments in the arena of International Relations.

In order to assist the AQB in implementing the 2008 Real Property Appraiser Qualifications Criteria, the International Valuation Council has commenced work on a comparison of world-wide qualifications. The agenda for this Council in the future will include the presentation of valuation questions or problems to be compiled into a matrix as well.

The project on the harmonization of standards by the Foundation’s Appraisal Standards Board (ASB) and the International Valuation Standards Committee (IVSC) has progressed. Both groups intend to meet jointly in February 2007 to discuss the initial results of the comparison.

In other International Valuation news, Alan Hummel appeared on behalf of The Appraisal Foundation as a keynote speaker at the China Appraisal Society conference in Kunming, China in September. In September, Lee Hackett and David Bunton met with officials from the
Government of Taiwan to discuss the importance of public trust in the valuation profession, the American model for an appraiser regulatory system and business valuation in the United States. Both meetings were deemed an overall success.

The Foundation offices have been visited this year by representatives from China, Russia and Taiwan.

20th Anniversary of The Appraisal Foundation
Plans are underway for the Foundation’s 20th Anniversary. A black-tie dinner and other events are confirmed for November 8-11, 2007 in Washington, DC. More details will be available on this event in the months ahead.

Free Publications from The Appraisal Foundation
The Appraisal Foundation has a number of complimentary publications that are available upon request. The 2006 USPAP and Scope of Work brochure was developed by the ASB to address questions relating to Scope of Work. In addition, several publications are available, as developed by the AQB and the Criteria Task Force: The Real Property Appraiser Qualifications Criteria, which includes the 2008 Criteria; the Executive Summary of the Criteria, a four page summary of what changes are occurring in 2008; and an Implementation Guide, which addresses important questions relating to the 2008 Criteria. All of the above are available in PDF format from the website or in hard copy from the Foundation staff. Please contact Paula Douglas (paula@appraisalfoundation.org) if you are interested in re-printing any of the above material or Anne Haynes (anne@appraisalfoundation.org) if you are interested in obtaining copies.

2007 Meetings Announced
The following meetings were announced for 2007:

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<thead>
<tr>
<th>Date</th>
<th>Meeting Details</th>
<th>Location</th>
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<tr>
<td>January 4-8, 2007</td>
<td>Foundation Executive Committee</td>
<td>San Diego, California</td>
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<td>Sponsors and NACAO</td>
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<td>May 17-20 2007</td>
<td>Spring Board of Trustees Meeting</td>
<td>Savannah, Georgia</td>
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<td>November 8-11, 2007</td>
<td>Fall Board of Trustees Meeting</td>
<td>Washington, DC</td>
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<td>&amp; 20th Anniversary Gala</td>
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More information on these meetings will be posted on the Foundation Web site as details become available.

This summary is being provided for your convenience. Any questions on this summary can be addressed to Paula Douglas, Executive Administrator at paula@appraisalfoundation.org.