

INVESTORS REAL ESTATE TRUST

Charter of the Nominating Committee of the Board of Trustees (adopted by the Board of Trustees on January 14, 2004)

Purpose

As provided in the Company's Bylaws, the Nominating Committee is appointed by the Board of Trustees to: (1) identify individuals qualified to become Board members, (2) approve the nominees to stand for election and reelection to the Board by the Company's shareholders at the Company's Annual Meeting of Shareholders, and (3) fulfill the duties set forth below, and such other responsibilities as may be delegated to the Nominating Committee by the Board from time to time.

Members

The Nominating Committee shall be comprised of at least three members of the Board who satisfy the independence requirements of the NASDAQ Stock Market, Inc. ("NASDAQ") and applicable federal and other laws, rules and regulations. The members of the Nominating Committee shall be appointed by the Board at its annual organizational meeting and shall serve until their successors are duly appointed and qualified. The Board shall designate one member as Chair, or delegate authority to designate a Chair to the Nominating Committee.

Notwithstanding the foregoing, and subject to the Bylaws, the Board may appoint to the Nominating Committee one member of the Board who is not independent as defined in NASDAQ Rule 4200, if such member is not a current officer or employee of the Company or a family member (as defined in NASDAQ Rule 4200) of such officer or employee, and if the Board, under exceptional and limited circumstances, determines that such individual's membership on the Nominating Committee is required by the best interests of the Company and its shareholders. The Board shall disclose, in the proxy statement for the next annual meeting subsequent to such determination, the nature of the relationship and the reasons for the determination. A member appointed under this exception may not serve longer than two years.

Meetings

The Nominating Committee shall meet as often as its members deem necessary to carry out the Committee's duties and responsibilities, either in person or telephonically, and at such times and places as the Nominating Committee shall determine. The Nominating Committee shall report its activities to the Board regularly.

Duties and Responsibilities

On behalf of the Board, and subject to applicable law and the Bylaws, the Nominating Committee shall, among its duties and responsibilities:

1. Assist in identifying, interviewing and recruiting candidates for the Board, considering, at a minimum, the following factors in recommending to the Board potential new Board members, or the continued service of existing members:
 - a. Personal integrity and judgment;

- b. Loyalty to the Company and commitment to its success and welfare;
 - c. Willingness and ability to apply sound and independent business judgment;
 - d. Commitment to enhancing shareholder value;
 - e. Sufficient time available for meetings and consultation on Company matters;
 - f. Broad leadership experience in business, government, education, public service or in other management or administrative positions;
 - g. Independence, as defined in applicable laws and regulations; and
 - h. Age (at least 21 years of age and less than 74 years of age, in accordance with the Company's Bylaws).
2. Approve the trustee nominees to be presented for shareholder approval at the Company's Annual Meeting of Shareholders.
 3. Approve the trustee nominees to fill vacancies on the Board as necessary.
 4. Make recommendations to the Board regarding the size and composition of the Board and committees of the Board,.
 5. Review this Charter annually and recommend any changes to the Board for approval.

Outside Advisors

The Nominating Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other consultants or advisors, as it deems appropriate to assist it in the performance of its functions, or to advise or inform the Nominating Committee.