

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

VIII. PARTICIPATION IN INDUSTRY ORGANIZATIONS

G. Graaskamp As Industry Advisor/Director

1. First Asset Realty Advisors (FARA): Board  
of Directors from 1981 - 1988

ADVISORY BOARD  
FIRST ASSET REALTY ADVISORS

Minutes  
August 13, 1981

Members: Al Anderson, Robert Boblett, Dennis Evans,  
Charles Glaman, Mike Kelly, Dave McLaughlin,  
Ken Stensby

Guests: Randy Kohn, Al McCook

- I. Randy Kohn presented the group with a marketing update. Members were told that Randy would be devoting most of his time to marketing FAREEF over the next six to nine months which will be a significant boost to our funding efforts and give some organizational support at a critical time.
- II. The addition of James A. Graaskamp as a Director and member of the Executive Committee was discussed and approved by the members of the Executive Committee who were present and constituted a quorum. A formal offer to join the Board of Directors will be extended to Dr. Graaskamp.
- III. Several investment proposals were presented to the Executive Committee for discussion:
  - A. Itasca Warehouse Chicago, Illinois
  - B. Warson Village St. Louis, Missouri
  - C. Fairmont Center Tempe, Arizona
  - D. Westwood Center Phoenix, Arizona
  - A. The Itasca Warehouse has been discussed informally over the past several meetings. A price and terms strategy was considered and recommended to be pursued by The Center Companies. Before a final recommendation can be made to the Bank, several committee members asked for some additional information on the market supply/demand characteristics. This proposal will be given final consideration in the August 20th Executive Committee meeting.
  - B. Warson Village Shopping Center was given a preliminary discussion. In general, the structure of the proposed

transaction was accepted but additional information was requested about historical operating expenses, sales volume/trends of tenants and comparable market rent data. This proposal will be further considered August 20th.

- C. The Fairmont Center Industrial Property was well discussed and generally found acceptable. Additional information about divisibility of bay sizes and target market was requested. Some modifications in the proposed pricing structure were suggested to limit the maximum potential purchase price, to limit the amount of total finished office space and to place time constraints on the seller's ability to earn any additional purchase price. This proposal will be given final consideration on August 20th.
- D. Westwood Center was only briefly discussed and then declined for further consideration. Reasons cited were overall vacancy rates in the market and site location relative to the competition.

The Executive Committee decided that proposals A through C would be given further consideration on August 20th. The considerations would cover the relative merits of each individual investment and the comparative attractiveness of the group to the Oakbrook/Schaumburg office buildings. The intent is to recommend pursuit of one group on the other assuming FAREEF is still a candidate for the latter after our August 19th deadline passes. ..

IV. The meeting was adjourned at 6:30 p.m.

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# FARA

First Asset  
Realty Advisors  
**Report**

## Expertise, Diversity Make FARA Board Unique

With their extensive experience in real estate and investments, members of FARA'S Board of Directors play a vital role in the operation of this real estate investment management firm. The board, composed of eight directors, includes two members from First Bank System and six from other companies and organizations who represent a broad cross section of the real estate industry.

According to FARA Board Chairman Richard Jensen, each member brings a specific expertise to FARA's decision-making process, which complements The Center Companies' intensive property management capabilities. "This expertise," he says, "enables FARA to execute an investment strategy of acquiring properties that represent opportunities not generally recognized by the market. The combined skills of the board and The Center Companies produce a proactive approach to real estate investing."

Monthly board meetings require attention to numerous tasks, including review and approval of all FARA real estate purchases and sales, approval of major asset management decisions and establishment of overall investment strategies and goals. Another important board function is the quarterly determination of individual property values. These reappraisals are the basis on which



*FARA board members are: (clockwise from left to right) Kenneth N. Stensby, Russell W. Lindquist, Richard W. Jensen, Robert Boblett, Michael F. Kelly, James A. Graaskamp and Austin H. Evans. Board member Dennis E. Evans is not pictured.*

First Asset Real Estate Equity Funds (FAREEF) unit values are based.

Board members are: Robert P. Boblett, chairman of Robert Boblett Associates, Inc.; Austin H. Evans, The Center Companies; Dennis E. Evans, president and COO, First Bank System; James A. Graaskamp, chairman, Department of Real

Estate and Urban Land Economics, School of Business, University of Wisconsin; Richard W. Jensen, managing director, First Asset Management; Michael F. Kelly, president and CEO, The Center Companies; Russell W. Lindquist, retired partner, Dorsey & Whitney and Kenneth N. Stensby, president, United Properties.

# FAREEF Reports Investment Results

First Asset Real Estate Equity Fund (FAREEF), FARA's open-end, comingled real estate fund for pension plans, reported its operating results for the three months ending March 31, 1986.

The fund's quarterly income return was 1.6, with an overall return of 1.7. Modest increases in the values of Burnhaven, Ridgehaven and 7-Hi shopping centers were offset by a \$189,000 writedown taken on the Jefferson Bank Building in New Orleans. The writedown reflected FARA's concern about the generally overbuilt office market in that city.

FAREEF's newest acquisitions, the two Hayden Plaza shopping centers in Phoenix, are performing as expected. Occupancy has remained above 95 percent, and last quarter's cash returns achieved the projected 9 percent.

Looking ahead, the \$7.5 million renovation of Roosevelt Shopping Center is scheduled to begin this June. Design plans are almost complete, and bids on the construction work will be let in May. The benefits of this project should be apparent later this year.

## FIRST ASSET REAL ESTATE EQUITY FUND

### Investment Results

(Unaudited)

	3 Months 03/31/86	6 Months 03/31/86	9 Months 03/31/86	12 Months 03/31/86
<b>FAREEF*</b>				
Income Return	1.6	3.5	5.2	7.0
Total Return	1.7	5.1	6.9	9.9
<b>Wilshire R.E. Index*</b>				
Income Return	1.6	3.5	5.5	7.6
Total Return	1.9	4.1	6.3	9.0

\*Before Management Fees

### Portfolio Structure

#### ASSETS

Investments (At Market)

Shopping Centers	39,891,077
Office Buildings	8,350,000
	<u>48,241,077</u>

#### OTHER ASSETS

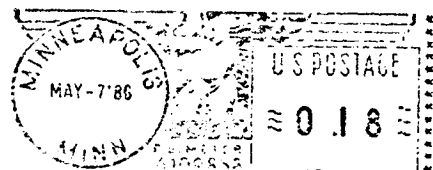
Cash and Equivalents	11,784,936
Deferred Acquisition Costs	42,044
Accrued Receivables	1,212,479
	<u>13,039,459</u>
	<u>61,280,536</u>

#### LIABILITIES & PARTICIPANTS EQUITY

Liabilities

Mortgages Payable	11,185,238
Accrued Payables	1,299,496

	<u>12,484,734</u>
Participants Equity	<u>48,795,802</u>
	<u>61,280,536</u>



The FARA Report is published quarterly by First Asset Realty Advisors for its institutional clients. For more information about FARA, contact:

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December 8, 1988

Ms. Jean Davis  
202-A Breese Terrace  
Madison, WI 53705

Dear Jean:

Thank you very much for your kind letter. You must be psychic as I've been thinking of you lately too. As a matter of fact I was in Madison last week but, as usual, I scheduled too much for too little time. Thus, I didn't get a chance to call you as I had intended.

FARA continues to perform well and our fund is growing as a result. This is due, in a large part, to our adherence to the strategies and high standards that Jim had a hand in developing. We miss his leadership a great deal.

Best wishes for the holiday season.

Kindest personal regards,

Charles S. Ingwalson  
President