

capitol comments

Spring 2009

WLF SPECIAL EDITION!

"The most damaging thing you can do to any businessman in America is to keep him in doubt, and to keep him guessing, on what our tax policy is."

—Lyndon B. Johnson



NAREIT held its 2009 Washington Leadership Forum (WLF) in Washington, D.C. on Feb. 24 and Feb. 25. WLF is the annual opportunity for NAREIT members to meet with key policymakers in Congress and the Administration to discuss the industry's legislative agenda for the year and other key issues important to the industry. During WLF, NAREIT also held leadership meetings with its Executive Committee and Board of Governors.

On Feb. 24, the board and invited guests heard from **David Malpass**, a leading economist and president of an economic research and consulting firm serving institutional investors and corporate clients, and the current co-author of the "Current Events" column in *Forbes* magazine. Mr. Malpass provided insightful commentary on current global economic conditions and the current political trends that he believes will impact the U.S. and other economies in the future. The board also heard from **Joseph Nichols**, an economist with the Household and Real Estate Finance Section of the Federal Reserve, who discussed the latest Fed workings related to the Troubled Assets Relief Program (TARP) and the development of the Term Asset-Backed Securities Loan Facility, or TALF, initially proposed last December. Specifically, Mr. Nichols discussed his office's initiative to expand TALF to include commercial real estate mortgages, as proposed last month by Treasury Secretary Geithner, and Board Members provided their advice and suggestions to help him with this effort. NAREIT intends to continue this discussion with Mr. Nichols and the Federal Reserve in the future to assist them in their initiative to bring liquidity back to commercial real estate.

REITPAC and NAREIT members held a reception to honor **Rep. Chris Van Hollen** (D-MD), an Assistant to the Speaker of the House of Representatives, chairman of the Democratic Congressional Campaign Committee, and a member of the House Ways and Means Committee. Rep. Van Hollen knows well how REITs and the publicly-traded real estate industry contribute to the U.S. economy and to his home state of Maryland.

Rep. Joseph Crowley (D-NY), a member of the House Ways and Means Committee and House Chief Deputy Whip, was presented with NAREIT's 2009 Small Investor Empowerment Award during the board dinner for his leadership in the enactment last year of the REIT Investment Diversification and Empowerment Act, or RIDEA, which was included as part of the Housing and Economic Recovery Act of 2008 (P.L. 110-289). RIDEA now allows REITs to more effectively and efficiently manage their property portfolios and diversify their holdings.

Later that evening during a dinner speech, **David Plouffe**, chief campaign manager of Barack Obama's presidential campaign, gave an insider's summary of last year's successful campaign and his thoughts about the structure of future national campaigns and campaigning tactics. He also shared with the group his experiences with President Obama as a person and as a candidate for national office, and provided his comments on the monumental tasks facing the new Administration.

On Feb. 25, **Sen. Kent Conrad** (D-ND), chairman of the Senate Budget Committee, addressed NAREIT members at a breakfast on Capitol Hill. He discussed the upcoming consideration by Congress of President Obama's first proposed budget for the Federal Government, which was released the following day, and the other critical decisions facing the Congress related to the crisis in the nation's financial system. Conrad, who is also a senior member of the Senate Finance Committee, will be involved in the decisions related to the future operation of TARP, TALF, and other remedies sought by the Obama Administration to strengthen the U.S. economy. NAREIT members expressed to Conrad the need for congressional support to provide liquidity to the commercial real estate industry through an expansion of TALF and for Congress to change or repeal the Foreign Investment in Real Property Tax Act, or FIRPTA, to encourage greater foreign equity investment in U.S. real estate. Sen. Conrad indicated his support for the TALF expansion and his willingness to review legislation to modify FIRPTA.

NAREIT Officers

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After the briefing by Sen. Conrad, NAREIT members began a series of meetings with various members of Congress in both the House and the Senate. On average, each executive was scheduled to visit with four policymakers. By day's end, a total of 38 different congressional offices were visited by NAREIT members – 19 House offices and 19 Senate offices. As usual, the large majority of meetings were held with Members of Congress from both political parties and focused on those members in leadership positions or those members who serve on a committee of importance to the REIT industry, *e.g.*, the tax, banking and financial services committees. Meetings were also scheduled with the senior staff of several key legislators, including the offices of Senate Finance Committee Chairman **Max Baucus** and House Financial Services Committee Chairman **Barney Frank**. A full listing of the congressional offices visited during WLF is located below.

There were three main issues discussed in each congressional meeting: the credit crisis and the proposed expansion of TALF to commercial real estate, implementing a change to FIRPTA, and the cancellation of debt tax rules. In addition, legislation to require the collection of existing state sales taxes for remote sales was the subject of several meetings. And, legislation which would eliminate the secret ballot in the union certification process was raised with those legislators who will be instrumental to the bill's disposition. Executives also asked legislators to strongly encourage the Securities and Exchange Commission to reinstate the "Uptick Rule" or to restore it by legislation.

Again, we thank all those executives who participated in this year's WLF for helping to educate members of Congress about the REIT and publicly traded real estate industry, especially at such a critical time facing the industry. We invite you to join us in Washington, D.C. on Feb. 23-24, 2010 for NAREIT's 2010 Washington Leadership Forum.

— Robert Dibblee, VP, Government Relations

Meetings held at NAREIT's 2009 Washington Leadership Forum

Senator Evan Bayh (D-IN)	Representative Gary Ackerman (D-NY)
Senator Max Baucus (D-MT)	Representative Spencer Bachus (R-AL)
Senator Robert Bennett (R-UT)	Representative Melissa Bean (D-IL)
Senator Benjamin Cardin (D-MD)	Representative John Boehner (R-OH)
Senator John Cornyn (R-TX)	Representative Dave Camp (R-MI)
Senator Bryon Dorgan (D-ND)	Representative Eric Cantor (R-VA)
Senator Richard Durbin (D-IL)	Representative James Clyburn (D-SC)
Senator Michael Enzi (R-WY)	Representative Joseph Crowley (D-NY)
Senator Jon Kyl (R-AZ)	Representative Artur Davis (D-AL)
Senator Johnny Isakson (R-GA)	Representative Danny Davis (D-IL)
Senator Richard Lugar (R-IN)	Representative Barney Frank (D-MA)
Senator Mitch McConnell (R-KY)	Representative Jim Gerlach (R-PA)
Senator Robert Menendez (D-NJ)	Representative Kevin McCarthy (R-CA)
Senator Bill Nelson (D-FL)	Representative Carolyn Maloney (D-NY)
Senator Harry Reid (D-NV)	Representative Richard Neal (D-MA)
Senator Pat Roberts (R-KS)	Representative Earl Pomeroy (D-ND)
Senator Jay Rockefeller (D-WV)	Representative Peter Roskam (R-IL)
Senator Charles Schumer (D-NY)	Representative John Tanner (D-TN)
Senator Richard Shelby (R-AL)	Representative Patrick Tiberi (R-OH)

February 24 – NAREIT Board of Governors Meeting, REITPAC Reception and NAREIT Board of Governors Dinner



David Malpass, President, Encima Global LLC, and Co-Author, "Current Events" column, *Forbes Magazine*, speaks to NAREIT's Board of Governors on the current financial crisis.



Joseph Nichols, the commercial real estate economist with the Federal Reserve Board, addresses NAREIT's Board of Governors on the Federal Reserve's initiative to expand TALF to include commercial real estate mortgages.



NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc., middle, and **Daniel Wagner**, VP Government Relations, Inland Real Estate Corporation, right, listen as Representative **Chris Van Hollen** (D-MD), left, speaks to NAREIT members at a reception held in his honor.



Representative **Joseph Crowley** (D-NY), left, receives NAREIT's 2009 Small Investor Empowerment Award from NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc.



NAREIT President and CEO **Steven Wechsler**, left, presents **Walter Rakowich**, CEO, ProLogis, with the 2008 REITPAC Leadership Award and the 2008 REITPAC Teamwork Award. ProLogis was recognized both for contributing the greatest amount of funds to REITPAC and for providing funds from the greatest number of individuals to REITPAC during 2008.



David Plouffe, chief campaign manager of Barack Obama's presidential campaign, speaks at the Board of Governor's Dinner.

February 25 Breakfast Briefing



Senator **Kent Conrad** (D-ND), Chairman of the Senate Budget Committee, addresses WLF attendees at breakfast prior to the start of a full day of Capitol Hill meetings.

Capitol Hill Visits with the Leadership of the 111th Congress



Senate Majority Leader **Harry Reid** (D-NV), right, greets **Samuel Zell**, Chairman, Equity Group Investments, left, and NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc., middle, in his Capitol office.



Senate Minority Leader **Mitch McConnell** (R-KY), left, meets with (left to right) NAREIT First Vice Chair **Debra Cafaro**, Chairman, President & CEO, Ventas, Inc., **Samuel Zell**, Chairman, Equity Group Investments, and **Steven Wechsler**, President & CEO, NAREIT.



House Majority Whip **James Clyburn** (D-SC), left, stands with (left to right) NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc., **Edward Fritsch**, President & CEO, Highwoods Properties and **Steven Wechsler**, President & CEO, NAREIT.



House Minority Leader **John Boehner** (R-OH), second from left, is pictured with (left to right) **Robert Dibblee**, VP Government Relations, NAREIT, **Scott Wolstein**, Chairman & CEO, Developers Diversified Realty Corporation, and **Daniel Wagner**, VP Government Relations, Inland Real Estate Corporation.



Senate Democratic Conference Vice Chair **Charles Schumer** (D-NY), third from the right, makes a point to **Steven Roth**, Chairman & CEO, Vornado Realty Trust, third from left, as **Steven Wechsler**, President & CEO, NAREIT, far left, NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc., second from right, and **Samuel Zell**, Chairman, Equity Group Investments, far right, listen in.



Joint Economic Committee Chairwoman **Carolyn Maloney** (D-NY), center, is pictured with (left to right) **Steven Roth**, Chairman & CEO, Vornado Realty Trust, **Cynthia Morgenstern**, Executive Vice President, Monmouth Real Estate Investment Corporation, **Kevin Stahl**, Managing Director, RBC Capital Markets, **Vivek Seth**, Managing Director, Raymond James, **Tyler Morse**, CEO & Managing Partner, MCR Development and **David Neithercut**, President & CEO, Equity Residential.



Senate Democratic Campaign Committee Chairman **Robert Menendez** (D-NJ), second from right, is joined by (left to right) **Steven Roth**, Chairman & CEO, Vornado Realty Trust, **Steven Wechsler**, President & CEO, NAREIT and **Cynthia Morgenstern**, Executive Vice President, Monmouth Real Estate Investment Corporation.

Additional Capitol Hill Visits with Other Members of the 111th Congress



Representative **Richard Neal** (D-MA), third from left, meets with (left to right) **Jon Bortz**, Chairman, President & CEO of LaSalle Hotel Properties, **Steven Wechsler**, President & CEO, NAREIT, **Samuel Zell**, Chairman, Equity Group Investments, NAREIT First Vice Chair **Debra Cafaro**, Chairman, President & CEO, Ventas, Inc., and NAREIT Chair **Constance Moore**, President & CEO of BRE Properties, Inc.



Senator **Richard Lugar** (R-IN), center, is pictured with (left to right) **Edward Pettinella**, President & CEO, Home Properties, **Vivek Seth**, Managing Director, Raymond James, **Dennis Oklak**, Chairman & CEO, Duke Realty Corporation, and NAREIT Second Vice Chair, **Bryce Blair**, Chairman & CEO, AvalonBay Communities, Inc.



Senator **Evan Bayh** (D-IN), third from left, stands with (left to right) **Cynthia Morgenstern**, Executive Vice President, Monmouth Real Estate Investment Corporation, **Edward Pettinella**, President & CEO, Home Properties, **Dennis Oklak**, Chairman & CEO, Duke Realty Corporation, **Donald Miller**, President & CEO, Piedmont Office Realty Trust and **Daniel Wagner**, VP Government Relations, Inland Real Estate Corporation.



Representative **Patrick Tiberi** (R-OH), third from right, meets with (left to right) **Mark Zalatoris**, President & CEO, Inland Real Estate Corporation, **Timothy Pire**, Managing Director, Heitman, **Scott Wolstein**, Chairman & CEO, Developers Diversified Realty, **George McKenzie**, President & CEO of Washington Real Estate Investment Trust and **Edward Fritsch**, President & CEO, Highwoods Properties.



Senator **Ben Cardin** (D-MD), third from right meets with (left to right) **Douglas Donatelli**, Chairman & CEO, First Potomac Realty Trust, NAREIT Treasurer **Donald Wood**, President & CEO, Federal Realty Investment Trust, **Jon Bortz**, Chairman, President & CEO of LaSalle Hotel Properties, **George McKenzie**, President & CEO, Washington Real Estate Investment Trust, and **Tony Edwards**, EVP & General Counsel, NAREIT.



Representative **John Tanner** (D-TN), second from the right, is joined by (left to right) NAREIT Treasurer **Donald Wood**, President & CEO, Federal Realty Investment Trust, **Cynthia Morgenstern**, Executive Vice President, Monmouth Real Estate Investment Corporation, and **Mark Zalatoris**, President & CEO, Inland Real Estate Corporation.



Senator **Johnny Isakson** (R-GA), second from left, stands with (left to right) **Howard Nelson**, Director, Government Relations, Colonial Properties Trust, **Donald Miller**, President & CEO, Piedmont Office Realty Trust, and **Robert Dibblee**, VP Government Relations, NAREIT.



Senator **Michael Enzi** (R-WY), third from left, is pictured with (left to right) **Daniel Wagner**, VP Government Relations, Inland Real Estate Corporation, **Timothy Pire**, Managing Director, Heitman, **Dana Anderson**, Vice Chairman, Macerich, NAREIT Treasurer **Donald Wood**, President & CEO, Federal Realty Investment Trust, **Scott Wolstein**, Chairman & CEO, Developers Diversified Realty Corporation, and **Edward Fritsch**, President & CEO, Highwoods Properties.



2009 NAREIT Washington Leadership Forum

February 24-25, 2009

The Fairmont Washington Hotel, Washington, D.C.

Please let NAREIT know if your company is planning any new developments or substantial renovations that would be appropriate for members of Congress to tour.

Steven A. Wechsler
PRESIDENT & CEO
swechsler@nareit.com

Tony M. Edwards
EXECUTIVE VICE PRESIDENT &
GENERAL COUNSEL
tedwards@nareit.com

Robert L. Dibblee
VICE PRESIDENT,
GOVERNMENT RELATIONS
rdibblee@nareit.com

Dara F. Bernstein
SENIOR TAX COUNSEL
dbernstein@nareit.com

Ryan P. Kilpatrick
MANAGER, REITPAC and
GRASSROOTS ACTIVITIES
rkilpatrick@nareit.com

Ali K. Clark
POLICY ISSUES COORDINATOR
aclark@nareit.com

Emily B. Reid
POLICY ISSUES COORDINATOR
ereid@nareit.com



Robert L. Dibblee

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