

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

VII. INDUSTRY EDUCATIONAL COURSES - LONG TERM

A. EDUCARE

1. Development and Administration of EDUCARE:
Includes by-laws, correspondence, and Board
of Director minutes



SEMINAR: COMPUTERS FOR APPRAISAL OFFICES

DATE: Friday, December 5, and Saturday, December 6, 1969

PLACE: Wisconsin Center Building
702 Langdon Street
Madison, Wisconsin 53706

Formal Seminar Begins 8:45 AM, Friday, December 5, 1969

Informal Seminar Begins 6:30 PM, Thursday, December 4, 1969

With Supper Meal to be Served at the Madison, Inn,
Madison, Wisconsin

Seminar Fee Includes Lunch and Dinner and All Workshop Costs.
Those Attending Responsible for Own Motel Accommodations.
Space Has Been Reserved for Those Attending at the
Madison Inn, 601 Langdon Street, Madison, Wisconsin,
Phone 257-4391, Reservation Form Enclosed

TEAR OFF _____

____ I WILL ATTEND

____ I WILL NOT ATTEND

____ WILL ARRIVE FOR SUPPER THURSDAY

____ WILL ARRIVE EARLY EVENING THURSDAY

____ WILL BE PRESENT FRIDAY MORNING

Please attach check for \$70.00 with your acceptance notice. Please
make check payable to Wisconsin Alumni Fund - Land Economics
(qualifies as charitable deduction).

PLEASE NOTE: ONLY ONE PERSON CAN ATTEND PER REGISTRATION BECAUSE
OF LIMITED OPENINGS.

Signed _____

Date _____



October 6, 1969

A few appraisal offices and universities have developed techniques and hardware which may be within the means and technical skills of a large number of real estate professionals. Introduction to these techniques has been greatly hindered because:

- 1) Appraisers have not had a chance to experience actual use of the hardware and
- 2) Clients require considerable re-education on what they might expect to find in a professional appraisal.

Relative to problem #1 the University of Wisconsin Real Estate Department, in conjunction with the research and education leaders of the various professional appraisal societies and mortgage banking firms will offer a seminar which will stress direct "hands-on-computer-time" for each participant for three alternative electronic computer systems within the means of small appraisal offices. No programming is required! Anyone can operate any one of the systems with 20 minutes of instruction!

By special arrangement we will offer for the use of the participants a complete Wang installation, together with the software and the expertise of Pete Ellwood. There will be a teletype terminal installation developed and explained by John Schneider in conjunction with Service Bureau Corporation. For our third alternative we will use a graphic display and dialogue terminal developed here at the University of Wisconsin by Robert Knitter and Dick McCoy of the Business School.

In addition to 9 hours of time on the equipment for each of the participants, there will be opportunity for discussion on the economics of each alternative hardware setup and on the desirable attributes of unified courses for introducing various professional groups to the use and advantages of such techniques. Admittedly the participants are guinea pigs whom we hope to infect with enthusiasm and confidence for their own use of electronic computational aids and whom we hope will suggest a prescription for contents and methodology of introductory EDP courses for real estate.

Finally, for those with an interest in regression analysis or comparison of the ready-to-use methods above with the more typical punch-card, computer apparatus, we will have available the School of Business computer installations.

This seminar will be limited to 21 participants, 7 of whom are already noted for their work in this subject area and the balance will be the first 14 of 30 invited because they are education directors in their particular field or are in the process of installing some form of EDP in their appraisal office.

JOHN S. SCHNEIDER, M.A.I., C.R.E.

APPRAISER AND CONSULTANT

530 FULTON FEDERAL BUILDING

ATLANTA, GEORGIA 30303

COMMERCIAL, INDUSTRIAL
AND RESIDENTIAL APPRAISALS
VALUATION FOR EMINENT DOMAIN
LAND USE AND MARKETABILITY STUDIES
ECONOMIC FEASIBILITY STUDIES
MEMBER: AMERICAN INSTITUTE OF
REAL ESTATE APPRAISERS
AMERICAN SOCIETY OF
REAL ESTATE COUNSELORS

JOHN T. BREEDLOVE
ASSOCIATE

TELEPHONE:
524-8477

November 17, 1969

Dr. James A. Graaskamp
Assistant Professor in Business
The University of Wisconsin
Graduate School of Business
1155 Observatory Drive
Madison, Wisconsin 53706

Re: A. I. R. E. A. \$1,500 Grant

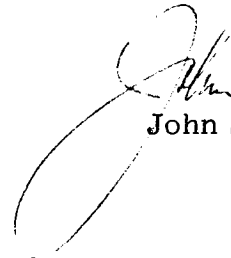
Dear Jim:

Concerning further my letter of September 12th in reply to your letter of August 15th, I am pleased to advise that the Education Committee at its November Meeting in San Francisco approved the release of the \$1,500 to The University of Wisconsin for continuation of the program in computer application research in the appraisal field as outlined in the second paragraph of your letter of August 15th.

The information and initial printing which you mentioned will be of great value to the appraisal profession.

Please advise the exact manner in which you want the check drawn, so that I may obtain it as soon as possible from the Appraisal Institute.

Very truly yours,



John S. Schneider

JSS/lr

JOHN S. SCHNEIDER

M. A. I., C. R. E.

APPRAISER AND CONSULTANT

615 FULTON FEDERAL BUILDING

ATLANTA, GEORGIA 30303

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REAL ESTATE COUNSELORS

JOHN T. BREEDLOVE

M. A. I.
ASSOCIATE

TELEPHONE
524-8477

October 7, 1970

Dr. James Graaskamp
Graduate School of Business
The University of Wisconsin
1155 Observatory Drive
Madison, Wisconsin 53706

Dear Jim:

In accordance with our telephone conversation yesterday, the following are the members of the American Institute of Real Estate Appraisers' Education Committee to whom I would like invitations extended for the EDUCARE pilot course:

✓ Mr. Richard J. Bourguignon ✓
✓ c/o Elmer Denessen Company
414 E. Walnut, P.O. Box 1243
Green Bay, Wisconsin 54305

✓ Mr. S. Z. Bennett ✓
✓ S. Z. Bennett Appraisal Co.
1407 Ainsley Building
Miami, Florida 33132

✓ Mr. Robert W. Ford ✓
✓ 1908 "G" Street
P.O. Box 57
Modesto, California 95353

✓ Mr. Harold R. Bowes ✓
✓ A. G. Bowes & Son, Inc.
730 - 17th Street
Suite 801
Denver, Colorado 80202

✓ Mr. Norman R. Benedict ✓
✓ Benedict Appraisal Company
2830 Whitney Avenue
Hamden, Connecticut 06518

✓ George F. Bloom ✓
✓ Professor of Real Estate
Director of Real Estate
Indiana University
521 East 4th Street
Bloomington, Indiana 47401

✓ Mr. James G. Smith ✓
✓ International Appraisal Co.
225 E. Broad Street
Columbus, Ohio 43215

✓ Mr. James L. Harper ✓
✓ Harper-Freeman & Co.
Third National Bank Bldg.
15th Floor
Nashville, Tennessee 37219

Dr. James Graaskamp

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October 7, 1970

✓ Mr. Jack K. Mann
Wortmann and Mann, Inc.
✓ 444 North State Street
Jackson, Mississippi 39201

✓ Mr. E. T. Compere, Jr.
Compere and Compere
P. O. Box 5001
Abilene, Texas 79605

✓ Mr. George L. Mercer,
Vice President & Manager
Appraisal Division
✓ Bell Federal Savings & Loan Assoc.
73 W. Monroe Street
Chicago, Illinois 60603

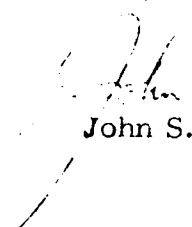
✓ I also would like invitations issued to Dr. Carl Tschappat, Georgia State University; Dr. Jerome Dasso, University of Oregon; and Mr. L. W. Ellwood of the Advisory Board.

Also, in connection with recent developments, I think it would be well to extend invitations to the following members of the Canadian Institute, and I am sorry I do not have their addresses, which you may have:
✓ ~~Mr. L. H. Howard~~, Calgary; ~~Mr. Arthur Speed~~, Halifax; and Mr. Robert Leitch.

I have been unable to reach Roy Fisher or Jim Gibbons by phone to get the names and addresses of the Counselors and SREA Education Committee members, but will have them forward this information to you as soon as possible.

With best regards, I am

Very truly yours,


John S. Schneider

Mr. L. H. Howard, Calgary, Alberta
Mr. Arthur Speed, Halifax
Mr. Robert Leitch
JSS/lr

SOCIETY OF REAL ESTATE APPRAISERS

AN INTERNATIONAL ORGANIZATION - HEADQUARTERS 7 SOUTH DEARBORN STREET, CHICAGO, ILLINOIS 60603, -PHONE FINANCIAL 6-7422



Designates
SENIOR
RESIDENTIAL
APPRAISER



Designates
SENIOR
REAL ESTATE
APPRAISER

October 15, 1970

Mr. James A. Graaskamp
202 A Breese Terrace
Madison, Wisconsin 53705

Dear Jim:

Roy Fisher has asked me to send you a proposed Society invitation list for your initial presentation of the computer course at the University of Wisconsin late this fall. Attached to this letter are two lists, one providing the names and addresses of the current Board of Governors of the Society and the other listing the names and addresses of the members of the 1970 Education Committee. I have checked in red pencil the names of those Governors and Committee members who I think would be particularly interested in attending your program. *List not included in SAG Collection*

With Mr. Fisher's approval, I am also suggesting your consideration of three men who have attended our Young Men's Council. All three are active in various facets of our Education program, each has a background in statistical analysis and computer applications, and all three could provide us with knowledgeable critiques of your pilot program. They are:

✓ W. Reynolds Couch, SRA, MAI
15 Peachtree Street, N.E.
Atlanta, Georgia 30303

✓ Jay T. Fitts, SREA, MAI
920 Eddy Court
Wheaton, Illinois 60187

(Continued)

Mr. James Graaskamp
October 15, 1970
Page Two

✓ Dan L. Swango, SRA, RM
4435 East Broadway
Tucson, Arizona 84711

Many thanks and kindest personal regards.

Cordially,



Donald E. Snyder
Staff Vice President

DES:al
cc: Roy R. Fisher, Jr.
enclosure

BY-LAWS OF
EDUCATIONAL FOUNDATION FOR COMPUTER APPLICATIONS
IN THE REAL ESTATE INDUSTRY, INC.

ADOPTED MAY 5, 1970

ARTICLE I

PURPOSES

THE CORPORATION IS ORGANIZED EXCLUSIVELY FOR CHARITABLE, RELIGIOUS, EDUCATIONAL AND SCIENTIFIC PURPOSES, INCLUDING FOR SUCH PURPOSES THE MAKING OF DISTRIBUTIONS TO ORGANIZATIONS THAT QUALIFY AS EXEMPT ORGANIZATIONS UNDER SECTION 501 C 3 OF THE INTERNAL REVENUE CODE OF 1954 OR FOR CORRESPONDING PROVISIONS OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW, INCLUDING, BUT NOT LIMITED TO, THE IMPROVEMENT OF THE REAL ESTATE PROFESSION THROUGH THE STUDY OF AND RESEARCH IN THE APPLICATION OF MODERN DEVELOPMENTS AND TECHNOLOGY TO REAL ESTATE PRACTICE, THE CONTINUING EDUCATION OF THE REAL ESTATE PROFESSION IN THOSE DEVELOPMENTS AND THE PUBLICATION AND DISTRIBUTION OF ADDRESSES, REPORTS, TREATISES AND OTHER LITERARY WORKS ON THOSE SUBJECTS, AND TO CARRY OUT THE FOREGOING, IT MAY ENGAGE IN ANY LAWFUL ACTIVITY WITHIN THE PURPOSES FOR WHICH CORPORATIONS MAY BE ORGANIZED UNDER THE WISCONSIN WITHOUT STOCK AND NOT FOR PROFIT LAW, CHAPTER 181 OF THE WISCONSIN STATUTES.

NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL ENURE TO THE BENEFIT OR BE DISTRIBUTABLE TO ITS MEMBERS, TRUSTEES, OFFICERS, OR OTHER PRIVATE PERSONS, EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE PAYMENT AND DISTRIBUTIONS IN FURTHERANCE OF THE PURPOSES SET FORTH IN ARTICLE THREE HEREOF. NO SUBSTANTIAL PART OF THE ACTIVITIES OF THE CORPORATION SHALL BE THE CARRYING ON OF PROPAGANDA, OR OTHERWISE ATTEMPTING, TO INFLUENCE LEGISLATION, AND THE CORPORATION SHALL NOT PARTICIPATE IN, OR INTERVENE IN INCLUDING THE PUBLISHING OR DISTRIBUTIONS OF STATEMENTS ANY POLITICAL CAMPAIGN ON BEHALF OF ANY CANDIDATE FOR PUBLIC OFFICE. NOTWITHSTANDING ANY OTHER PROVISION THESE ARTICLES, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON A BY A CORPORATION EXEMPT FROM FEDERAL INCOME TAX SECTION 501 C 3 OF THE INTERNAL REVENUE CODE OF 1954 OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW OR B BY A CORPORATION, CONTRIBUTIONS TO WHICH ARE DEDUCTIBLE UNDER SECTION 170 C 2 OF THE INTERNAL REVENUE CODE OF 1954 OR THE CORRESPONDING PROVISIONS OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW.

UPON THE DISSOLUTION OF THE CORPORATION, THE BOARD OF

TRUSTEES SHALL, AFTER PAYING OR MAKING PROVISIONS FOR THE PAYMENT OF ALL OF THE LIABILITIES OF THE CORPORATION, DISPOSE OF ALL OF THE ASSETS OF THE CORPORATION EXCLUSIVELY FOR THE PURPOSE OF THE CORPORATION IN SUCH MANNER, OR TO SUCH ORGANIZATION OR ORGANIZATIONS ORGANIZED AND OPERATED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL, RELIGIOUS, OR SCIENTIFIC PURPOSES AS SHALL AT THE TIME QUALIFY AS AN EXEMPT ORGANIZATION OR ORGANIZATIONS UNDER SECTION 501 C 3 OF THE INTERNAL REVENUE CODE OF 1954 OR THE CORRESPONDING PROVISIONS OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW, AS THE BOARD OF TRUSTEES SHALL DETERMINE. ANY OF SUCH ASSETS NOT SO DISPOSED OF SHALL BE DISPOSED OF BY THE COUNTY COURT OF THE COUNTY IN WHICH THE OFFICE OF THE CORPORATION IS THEN LOCATED, EXCLUSIVELY FOR SUCH PURPOSES OR TO SUCH ORGANIZATION OR ORGANIZATIONS, AS SAID COURT SHALL DETERMINE, WHICH ARE ORGANIZED AND OPERATED EXCLUSIVELY FOR SUCH PURPOSES.

ARTICLE II

OFFICES

THE PRINCIPAL OFFICE OF THE CORPORATION IN THE STATE OF WISCONSIN SHALL BE LOCATED IN THE CITY OF MADISON, COUNTY OF DANE. THE CORPORATION MAY HAVE SUCH OTHER OFFICES, EITHER WITHIN OR WITHOUT THE STATE OF WISCONSIN, AS THE BOARD OF DIRECTORS MAY DESIGNATE OR AS THE BUSINESS OF THE CORPORATION MAY REQUIRE FROM TIME TO TIME.

THE REGISTERED OFFICE OF THE CORPORATION REQUIRED BY THE WISCONSIN NONSTOCK CORPORATION LAW TO BE MAINTAINED IN THE STATE OF WISCONSIN MAY BE, BUT NEED NOT BE, IDENTICAL WITH THE PRINCIPAL OFFICE IN THE STATE OF WISCONSIN, AND THE ADDRESS OF THE REGISTERED OFFICE MAY BE CHANGED FROM TIME TO TIME BY THE BOARD OF DIRECTORS.

ARTICLES III

MEMBERS

SECTION 1 -- MEMBERSHIP

THE INITIAL MEMBERS SHALL BE THREE. ONE SELECTED BY THE SOCIETY OF REAL ESTATE APPRAISERS, ONE BY THE AMERICAN SOCIETY OF REAL ESTATE COUNSELORS AND ONE BY THE AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS. THE BOARD OF DIRECTORS MAY FROM TIME TO TIME EXTEND AN INVITATION TO MEMBERSHIP TO OTHER PROFESSIONAL ORGANIZATIONS WHOSE ADMISSION WOULD FURTHER THE PURPOSES OF THE CORPORATION. EACH PROFESSIONAL ORGANIZATION RECEIVING SUCH AN INVITATION SHALL EVIDENCE ITS ACCEPTANCE OF THE INVITATION TO BECOME A MEMBER OF THE CORPORATION BY AGREEING IN WRITING TO COMPLY WITH OR BE BOUND BY THE ARTICLES OF INCORPORATION, THESE BY-LAWS AND AMENDMENTS THERETO, AND THE POLICIES, RULES AND REGULATIONS AT ANY TIME ADOPTED BY THE CORPORATION IN ACCORDANCE WITH THESE BY-LAWS. EVERY ACCEPTANCE OF AN INVITATION TO BECOME

A MEMBER SHALL BE ACCOMPANIED BY AN INVESTMENT IN MEMBERSHIP CAPITAL TO BE SET BY THE BOARD OF DIRECTORS. EACH PROFESSIONAL ORGANIZATION SHALL THEREAFTER BE FURNISHED WITH A FORMAL CERTIFICATE EVIDENCING ITS SELECTION AS A MEMBER OF THE CORPORATION, SIGNED IN THE NAME OF THE CORPORATION BY ITS PRESIDENT AND SECRETARY.

EACH ACTIVE MEMBER SHALL APPOINT A PERSON TO BE ITS REPRESENTATIVE, WHO SHALL VOTE AND ACT FOR THE MEMBER ORGANIZATION.

MEMBERSHIP IN THIS CORPORATION MAY TERMINATE BY EXPIRATION OF THE MEMBER ORGANIZATION, VOLUNTARY WITHDRAWAL, OR OTHERWISE IN PURSUANCE OF THESE BY-LAWS. ALL RIGHTS, PRIVILEGES AND INTEREST OF A MEMBER IN OR TO THE CORPORATION SHALL CEASE ON TERMINATION OF MEMBERSHIPS. MEMBERSHIPS SHALL BE NON-TRANSFERABLE. ANY MEMBER MAY, BY GIVING WRITTEN NOTICE OF SUCH INTENTION, WITHDRAW FROM MEMBERSHIP. WITHDRAWAL SHALL BE EFFECTIVE ON FULFILLMENT OF ALL OBLIGATIONS TO THE DATE OF WITHDRAWAL.

FOR CAUSE ANY MEMBERSHIP MAY BE SUSPENDED OR TERMINATED. SUFFICIENT CAUSE FOR SUSPENSION OR TERMINATION SHALL BE A VIOLATION OF THESE BY-LAWS OR ANY LAWFUL RULE OR PRACTICE DULY ADOPTED BY THE CORPORATION. SUSPENSION OR EXPULSION SHALL BE BY VOTE OR OTHER PROCEDURE ESTABLISHED BY THE BOARD OF DIRECTORS, PROVIDED AN OPPORTUNITY TO APPEAR AND PRESENT DEFENSES IS GIVEN.

THE BOARD OF DIRECTORS MAY FROM TIME TO TIME CREATE ONE OR MORE CLASSES OF MEMBERS, AND THE DESIGNATION OF SUCH CLASS OR CLASSES, AND THE QUALIFICATIONS, RIGHTS AND METHOD OF ACCEPTANCE OF MEMBERS OF EACH CLASS.

SECTION 2 -- ANNUAL MEETING

THE ANNUAL MEETING OF THE MEMBERSHIP SHALL BE HELD ON THE 1ST WEDNESDAY IN THE MONTH OF MAY IN EACH YEAR BEGINNING WITH THE YEAR 1971, AT THE HOUR OF 10:30 A.M. CDT, FOR THE PURPOSE OF ELECTING DIRECTORS AND FOR THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING. IF THE DAY FIXED FOR THE ANNUAL MEETING SHALL BE A LEGAL HOLIDAY IN THE STATE OF WISCONSIN, SUCH MEETING SHALL BE HELD ON THE NEXT SUCCEEDING BUSINESS DAY. IF THE ELECTION OF DIRECTORS SHALL NOT BE HELD ON THE DAY DESIGNATED HEREIN FOR ANY ANNUAL MEETING OF THE MEMBERSHIP, OR AT ANY ADJOURNMENT THEREOF, THE BOARD OF DIRECTORS SHALL CAUSE THE ELECTION TO BE HELD AT A SPECIAL MEETING OF THE MEMBERSHIP AS SOON THEREAFTER AS CONVENIENTLY MAY BE.

SECTION 3 -- SPECIAL MEETINGS

SPECIAL MEETINGS OF THE MEMBERSHIP, FOR ANY PURPOSE OR PURPOSES, MAY BE CALLED BY THE PRESIDENT OF THE BOARD OF DIRECTORS, AND SHALL BE CALLED BY THE PRESIDENT AT THE REQUEST OF THE HOLDERS OF NOT LESS THAN ONE-TENTH OF ALL THE

MEMBERS OF THE CORPORATION ENTITLED TO VOTE AT THE MEETING.

SECTION 4 -- PLACE OF MEETING

THE BOARD OF DIRECTORS MAY DESIGNATE ANY PLACE, EITHER WITHIN OR WITHOUT THE STATE OF WISCONSIN, AS THE PLACE MEETING FOR ANY ANNUAL MEETING OR FOR ANY SPECIAL MEETING CALLED BY THE BOARD OF DIRECTORS. A WAIVER OF NOTICE SIGNED BY ALL MEMBERS ENTITLED TO VOTE AT A MEETING MAY DESIGNATE ANY PLACE, EITHER WITHIN OR WITHOUT THE STATE OF WISCONSIN, AS THE PLACE FOR THE HOLDING OF SUCH MEETING. IF NO DESIGNATION IS MADE, OR IF A SPECIAL MEETING BE OTHERWISE CALLED, THE PLACE OF MEETING SHALL BE THE OFFICE OF THE CORPORATION IN STATE OF WISCONSIN, BUT ANY MEETING MAY BE ADJOURNED TO RECONVENE AT ANY PLACE DESIGNATED BY VOTE OF A MAJORITY OF THE MEMBERS REPRESENTED THEREAT.

SECTION 5 -- NOTICE OF MEETING

WRITTEN NOTICE STATING THE PLACE, DAY AND HOUR OF THE MEETING AND, THE PURPOSE OR PURPOSES FOR WHICH THE MEETING IS CALLED, SHALL BE DELIVERED NOT LESS THAN TEN NOR MORE THAN FIFTY DAYS BEFORE THE DATE OF THE MEETING, EITHER PERSONALLY OR BY MAIL, BY OR AT THE DIRECTION OF THE PRESIDENT, THE SECRETARY, OR THE OFFICER OR PERSONS CALLING THE MEETING, TO EACH MEMBER OF RECORD ENTITLED TO VOTE AT SUCH MEETING. IF MAILED, SUCH NOTICE SHALL BE DEEMED TO BE DELIVERED WHEN DEPOSITED IN THE UNITED STATES MAIL, ADDRESSED TO THE MEMBER AT HIS ADDRESS AS IT APPEARS ON THE STOCK RECORD BOOKS OF THE CORPORATION, WITH POSTAGE THEREON PREPAID.

SECTION 6 -- DETERMINATION OF MEMBERSHIP

FOR THE PURPOSE OF DETERMINING MEMBERS ENTITLED TO NOTICE OF OR TO VOTE AT ANY MEETING OF THE MEMBERSHIP OR ANY ADJOURNMENT THEREOF, OR IN ORDER TO MAKE A DETERMINATION OF MEMBERSHIP FOR ANY OTHER PROPER PURPOSES, THE BOARD OF DIRECTORS OF THE CORPORATION MAY FIX IN ADVANCE A DATE AS THE RECORD DATE FOR ANY SUCH DETERMINATION OF MEMBERSHIP, SUCH DATE IN ANY CASE TO BE NOT MORE THAN FIFTY DAYS AND, IN CASE OF A MEETING OF THE MEMBERSHIP, NOT LESS THAN TEN DAYS PRIOR TO THE DATE ON WHICH THE PARTICULAR ACTION, REQUIRING SUCH DETERMINATION OF THE MEMBERSHIP, IS TO BE TAKEN. IF NO RECORD DATE IS FIXED FOR THE DETERMINATION OF MEMBERS ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF MEMBERS, THE CLOSE OF BUSINESS ON THE DATE ON WHICH NOTICE OF THE MEETING IS MAILED, SHALL BE THE RECORD DATE FOR SUCH DETERMINATION OF MEMBERSHIP. WHEN A DETERMINATION OF MEMBERS ENTITLED TO VOTE AT ANY MEETING OF THE MEMBERSHIP HAS BEEN MADE AS PROVIDED IN THIS SECTION, SUCH DETERMINATION SHALL BE APPLIED TO ANY ADJOURNMENT THEREOF.

SECTION 7 -- VOTING LISTS

THE OFFICER OR AGENT HAVING CHARGE OF THE MEMBERSHIP

BOOKS OF THE CORPORATION SHALL MAKE, AT LEAST TEN DAYS BEFORE EACH MEETING OF MEMBERS, A COMPLETE LIST OF THE MEMBERS ENTITLED TO VOTE AT SUCH MEETING, OR ANY ADJOURNMENT THEREOF, ARRANGED IN ALPHABETICAL ORDER, WITH THE ADDRESS, WHICH LIST, FOR A PERIOD OF TEN DAYS PRIOR TO SUCH MEETING SHALL BE KEPT ON FILE AT THE REGISTERED OFFICE OF THE CORPORATION AND SHALL BE SUBJECT TO INSPECTION BY ANY MEMBER AT ANY TIME DURING USUAL BUSINESS HOURS. SUCH LIST SHALL ALSO BE PRODUCED AND KEPT OPEN AT THE TIME AND PLACE OF THE MEETING AND SHALL ALSO BE SUBJECT TO THE INSPECTION OF ANY MEMBER DURING THE WHOLE TIME OF THE MEETING. FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION SHALL NOT AFFECT THE VALIDITY OF ANY ACTION TAKEN AT SUCH MEETING.

SECTION 8 -- QUORUM

AT ANY MEETING, THREE MEMBERS PRESENT SHALL CONSTITUTE A QUORUM. NO PROXIES SHALL BE PERMITTED.

SECTION 9 -- INFORMAL ACTION BY MEMBERSHIP

ANY ACTION REQUIRED TO BE TAKEN AT A MEETING OF THE MEMBERSHIP, OR ANY OTHER ACTION WHICH MAY BE TAKEN AT A MEETING OF THE MEMBERSHIP, MAY BE TAKEN WITHOUT A MEETING IF A CONSENT IN WRITING, SETTING FORTH THE ACTION SO TAKEN, SHALL BE SIGNED BY ALL OF THE MEMBERS ENTITLED TO VOTE WITH RESPECT TO THE SUBJECT MATTER THEREOF.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1 -- GENERAL POWERS

THE BUSINESS AND AFFAIRS OF THE CORPORATION SHALL BE MANAGED BY ITS BOARD OF DIRECTORS.

SECTION 2 -- NUMBER, TENURE AND QUALIFICATIONS

THE NUMBER OF DIRECTORS OF THE CORPORATION SHALL BE NOT LESS THAN THREE. EACH DIRECTOR SHALL HOLD OFFICE FOR THREE YEARS AND UNTIL HIS SUCCESSOR SHALL HAVE BEEN ELECTED AND QUALIFIED. DIRECTORS NEED NOT BE RESIDENTS OF THE STATE OF WISCONSIN.

FIRST ELECTION. AT THE FIRST ELECTION OF THE BOARD OF DIRECTORS, ONE-THIRD OF THE DIRECTORS SHALL BE CHOSEN TO SERVE FOR A TERM OF ONE YEAR, ONE-THIRD FOR TWO YEARS, AND THE REMAINING ONE-THIRD FOR THREE YEARS, BY DRAWING STRAWS. ALL SUCCEEDING TERMS SHALL BE FOR THREE YEARS.

NO DIRECTOR UPON COMPLETION OF TWO FULL THREE-YEAR TERMS SHALL BE ELIGIBLE FOR RE-ELECTION FOR AT LEAST ONE YEAR. IF A PERSON IS ELECTED BY THE BOARD OF DIRECTORS TO FILL A VACANCY ON THE BOARD AND SERVES TWO OR MORE YEARS OF SERVICE, SHALL CONSTITUTE A FULL TERM FOR PURPOSE OF ELIGI-

BILITY FOR RE-ELECTION.

SECTION 3 -- REGULAR MEETINGS

A REGULAR MEETING OF THE BOARD OF DIRECTORS SHALL BE HELD WITHOUT OTHER NOTICE THAN THIS BY-LAW IMMEDIATELY AFTER, AND AT THE SAME PLACE AS, THE ANNUAL MEETING OF THE MEMBERSHIP, AND EACH ADJOURNMENT SESSION THEREOF. THE BOARD OF DIRECTORS MAY PROVIDE, BY RESOLUTION, THE TIME AND PLACE, EITHER WITHIN OR WITHOUT THE STATE OF WISCONSIN, FOR THE HOLDING OF ADDITIONAL REGULAR MEETINGS WITHOUT OTHER NOTICE THAN SUCH RESOLUTION.

SECTION 4 -- SPECIAL MEETINGS

SPECIAL MEETINGS OF THE BOARD OF DIRECTORS MAY BE CALLED BY OR AT THE REQUEST OF THE PRESIDENT, SECRETARY OR ANY TWO DIRECTORS. THE PERSON OR PERSONS AUTHORIZED TO CALL SPECIAL MEETINGS OF THE BOARD OF DIRECTORS MAY FIX ANY PLACE, EITHER WITHIN OR WITHOUT THE STATE OF WISCONSIN, AS THE PLACE FOR HOLDING ANY SPECIAL MEETING OF THE BOARD OF DIRECTORS CALLED BY THEM.

SECTION 5 -- NOTICE

NOTICE OF ANY SPECIAL MEETING SHALL BE GIVEN AT LEAST 48 HOURS PREVIOUSLY THERETO BY WRITTEN NOTICE DELIVERED PERSONALLY OR MAILED TO EACH DIRECTOR AT HIS BUSINESS ADDRESS, OR BY TELEGRAM. IF MAILED, SUCH NOTICE SHALL BE DEEMED TO BE DELIVERED WHEN DEPOSITED IN THE UNITED STATES MAIL SO ADDRESSED, WITH POSTAGE THEREON PREPAID. IF NOTICE BE GIVEN BY TELEGRAM, SUCH NOTICE SHALL BE DEEMED TO BE DELIVERED WHEN THE TELEGRAM IS DELIVERED TO THE TELEGRAPH COMPANY. WHENEVER ANY NOTICE WHATEVER IS REQUIRED TO BE GIVEN TO ANY DIRECTOR OF THE CORPORATION UNDER THE PROVISIONS OF THESE BY-LAWS OR UNDER THE PROVISIONS OF THE ARTICLES OF INCORPORATION OR UNDER THE PROVISIONS WHETHER BEFORE OR AFTER THE TIME OF MEETING, BY THE DIRECTOR ENTITLED TO SUCH NOTICE, SHALL BE DEEMED EQUIVALENT TO THE GIVING OF SUCH NOTICE. THE ATTENDANCE OF A DIRECTOR AT A MEETING SHALL CONSTITUTE A WAIVER OF NOTICE OF SUCH MEETING, EXCEPT WHERE A DIRECTOR ATTENDS A MEETING AND OBJECTS THEREAT TO THE TRANSACTION OF ANY BUSINESS BECAUSE THE MEETING IS NOT LAWFULLY CALLED OR CONVENED. NEITHER THE BUSINESS TO BE TRANSACTED AT, NOR THE PURPOSE OF, ANY REGULAR OR SPECIAL MEETING OF THE BOARD OF DIRECTORS NEED BE SPECIFIED IN THE NOTICE OR WAIVER OF NOTICE OF SUCH MEETING.

SECTION 6 -- QUORUM

A MAJORITY BUT NOT LESS THAN THREE MEMBERS OF THE BOARD OF DIRECTORS SHALL CONSTITUTE A QUORUM TO TRANSACT BUSINESS OF THE CORPORATION, EXCEPT AS OTHERWISE PROVIDED IN THESE BY-LAWS.

SECTION 7 -- REMOVAL

ANY MEMBER OF THE BOARD OF DIRECTORS WHO SHALL BE ABSENT FROM TWO CONSECUTIVE MEETINGS WITHOUT ADEQUATE EXCUSE AS DETERMINED BY THE BOARD OF DIRECTORS, SHALL BE SUBJECT TO FORFEITURE OF OFFICE UPON DECLARATION THEREOF BY THE BOARD OF DIRECTORS.

SECTION 8 -- VACANCIES

A MEMBER ORGANIZATION MAY FILL ITS VACANCY ON THE BOARD HAPPENING AFTER ANY REGULAR ANNUAL ELECTION OR ANY VACANCY CREATED BY AN INCREASE IN THE AUTHORIZED NUMBER OF DIRECTORS UNTIL THE NEXT SUCCEEDING ELECTIONS.

SECTION 9 -- COMMITTEES AND BOARDS

THE BOARD OF DIRECTORS MAY APPOINT FROM TIME TO TIME SUCH COMMITTEES OR ADVISORY BOARDS AS THE HANDLING OF THE AFFAIRS AND THE ATTAINMENT OF THE OBJECTIVES AND PURPOSES OF THE CORPORATION MAY REQUIRE AND MAY DEFINE THEIR DUTIES AND PRESCRIBE THEIR POWERS.

ARTICLE V

OFFICERS

SECTION 1 -- NUMBER

THE PRINCIPAL OFFICERS OF THE CORPORATION SHALL BE A PRESIDENT, ONE OR MORE VICE-PRESIDENTS, A SECRETARY, AND A TREASURER, EACH OF WHOM SHALL BE ELECTED BY THE BOARD OF DIRECTORS. SUCH OTHER OFFICERS AND ASSISTANT OFFICERS AS MAY BE DEEMED NECESSARY MAY BE ELECTED OR APPOINTED BY THE BOARD OF DIRECTORS. ANY TWO OR MORE OFFICES MAY BE HELD BY THE SAME PERSON EXCEPT THE OFFICES OF PRESIDENT AND SECRETARY AND THE OFFICES OF PRESIDENT AND VICE-PRESIDENT.

SECTION 2 -- ELECTION AND TERM OF OFFICE

THE OFFICERS OF THE CORPORATION TO BE ELECTED BY THE BOARD OF DIRECTORS SHALL BE ELECTED ANNUALLY BY THE BOARD OF DIRECTORS AT THE FIRST MEETING OF THE BOARD OF DIRECTORS HELD AFTER EACH ANNUAL MEETING OF THE MEMBERSHIP. IF THE ELECTION OF OFFICERS SHALL NOT BE HELD AT SUCH MEETING, SUCH ELECTION SHALL BE HELD AS SOON THEREAFTER AS CONVENIENTLY MAY BE. EACH OFFICER SHALL HOLD OFFICE UNTIL HIS SUCCESSOR SHALL HAVE BEEN DULY ELECTED AND SHALL HAVE QUALIFIED OR UNTIL HIS DEATH OR UNTIL HE SHALL RESIGN OR SHALL HAVE BEEN REMOVED IN THE MANNER HEREINAFTER PROVIDED.

SECTION 3 -- REMOVAL

ANY OFFICER OR AGENT ELECTED OR APPOINTED BY THE BOARD OF DIRECTORS MAY BE REMOVED BY THE BOARD OF DIRECTORS WHENEVER IN ITS JUDGMENT THE BEST INTERESTS OF THE CORPORATION

WILL BE SERVED THEREBY.

SECTION 4 -- VACANCIES

A VACANCY IN ANY PRINCIPAL OFFICE BECAUSE OF DEATH, RESIGNATION, REMOVAL, DISQUALIFICATION OR OTHERWISE, SHALL BE FILLED BY THE BOARD OF DIRECTORS FOR THE UNEXPIRED PORTION OF THE TERM.

SECTION 5 -- THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE PRESIDENT OF THE CORPORATION SHALL ACT AS THE CHAIRMAN OF THE BOARD OF DIRECTORS AND SHALL PRESIDE AT ALL MEETINGS OF MEMBERS AND DIRECTORS.

SECTION 6 -- PRESIDENT

THE PRESIDENT SHALL BE THE PRINCIPAL EXECUTIVE OFFICER OF THE CORPORATION AND, SUBJECT TO THE CONTROL OF THE BOARD OF DIRECTORS, SHALL IN GENERAL SUPERVISE AND CONTROL ALL OF THE BUSINESS AND AFFAIRS OF THE CORPORATION. HE SHALL PRESIDE AT ALL MEETINGS OF THE MEMBERS AND OF THE BOARD OF DIRECTORS. HE MAY SIGN, WITH THE SECRETARY OR ANY OTHER PROPER OFFICER OF THE CORPORATION THEREUNTO AUTHORIZED BY THE BOARD OF DIRECTORS, ANY DEEDS, MORTGAGES, BONDS, CONTRACTS, OR OTHER INSTRUMENTS WHICH THE BOARD OF DIRECTORS HAS AUTHORIZED TO BE EXECUTED, EXCEPT IN CASES WHERE THE SIGNING AND EXECUTION THEREOF SHALL BE EXPRESSLY DELEGATED BY THE BOARD OF DIRECTORS OR BY THESE BY-LAWS TO SOME OTHER OFFICER OR AGENT OF THE CORPORATION, OR SHALL BE REQUIRED BY LAW TO BE OTHERWISE SIGNED OR EXECUTED, AND IN GENERAL SHALL PERFORM ALL DUTIES INCIDENT TO THE OFFICE OF PRESIDENT AND SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS FROM TIME TO TIME.

SECTION 7 -- THE VICE-PRESIDENT

IN THE ABSENCE OF THE PRESIDENT OR IN THE EVENT OF HIS DEATH, INABILITY OR REFUSAL TO ACT, THE VICE-PRESIDENT OR IN THE EVENT THERE BE MORE THAN ONE VICE-PRESIDENT, THE VICE-PRESIDENTS IN THE ORDER DESIGNATED AT THE TIME OF THEIR ELECTION, OR IN THE ABSENCE OF ANY DESIGNATION, THEN IN THE ORDER OF THEIR ELECTION SHALL PERFORM THE DUTIES OF THE PRESIDENT, AND WHEN SO ACTING, SHALL HAVE ALL THE POWERS OF AND BE SUBJECT TO ALL THE RESTRICTIONS UPON THE PRESIDENT. EACH VICE-PRESIDENT SHALL PERFORM SUCH OTHER DUTIES AS FROM TIME TO TIME MAY BE ASSIGNED TO HIM BY THE PRESIDENT OR BY THE BOARD OF DIRECTORS.

SECTION 8 -- THE SECRETARY

THE SECRETARY SHALL-- A KEEP THE MINUTES OF THE MEMBERS AND OF THE BOARD OF DIRECTORS MEETINGS ON ONE OR MORE BOOKS PROVIDED FOR THAT PURPOSE-- B SEE THAT ALL NOTICES ARE DULY GIVEN IN ACCORDANCE WITH THE PROVISIONS OF THESE BY-LAWS OR AS REQUIRED BY LAW-- C BE CUSTODIAN OF THE COR-

PORATE RECORDS AND OF THE SEAL OF THE CORPORATION AND SEE THAT THE SEAL OF THE CORPORATION IS AFFIXED TO ALL DOCUMENTS THE EXECUTION OF WHICH ON BEHALF OF THE CORPORATION UNDER ITS SEAL IS DULY AUTHORIZED- D KEEP A REGISTER OF THE POST OFFICE ADDRESS OF EACH MEMBER WHICH SHALL BE FURNISHED TO THE SECRETARY BY SUCH MEMBER AND E IN GENERAL PERFORM ALL DUTIES INCIDENT TO THE OFFICE OF SECRETARY AND SUCH OTHER DUTIES AS FROM TIME TO TIME MAY BE ASSIGNED TO HIM BY THE PRESIDENT OR BY THE BOARD OF DIRECTORS.

SECTION 9 -- THE TREASURER

IF REQUIRED BY THE BOARD OF DIRECTORS, THE TREASURER SHALL GIVE A BOND FOR THE FAITHFUL DISCHARGE OF HIS DUTIES IN SUCH A SUM AND WITH SUCH SURETY OR SURETIES AS THE BOARD OF DIRECTORS SHALL DETERMINE. HE SHALL- A HAVE CHARGE AND CUSTODY OF AND BE RESPONSIBLE FOR ALL FUNDS AND SECURITIES OF THE CORPORATION, RECEIVE AND GIVE RECEIPTS FOR MONIES DUE AND PAYABLE TO THE CORPORATION FROM ANY SOURCE WHATSOEVER, AND DEPOSIT ALL SUCH MONIES IN THE NAME OF THE CORPORATION IN SUCH BANKS, TRUST COMPANIES OR OTHER DEPOSITARIES AS SHALL BE SELECTED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE V OF THESE BY-LAWS, AND B IN GENERAL PERFORM ALL OF THE DUTIES INCIDENT TO THE OFFICE OF TREASURER AND SUCH OTHER DUTIES AS FROM TIME TO TIME MAY BE ASSIGNED TO HIM BY THE PRESIDENT OR BY THE BOARD OF DIRECTORS.

ARTICLE VI

CONTRACTS, LOANS, CHECKS, AND DEPOSITS

SECTION 1 -- CONTRACTS

THE BOARD OF DIRECTORS MAY AUTHORIZE ANY OFFICER OR OFFICERS, AGENT OR AGENTS, TO ENTER INTO ANY CONTRACT OR EXECUTE AND DELIVER ANY SUCH INSTRUMENT IN THE NAME OF AND ON BEHALF OF THE CORPORATION, AND SUCH AUTHORIZATION MAY BE GENERAL OR CONFINED TO SPECIFIC INSTANCES.

SECTION 2 -- LOANS

NO LOANS SHALL BE CONTRACTED ON BEHALF OF THE CORPORATION AND NO EVIDENCES OF INDEBTEDNESS SHALL BE ISSUED IN ITS NAME UNLESS AUTHORIZED BY OR UNDER THE AUTHORITY OF A RESOLUTION OF THE BOARD OF DIRECTORS. SUCH AUTHORIZATION MAY BE GENERAL OR CONFINED TO SPECIFIC INSTANCES.

SECTION 3 -- CHECKS, DRAFTS, ETC.

ALL CHECKS, DRAFTS OR OTHER ORDERS FOR THE PAYMENT OF MONEY, NOTES, OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED IN THE NAME OF THE CORPORATION, SHALL BE SIGNED BY SUCH OFFICER OR OFFICERS, AGENT OR AGENTS OF THE CORPORATION AND IN SUCH MANNER AS SHALL FROM TIME TO TIME BE DETERMINED BY OR UNDER THE AUTHORITY OF RESOLUTION OF THE BOARD OF DIRECTORS.

SECTION 4 -- DEPOSITS

ALL FUNDS OF THE CORPORATION NOT OTHERWISE EMPLOYED SHALL BE DEPOSITED FROM TIME TO TIME TO THE CREDIT OF THE CORPORATION IN SUCH BANKS, TRUST COMPANIES OR OTHER DEPOSITARIES AS MAY BE SELECTED BY OR UNDER THE AUTHORITY OF THE BOARD OF DIRECTORS.

ARTICLE VII

FISCAL YEAR

THE FISCAL YEAR OF THE CORPORATION SHALL BEGIN ON THE FIRST DAY OF JANUARY AND END ON THE THIRTY-FIRST DAY OF DECEMBER IN EACH YEAR.

ARTICLE VIII

AMENDMENTS

SECTION 1 -- BOARD OF DIRECTORS

THE BOARD OF DIRECTORS MAY FROM TIME TO TIME, BY VOTE OF A MAJORITY OF ITS MEMBERS, ADOPT, AMEND OR REPEAL ANY AND ALL OF THE BY-LAWS OF THIS CORPORATION EXCEPT SUCH BY-LAWS AS MAY HAVE BEEN ADOPTED BY THE MEMBERSHIP OF THIS CORPORATION.

SECTION 2 -- MEMBERS

THE MEMBERSHIP MAY FROM TIME TO TIME BY VOTE OF A MAJORITY, ADOPT, AMEND OR REPEAL ANY AND ALL OF THE BY-LAWS OF THIS CORPORATION.

Mary's Copy

SACKMAN-GILLILAND
CORPORATION



260 - 68TH STREET
BROOKLYN, N. Y. 11220
TELEPHONE: 833-2700

October 20th, 1970

Professor James Grasskamp
University of Wisconsin
1155 Observatory Drive
Madison, Wisconsin 53706

Dear Professor Grasskamp:

John S. Schneider has requested that we furnish you with the names and addresses of the Counselors' Education Committee in connection with the invitations to the pilot course of EDUCARE the first week in December.

Accordingly, please be advised of the following:

- ✓ Thurston H. Ross, Vice Chairman of Education Committee
1900 Avenue of the Stars (Suite 2200), Century City, Los Angeles 90067
- ✓ Abram Barkan, Chairman of Case Study Seminar (1970) Subcommittee
James Felt & Co., Inc., 362 Fifth Avenue, New York, N.Y. 10001
- ✓ James L. Harper, Chairman of Higher Education Subcommittee
Harper-Freeman & Co., 1000 Stahlman Bldg., Nashville, Tenn. 37201
- ✓ James A. Lowden, Chairman High Level Conference Subcommittee
Cummings Properties Limited, Suite 700, 1 Calgary Place
330 5th Avenue, S.W.
Calgary, Alberta Canada

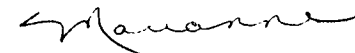
Professor James Grasskamp
University of Wisconsin

10/20/70

✓ William H. Crouch, Chairman of Research Subcommittee
✓ The American Appraisal Company, 525 E. Michigan Street
Milwaukee, Wisconsin 53201

Mr. Gibbons has asked me to extend his best regards, and if we may be of any further assistance please do not hesitate to contact us.

Very truly yours,



Marianne L. Dee,
Secretary to Mr. Gibbons

/s

cc: John S. Schneider, MAI

EDUCATIONAL FOUNDATION FOR COMPUTER APPLICATIONS
IN THE REAL ESTATE INDUSTRY, INCORPORATED
(EDUCARE)

A non-profit corporation, incorporated under the laws of Wisconsin in March of 1970.

Board of Directors as of November 1, 1970:

Mr. John Schneider of Atlanta, Georgia, President
Mr. Howard Benedict of New Haven, Connecticut, Vice President & Treasurer
Mr. Roy Fisher of Davenport, Iowa, Secretary

Financial Structure:

The present capital of EDUCARE has been advanced by member organizations in the form of loans to be amortized as tuition revenues permit. Membership is limited to professional non-profit organizations and is at the invitation of the Board of Directors. Evidence of membership is in the form of a certificate as it is a non-stock corporation. Evidence of a loan outstanding is a demand note payable after 24 months notice with interest at 6%. Tuition schedules anticipate allocating \$75 per student to the amortization of outstanding loans on a pro rata basis according to the funding ratio of funding memberships and after retirement of advances by sponsoring professional organizations, all surplus will be used for further education and development of computer applications to the real estate industry. After successful trial and development of course materials, other real estate professional organizations will be invited to join.

Present membership:

The American Institute of Real Estate Appraisers - \$10,000 funded
The Society of Real Estate Appraisers - \$10,000 funded
The American Society of Real Estate Counselors - \$10,000 funded

Purpose of the Foundation:

(Paragraph #1 - article 1, By Laws of EDUCARE adopted May 5, 1970)

The corporation is organized exclusively for charitable, religious, educational and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or for corresponding provisions of any future United States Internal Revenue Law), including, but not limited to, the improvement of the Real Estate Profession through the study of and research in the application of modern developments and technology to real estate practice: the continuing education of the real estate profession in those developments and the publication and distribution of addresses,

reports, treatises and other literary works on those subjects; and to carry out the foregoing, it may engage in any lawful activity within the purposes for which corporations may be organized under the Wisconsin Without Stock and Not for Profit Law, Chapter 181 of the Wisconsin Statutes.

Advisory Board:

The Board of Directors with the assistance of the American Real Estate and Urban Economics Association has created an advisory board whose present members include:

UNIVERSITY MEMBERS:

Prof. Gerald Dasso, University of Oregon, Eugene, Oregon
Prof. Arthur B. Kahn, University of Wisconsin, Madison, Wisconsin
Prof. H. Robert Knitter, University of Wisconsin, Madison, Wisconsin
Prof. James A. Graaskamp, University of Wisconsin, Madison, Wisconsin
Prof. Carl Tschappat, Georgia State University, Atlanta, Georgia

INDUSTRY MEMBERS:

Mr. L.W. Ellwood, Englewood, New Jersey
Mr. James Gibbons, Brooklyn, New York

November 1, 1970

Mr. Ronald ~~Gray~~ Graybal
Realmetrics, Inc.

24 California St.

Dear Ron,

Graybeal

Draft

1970

~~San Francisco~~ Francisco, Calif 94111

Never seems to be enough time to visit at meetings or over the phone. Chuck Clettenberg and I are trying to assemble a pot to ~~blure~~ lure you out this summer for a month or so.

Enclosed is the ~~first~~ first problem the students had to do on our mini-model which is a card inout setup and doesn't permit direct sensitivity analysis. I would suggest raising the interest rate on the second option mortgage and dropping the default point maximums somewhat. A real estate tax cost should be added for inside parking stall and the cost of such a stall should be raised to \$3,000. Then note the crazy Graaskamp rule of comparing different projects with different discount rates implied by the last line of page two. Assuming payback in years is an index of equity risk I require them to compare alternative projects by adding this number to the cost of capital. If project A had a payback period of three years and B a payback period of six years and the cost of capital is 10%, project A should provide a minimal return of 13% and B 16%. This is the kind of real estate mysticism we foist on the students at this point of discussion on comparative risks.

Relative to EDUCARE we cannot expand the number of vendors for our experim=
mental session November 29-December 4 as we have reserved Friday morning

for a critique of course content by the participants while in the ~~first~~ future this time will be additional presentation time for vendors.

So you will be receiving an official invitation ~~for~~ as a vendor-participant for the first presentation of ~~EDUCARE~~ EDUCARE ~~in~~ January 31-February 4.


However we would still like you to participate in the initial offering to comment and contribute toward the substance of the educational package from November 29-December 4. In following sessions the vendors will have a man provided for in the Lowell Hall facilities but for this session EDUCARE is charging \$100 ~~for everyone~~ per man for room and board. Reservation ~~card~~ card is enclosed for Lowell Center. Everyone will have a single room. Unfortunately the former occupants of this private luxury residence hall for rich out-of-state girls have moved away to slummier and thus more stylish quarters. Those invited to the November-December 4 session have been limited to the education committees of the sponsoring organizations or a few selected advisors who may comment knowledgeably on course content and presentation techniques.

Hope you can make it this November but otherwise we will look forward to seeing you here at the end of January.

Best Regards.

James A. Graaskamp
Associate Professor in Business

*The code Realtime
Accounting & financial model
market comparison model*

Graduate School of Business  1155 Observatory Drive, The University of Wisconsin, Madison 53706

work with SPC accounting model

November 25, 1970

TO: J.A. Graaskamp
A.B. Kahn

FROM: H. Robert Knitter

SUBJECT: Proposed Meeting on EDUCARE Status

I would like to propose that the three of us get together some time quite soon to discuss the status of the course now that the schedule has been changed. A tentative proposal for the meeting might be November 30th, sometime in the late afternoon to accommodate Jim's class schedule. For this meeting, I would propose at least the following agenda:

- 1) Let's firmly establish the beginning date for the next course.
- 2) Let's take a reading on our budget status for the EDUCARE course development. By that time, let's try to gather together all our accounts payable and consolidate them to determine our position with respect to the original proposed budget.
- 3) Relevant to #2 above, I would like to more clearly establish the rate of pay for some of the people that have been assisting me. I have left open the discussion of hourly rate for individuals such as Alan Hayes and the secretary that has been doing some typing.
- 4) In looking at the various elements of the course, it becomes quite clear that the possibilities of providing an accounting system for real estate professionals is one that they would very likely be quite interested in and one that seems inadequately covered by the software available at present. This is a problem that Art and I have discussed in the past and which has been set aside in view of the rapidly approaching deadline for the first course date. Since the schedule has changed, I would like to discuss the development of accounting system designed for the professional using a time sharing system. It could be handled

J.A. Graaskamp
A.B. Kahn
November 25, 1970
Page 2

in one of several ways, if funded through EDUCARE, it could become the property of that foundation and marketed to the professionals. This would probably take EDUCARE board approval, but I suspect that the funding would not exceed the amount originally committed by the foundation. I am sufficiently convinced that something both useful and profitable could be developed along these lines to suggest that if the EDUCARE foundation does not chose to support development along these lines, that I would speculate atleast to the extent of my own personal time and develop such a package with someone else who would be willing to do the programming and the debugging on a similar basis. Under those conditions, the EDUCARE foundation would not have the exclusive right to such a package. I would like your opinions on this possibility.

5) A question raised by Bill Chatterton is "When will the EDUCARE board meet?" I presume that the meeting originally scheduled for November 29th has been either cancelled or postponed due to the course rescheduling. I expect that there are a number of issues that ought to be brought before the board. At the very least, I would suggest that we communicate to all board members our current status with respect to the course development and the budget and mail to them as much of the materials as we have developed to-date, so that they can provide for us any comments they might like to make.

6) I would suggest if you have any other items to place on the agenda, you note them below. I would propose that the purpose of this meeting specifically not include the course content. I think most of our time could be occupied by these several matters suggested above.

MEMBER
AMERICAN INSTITUTE OF
REAL ESTATE APPRAISERS

SOCIETY OF REAL ESTATE
APPRAISERS

URBAN LAND
INSTITUTE

M. B. HODGES, JR.
VALUATION AND INVESTMENT COUNSELING
1200 POTOMAC SCHOOL ROAD
MCLEAN, VIRGINIA 22101
703 356-4425

23 August 1971

Dr. James A. Graaskamp
Assistant Professor in Business
1155 Observatory Drive
The University of Wisconsin
Madison, Wisconsin 53706

Dear Jim,

This would have been written to Bob Knitter, but I have misplaced his address - the letter he sent me a few days ago, transmitting information on new programs and a message that he was writing Tom Prince for a possible further reduction in charges for using the TAP (IMV) program model. Please give a copy of this to Bob for me.

Prince, as you may already know, is now with Ryan Homes, main office in Pittsburgh. His wife and children will join him there at the end of this month. Last Saturday evening Tom and his wife visited our house for both social and business purposes.

First, for some background, some of which you and Bob already know. Tom owns the IMV model 100%. I encouraged him to write it, and was the practitioner who, I hope, properly balanced any theory he picked up from his own organizations (Gulf Reston and Rouse Co.), from accountants, and from tax attorneys. And I have helped him, financially, to overcome his costs of initially getting the program on GE, testing it, debugging it, and modifying it.

As his practitioner-advisor, I have convinced him that his program will be obsolescent as soon as he stops improving it. It presently needs modification and expansion, ie: delayed permanent mortgage amortization while operating on construction loans; future refinancing and amortization; delayed capital asset depreciation; and future capital asset additions and depreciation. He is already working on these modifications, but soon he will need cash - to pay GE for the experimental work on the master program.

As his advisor, and being aware of the normal tendencies among the educational hierarchies of both academic centers and appraisal organizations, I told him last week-end that I would hate to see him sell the fee title in his model to any person or institution. My reasons: program obsolescence, and the marketing angle superceding the quality of the product. Plus, unscrupulous use by brokers.

To date, the EDUCARE seminars, you, Bob and I have been the only effective marketing agents for the IMV program model. Considering that Tom has had time to send information letters only to about 50 selected appraisers east of the Mississippi, I think that he has done well, in competition with Graybeal, Sun and others. So far, after all administrative expenses, Tom has made about \$250 net profit, in ten months.

23 August 1971

Another point I expressed to Tom, against his willingness to accept it carte blanche, is that the average real estate operator likes to get everything for nothing, and make a lot of money on it. This includes a barrel full of appraisers. In actuality, though perhaps under a higher membership dues structure and an amalgamation of the several appraisal organizations with accompanying elimination of duplicity and dissipation of talents, we appraisers could easily afford a much greater kitty than the \$30,000 thus far advanced to EDUCARE.

Thus, I cannot become overly concerned about how long the \$30,000 will last, especially after I learned that EDUCARE's largest monthly usage bill for TAP was about one-half of my own largest monthly bill. And I am a one-man appraisal office!

When Tom left my house Saturday night, I think it was his intention to offer EDUCARE a further reduction in user cost for TAP, provided, however, that only EDUCARE students, while attending seminars, would get the use at the lower cost. Tom mentioned that the passwords for your six user numbers were not changed after the last two EDUCARE seminars. Thus, he does not know whether students are now using his program for personal profit when they return to their offices; and whether or not ordinary real estate brokers are possibly swinging deals thru the always possible "Garbage In, Gospel Out" doctrine.

The Caterpillar Tractor Company intentionally limits its sales to the U.S. Government, to 25% of its production, so that its quality standards will not be lowered. I think I have persuaded Tom to place his appraiser clients in the same category as Caterpillar does its private customers.

In summary, I think that it is relatively unimportant who owns the TAP model, and what the charges are for its use by an EDUCARE student during the one day the student has opportunity to use it. What is very important is that the model be continuously maintained, modified and improved to meet the demands of the practitioner users, limited, however, to qualified appraisers, assessment departments, and counselors in real estate. For this purpose I will see to it that Tom gets any needed cash, without interest. I think he is entitled to know that there is an entrepreneurial profit, in our real estate field, for persons other than real estate operators.

Sincerely,



M.B. Hedges, Jr.

cc: John S. Schneider
Roy R. Fisher
Robert Knitter ←



October 20, 1971

Mr. John S. Schneider, President
EDUCARE
515 Fulton Federal Building
Atlanta, Georgia 30303

Dear John:

As input to the Board of Directors meeting of EDUCARE in Miami at the November NAREB meeting we are providing the following items for consideration on the agenda:

- A. Extension of Course I to five day program
- B. Schedule for seven offerings of Course I
- C. Cost analysis of past programs and course budgets for 1972
- D. Structuring of EDUCARE network
- E. Development and expansion of EDUCARE network program library
- F. EDUCARE development budget summary
- G. EDUCARE program staff development

Each of the agenda items are defined and analyzed separately and ten copies of each are enclosed.

Respectively submitted,


James A. Graaskamp


H. Robert Knitter / m. v. o.

JAG/db

EDUCARE BOARD OF DIRECTORS AGENDA

Items Recommended by R. Knitter & J. Graaskamp
For Action November 1971, Miami Beach, Florida

A. Extension of Course I to Five Day Program

We recommend the present four day format of Course I be extended to cover a five day span, beginning with a Sunday evening session and concluding mid-Friday afternoon. Extension of the program has been a common recommendation of EDUCARE attendees. With the extended term it might be desirable to make Wednesday evening an unstructured study period. Those needing some social relief or a golf game for relaxation could be accommodated while those wishing additional terminal time could remain in the lab.

The additional class time thus made available could be used:

1. To provide a more thorough introduction to the expanded EDUCARE library. (see item E)
2. To increase exposure to commercial models such as Omnimetrics and Realmetrics.
3. To expand use of GE library programs on statistics and accounting.

The Board should provide an indication as to the weight to be placed on these three needed areas of increased classroom emphasis or recommend alternative subject area. Cost of development for new materials is estimated at \$600.

B. Schedule for Seven Offerings of Course I in 1972

The following dates for seven offerings of Course I were selected within the constraints imposed by the availability of Lowell Hall facilities, the need to avoid examination dates and semester breaks which evaporate supply of teaching assistants and the need to conform with a new University schedule which will permit completion of the first semester prior to Christmas vacation. Each program begins Sunday evening and closes Friday afternoon. (October experience suggests Saturday starting schedule is inconvenient for attendees while TA schedules are complicated by Monday-Friday format.)

February 20-25, 1972
March 12-17, 1972

April 30-May 5, 1972
May 14-19, 1972

July 16-21, 1972
July 23-28, 1972

September 24-29, 1972
(terminal costs will be shared with University of Wisconsin Real Estate Department)

It is recommended that a one page mailing sheet should be sent to all eligible members providing a basic course outline, schedule, and enrollment reservation form. The majority of our reservations to date have been in response to direct mail rather than notices in professional newsletters. In addition some attendees hear about the program while attending courses on income property appraisal or feasibility analysis so that it might be wise to furnish instructors of these courses for both SRA and MAI programs with a few brochures for interested students. The cost of an 8 1/2 x 11", 2-color brochure, printed both sides and perforated for the application form would be \$400 for 15,000 copies and this is included in proposed conference budget.

C. Cost Analysis of Past Programs & Course Budgets for 1972

1. Income and expense analysis for first two conferences is provided in Schedule A and B. Original capital budget provided \$5,000 for conference working capital and subsidy and later \$2,000 was placed in a separate conference checking account. Loss in first conference was offset by "profit" in second so that conference fund assets were increased to \$2131.43. Cancellation of the October meetings will produce a net loss not to exceed \$1,000 due to mailings, telephone calls, telegrams, and terminal charges all of which are not available at this time. This would suggest that total conference program has required a net subsidy of approximately \$900 to date.
2. A copy of all expenditures from the University of Wisconsin Foundation Development Fund is attached as an appendix. Some development costs have been paid by the conference fund as they were included in monthly GE time sharing charges so that conference fund will need to be reimbursed \$
3. Budgets for 1972 conferences are based on experience to date, adjustment for a five day program, some inflationary increase in board and room and computer time costs, and recognition of hidden economies at Lowell Hall location. Cost items with asterisks are eliminated on University of Wisconsin campus. Thus there are two figures for each division of budgeting cost estimates and the set with the asterisks are the most pertinent. (See Schedule C)

Assuming fixed costs per conference are pro rated for a break-even point of 20 students at Lowell Hall the expense budget can be summarized:

	<u>Single Meetings</u>	<u>Pair of Meetings</u>
Variable cost per student	\$369	\$259
Fixed cost per conference/20 students	102	75
Total expenses	<u>\$471</u>	<u>\$334</u>
Average expense for pair of conferences	$\$805 \div 2 = \402.50	

Board of Directors must determine loading for recovery of amortization costs. Assuming \$14,000 to be recovered in 1972 against 200 students of a potential 210, a \$70 loading would be required. Average cost plus loading might suggest tuition of \$475 at a minimum to cover the single meeting cost. Fixed cost per student of approximately \$90 would be gained as a profit for each enrollee above 40 in each pair of conferences. A tuition of \$500 per student would be the equivalent of \$100 per day which is well within typical charges of American Management Association computer seminars.

SCHEDULE A

Income & Expense Analysis
(13 registrants)
For Conference #1, July 18-22, 1971

Receipts

Conference Tuition Number Amount (Irregular amounts are adjusted
for room and meals actually taken)

10	360	\$3,600.00
1	304	304.00
1	288	288.00
1	180	180.00

Total	13		\$4,372.00
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Expenditures

Variable

Copy	\$158.58
GE	\$701.10
Prince	485.60

Computer Total	1,186.70
Phones	157.11
Mailing	27.70
Supplies	87.07
Wages	1,225.25

Total	2,842.41
-------	----------

Lodging	430.00
Food	610.87

Total	1,040.87
-------	----------

Fixed

Teletype	650.00
Instructor Fees	1,000.00

Total	1,650.00
-------	----------

Expense Total	\$5,533.28
---------------	------------

Net	-1,161.28
	Loss

SCHEDULE B

Income & Expense Analysis
(26 registrants)
For Conference #2, August 1-5, 1971

Receipts

Conference Tuition Number Amount (Irregular amounts are adjusted for
room and meals actually taken)

21	360.00
2	270.00
1	279.40
1	219.40
1	296.85

Total	26	\$8,895.65
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Expenditures

Variable

Copy	\$327.06
GE	\$1,398.90
Prince	305.00

Computer Total	1,703.90
Phones	319.36
Mailing	320.00
Supplies	92.92
Wages	1,245.66

Total	\$4,008.90
-------	------------

Lodging	881.50
Food	1,063.00
Total	1,944.04

Fixed

Teletype	650.00
Instructor Fees	1,000.00

Total	1,650.00
-------	----------

Expenses Total	7,602.94
Net	<u>1,292.71</u>

Gain on Conference #2 - \$1,292.71
Loss on Conference #1 - \$1,161.28

Conference Fund Gross - \$131.43

SCHEDULE C

Proposed Expense Budget
1972 Conferences

	<u>Per Conference</u>		<u>Per Student</u>	
	<u>First Meeting</u>	<u>+ Next Meeting</u>	<u>First Meeting+</u>	<u>Next Meeting</u>
Conference Preparation				
Admin	\$500.00	\$100.00		
Install			\$75.00	
Publicity			7.00	\$7.00
Staff Train		2.00	8.00*	
Travel	210.00			
Phone Calls	40.00			
Conference Production				
Admin	400.00	400.00		
Instr. Fees	1,200.00	1,200.00		
Assist.			25.00	25.00
Supplies				
Repro			15.00	15.00
Vis. Aids	70.00*	70.00*		
Teletypes				
Phones			\$12 18.00*	\$12 18.00*
Space			35.00	
Travel	650.00*	650.00*		
Computer			90.00	90.00
Follow Up				
Admin & Assist.	100.00			
Housing				
Staff	900.00*	900.00*		
Students			110 150.00*	110 150.00*
<hr/>				
Other than Madison	4,070.00	3,320.00	456.00	305.00
Lowell Hall location	\$2,450.00*	1,700.00*	\$369.00*	\$259.00*
Fixed pro-rated at 20			204.00 112.00*	166.00 85.00*
<hr/>			<hr/>	
+ for each pair of meetings			660.00 481.00*	471.00 344.00*

* Indicates items incurred with class location other than in Madison.

D. Structuring of EDUCARE Network

1. Legal structure considerations refer to Chatterton-Knitter correspondence attached as an appendix. Recommendations on fee structure are presented here. It is proposed that subscribers to the EDUCARE Computer Network be billed at the rate of 50¢ per program accessed and run, against a monthly minimum charge as proposed in the next item.

Discussion: Programs made available to subscribers accrue storage charges; it seems reasonable that these storage charges be paid by those who use the programs. A per access fee seems a reasonably equitable yet simple way of making these charges. The rate of 50¢ is an estimated minimum to cover the storage cost associated with the average program. Some programs of course, are considerably larger and then are more costly to store than others but hopefully these will be used more frequently. A mechanism exists for the recording of program use with the system. Minimum charge in Item 2 will prevail unless library alternatives are expanded as recommended in Section E.

2. It is proposed that the minimum monthly charge to cover the cost of programs storage, user manuals and administration be set at \$10.

Discussion: This proposal serves 3 purposes. It first provides a minimum assured monthly income per subscriber, secondly it encourages the subscriber to make use of the services to which he has subscribed and also provides a modest stimulus to prevent the number of subscribers who do not use the services from getting unreasonably large. Third, it provides a basis for a monthly reminder in the form of a bill that the subscriber is paying for computer services and encourages him to use a limited number of programs per month without any additional library access charge. The charge is significantly below the \$100 minimum monthly charges that the user would incur if he were to subscribe directly with GE.

3. It is proposed that every subscriber be required to deposit a minimum of \$50 or 10% of his largest previous bill, whichever is greater.

Discussion: Since bills rendered by General Electric require payment by EDUCARE these charges can amount to a substantial requirement for working capital. Since the funds provided by EDUCARE are intended to support the educational efforts it seems reasonable that the subscribers to the services provide the necessary working capital in the form of a returnable deposit. This deposit will be included in the first monthly billing and will be increased as the users charges mount. It is intended that this be returnable when the user discontinues service. No interest will be paid on the deposit. Any interest accrued on this deposit will help cover clerical expenses associated with billing.

General Comments

The above provisions are intended to provide a minimum basis on which direct costs associated with operating the computer services may be recovered. They include no provision for funds to be used to increase the scope of the programs being stored within the general library. Previous indications from students attending the EDUCARE conferences indicate that the availability of a library of programs is fundamental to their intended use of computer services. There is considerable interest in increasing the scope and utility of this library. Funding for such additional effort should be considered either as a separate matter or as increments to the above rates for current and future subscribers. Estimates of direct administrative costs will be available at November Directors meeting after the most recent months of operating experience.

4. It is proposed that all subscriptions to the services of the EDUCARE Computer Network be in the name of and at the request of a properly designated individual who has attended an EDUCARE course. The individual who subscribes to such services assumes responsibility for their use and retains the right to discontinue such services, regardless of whether they are paid for directly by him or by another party, company or government agency. It should be stated in EDUCARE manuals that it is the individuals professional responsibility to notify EDUCARE if he should terminate employment with the organization to whom these services are billed.

Discussion: While the EDUCARE Computer Network Services are subscribed to by an individual the bills will often be sent to a government agency or corporation and therefore not directly associated with this individual. Since anyone employed by the organization would have access to the EDUCARE library it is necessary that the subscribing individual assume and retain responsibility for the appropriate use of the services of the EDUCARE Computer Network.

E. Development and Expansion of EDUCARE Network Program Library

The following is a list of programs which have been requested as basic to the appraisal office and which are recommended for consideration. The Directors should be primarily concerned with the relative priorities that might be given these alternative development programs and the funding of such work.

MINI-MOD is the present basic cash flow model, which should be expanded in several dimensions to provide greater utility and flexibility:

1. The option of conversational input as well as taped input for the beginner.
2. An option should be provided for preferential income tax above an input ceiling on capital gain and excess depreciation.
3. An option should be provided to make resale price either a multiple of net income or a variable index of purchase price.
4. Provision should be made for transaction cost as a percent of resale price.
5. Provision should be made to extend forecast periods up to 40 years with user selecting print-out for any four years.
6. Provision should be made for permitting starting dates (negative dates) prior to term of forecast for handling of depreciation of second user items or takeover of existing mortgages.
7. Provision should be made for switching accelerated depreciation to straight line depreciation automatically when it optimizes deductions and indicating year of changeover with an asterisk.

The above modification costs \$400 in programming and debugging time and are strongly recommended.

8. An optional extra would be to provide for a graphing of Mini-Mod elements, specifically effective gross, expenses and real estate tax, debt service and cash from operations after income tax. It can be argued that slope, and order of magnitude of relationships are more important than actual numbers which are assumptions under conditions of uncertainty.

It should be noted that Mr. Ronald Graybeal has inquired as to our specific plans for a program library on the EDUCARE computer network. He feels that our price on Mini-Mod is so low as to eliminate the market potential for his program among users of the EDUCARE network. His program is very comprehensive and flexible but considerably more costly to use than the basic Mini-Mod, even after the above features are added. His programs offer far more flexible and specific depreciation, tax, and financial assumptions. Mr. Graybeal contends that EDUCARE will put him out of business and that he would like to appear before the Board to plead "his case" that an educational agency should avoid discouraging commercial innovation.

RENT MOD is a program which will compute rents required per unit to support an equity yield as stated by the user given a capital cost, a specific financial plan, and operating costs. The program is currently written in basic language to run on the Service Bureau Corporation system. Conversion to GE basic would be a minor task but it is recommended the program be corrected for certain inefficient programming solutions. Cost to convert: \$25, and to correct: \$100.

LAND MOD to permit simple simulation of the development process to determine land residual values is a cash simulation model which would permit conversion of raw land acreage to sale units with staged capital outlays and staged absorption rates. Expenses would be in fixed dollars or percent of sales and financing options would be limited to basic loans and reduction of principal geared to sale as an additional payment option. Only one land use could be handled at a time so that a planned unit development would require a separate run for each land use type in its master plan and the master plan would provide the number of raw acres to be developed. A simple cost catalog which could work in physical quantities or per sale unit would be provided. Land not specifically used would fall into a residual "open space" account presumed dedicated at end of forecast period. The cost to develop this program would be \$750.

YIELD PROB CASH MOD is the title of a probability cash flow simulation model which would measure the probability and range of alternative outcomes that might result from variance of three basic parameters. Effective gross revenue, total expenses including real estate taxes, and resale price would be stated in terms of the estimated high and low and central tendency and the computer would then spin out 100 pro forma statements internally to determine a distribution curve of possible outcomes of cash from operations and therefore the prospective range of yields on net worth. This model would serve as a teaching model for the EDUCARE course and provide investment analytical techniques for handling statistical data on operating expenses and possible standard deviation, statistical revenue pattern and standard deviation, and statistical significance of variation in resale price on yield expectation. A far more complex model of similar context has been developed by the Harvard School of Business and is handed out with current EDUCARE materials. The cost to develop is \$1,000.

MARKET COMPARISON MOD would be an appraisal tool for evaluating a subject property in terms of a specific set of sales for which data on certain comparable features is available. Based on the program furnished by Ron Brown of Victoria, Texas, the program would be sufficiently flexible to allow the user to specify the parameters on which comparisons are to be made and the adjustment amount associated with the absence or presence of each feature. After adjustment of sales prices for selected comparables, the average price would be computed and a standard deviation provided to measure dispersion of the central tendency represented by the average. An additional output could be a weighted average with primary weight being given to the comparables with the fewest adjustments as a percent of raw price. EDUCARE now has a copy of Ron Brown's program and cost to develop and convert it to EDUCARE would be \$500.

SIMPLE REGRESSION MODEL would provide for stepwise regression analysis of a limited number of variables, say 30, for application to a given data bank with a design to provide a control on the number of degrees of freedom or the maximum colinearity that would be acceptable for a run in order to put some check on some of the garbage that passes for regression analysis. The advantage of a program would be its much lower cost than existing GE library programs involved where computer resource units are loaded to provide program royalties and to simplify data input and statistical output. The program could be used to construct adjustment factors for the market comparison model for coefficients for a direct regression formula appraisal. A sub-routine could be prepared to run the regression formula on a set of subject properties and the set of subject properties could be statistically compared to the statistical dimensions of the sample observation from which the coefficients were constructed. There is a great deal of appraisal interest in valuation by regression analysis and the model plus its manual would provide both a programmed learning device and an alert to the user of misleading applications for data he was processing. Since some of these sub-routines can utilize Fortran programs built by Bob Knitter for the School of Business, estimated costs of development are \$1500.

BASIC COMPUTER MAPPING would have its initial value for a demonstration of how to construct statistical maps of spatially related variables including maps of site characteristics for development suitability. The program which has been developed on the School of Business 1410 would be converted to the University 1108 time sharing system and would be used for teaching. For teaching purposes a data base is being generated for Madison by a civil engineering project department. The program enables the user to mix and match related variables and value judgments and choose the results of the analysis to be displayed. For example, it could be used to choose that part of a 160 acre farm which is not suited for residential development or choose that route for a road which would have the best soils, avoid the most trees, and avoid the major areas of high property value and improvement and the results could be displayed as a route map or as a density map showing relative desirabilities. The development costs of this program would require \$515 or 1108 computer time and materials and programming time at full cost not to exceed \$600. However, the programmer for this effort has volunteered to contribute 1/2 of his time because of his interest in this project. As a demonstration of land economic implications of the computer in the next 10 years this program is excellent although it has no immediate application in the library of programs for the EDUCARE network.

WANG SIMULATOR MODEL would permit appraiser familiar with Wang program to input that program and then use it on the terminal. Not only would that potential salvage his favorite programs from his investment in Wang calculators, but would expand the memory and possibly their alphanumeric power and he would use his written programs, of course, rather than his punched cards or cassettes. A capable student programmer is available with interest in doing such a project at a cost not to exceed \$1,000.

F. EDUCARE Development Budget Summary

Course development	\$600
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Network development & subsidy	1,000
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Library development

Mini-mod	\$400
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Rent mod	125
----------	-----

Land mod	750
----------	-----

Yield pob cash mod	1,000
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Market comparison mod	500
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Simple correlation mod	1,500
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Basic computer mapping	915
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Wang simulator model	<u>1,000</u>
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6,190

<u>\$7,790</u>

G. EDUCARE Program Staff Development

It is recommended that the EDUCARE faculty of Professors Knitter and Graaskamp be permitted to select and train alternates for their respective teaching functions, specifically Richard Mortenson who is a capable computer systems man with teaching experience presently enrolled in the real estate Ph. D. program and Professor Karel J. Clettenberg. In addition it should be possible to set up a project assistantship for a graduate student to handle a variety of accounting and personnel management chores presently handled by Alan Hayes and Fred Roberto. The latter have simply failed to charge for many hours of their busy work as they felt the skill level required didn't justify their hourly pay rates.

Some thought might be given to providing a margin for scholarship of professors selected by the Board who would return to their universities to use EDUCARE programs as part of their course instruction in real estate. Perhaps the Board could provide Mr. Roberto with a list of five (5) professors who would be invited to attend free of charge and one (1) at a time when enrollment for any particular session reached 27, a "stand-by" plan for meetings where break-even point had been substantially exceeded by registrations.

February 1, 1972

Board of Directors
EDUCARE

Gentlemen:

The purpose of this letter is to communicate to you the following issues: (1) the fiscal and administrative state of affairs for the Educare Computer Network, Inc. (2) my role in behalf of EDUCARE, its development, conference and network efforts, and (3) my recommendations with regard to the previous issues.

With this letter are summaries of the financial records of Educare Computer Network operations from August through December, 1971. During this period the network was not separately incorporated but all financial operations have been maintained entirely separate and distinct from those of the Educare conference and development operations. These financial summaries are reported on an accrued basis and not a cash basis; that is, revenues and expenses have been associated with the month in which they occurred rather than with the period during which revenues were received or expenses paid. These summaries, while accurately reflecting the operations, will differ from the cash basis financial report made to I.R.S. It has been Mr. William Chatterton's recommendation that it would be wise to report the operations of the Educare Computer Network as a separate and distinct taxable entity within EDUCARE even though it was not yet separately incorporated. The purpose of doing this is to protect the tax exempt status of EDUCARE.

The monthly summary attached shows all major components of revenue and expense, but many of these receipts, expenditures, and reserves do not affect the gain or loss position of the network. Specifically, General Electric (G.E.) timesharing charges incurred in behalf of computer use by subscribers are directly payable by them and therefore show up both as a revenue and expense. Similarly, deposits are billed and produce revenue that is held in reserve in order to provide working capital for the network.

The following items which appear on this summary may not be self explanatory. Library revenues were separated into two categories; library useage and balance

of library charges on minimum. I have attempted to show, as distinct categories, revenue produced through actual useage of programs stored within the network library and that revenue produced by our \$10.00 minimum for all billable subscribers. Under expenses, no salaries have been charged against the Educare Computer Network. This will be discussed more extensively later. G.E. timesharing charges fall into two categories; those payable in behalf of subscriber billings and those associated with administration of the network, the primary component of the latter charge is the storage costs of programs within the EDUCARE catalog. The billing-cost category is as yet not completely reportable in that some of these charges have not yet been posted. This category of charges covers computer cost of generating the monthly statements for subscribers. The only billing cost presently available is the charge shown during September which includes the programming cost incurred for the billing program. Clerical costs shown are those payable for direct clerical effort in behalf of the monthly activity of mailing statements, receiving payments and banking revenues. No rents or other overhead categories are included in this charge. This office space is that within my study at home and the only clerical employee is my wife, Jean. The teletype charge shown is for the rental of one teletype in order to perform the administrative functions of the network.

Shown at the bottom of the monthly summary are the number of subscribers, the number of active and inactive subscribers, and for planning purposes the average G.E. billing per active subscriber per month.

The annual summary for 1971 shows that a gain from operations of \$545.00 was realized. It is important to note the following however. The only source of revenue to support the direct costs are those produced as a result of library charges. The bulk of these revenues (in excess of 60%) resulted from the \$10.00 per month minimum charge. This includes both the revenue produced by inactive users and that revenue generated by the difference between the charge for library useage and the balance of the \$10.00 minimum. During the start-up period, 1/3 of our subscribers were active. The remaining inactive subscribers produced 2/3 of the revenue. At the end of the year, 1/2 of our subscribers were active. (Inactive subscribers are defined as those which used none of the network services during a billing month.) Should any significant percentage of the inactive subscribers decide to discontinue their subscription to network services, a significant source of revenue would be lost.

In order to budget the fiscal affairs of the network during 1972 an analysis was made of potential subscribers'

revenues and expenses during that calendar year. The following reasoning determined the basis for this budget. During 1972 seven Educare conferences are scheduled. These conferences are limited to 30 attendees, but for planning purposes an average of 20 attendees was estimated. If 2/3 of the attendees decide to subscribe to network services then we may conservatively project an increase of approximately 100 subscribers during 1972. Our total number of subscribers would then increase from approximately 34 to approximately 140 and the average number of subscribers during 1972 is then estimated to be 90. (If all seven courses are held at capacity enrollment and if all attendees subscribe then the maximum number of new subscribers acquired during 1972 would be 210.) On this basis the 1972 operating year might produce in excess of \$28,000 in G.E. billing; slightly less than \$12,000 in revenue, expenses exceeding \$5,000, yielding an operating gain in excess of \$6,000.

At this point it is absolutely vital to note that this apparently viable operation has been as successful as indicated because of three essential ingredients. The operating capital for the corporation has been contributed by subscribers in the form of deposits. The computer resources being sold are priced at cost and are those of General Electric timesharing and the programs developed and used in support of the Educare Network are currently available without specific compensation to EDUCARE for their use. And, finally, the extensive organizational, administrative and managerial efforts required were contributed without cost to the network.

During this next year I will find it extremely difficult if not impossible to schedule seven full weeks for the instructional efforts required to teach all the announced EDUCARE courses. Primary emphasis will therefore be upon establishing additional instructors to teach the material being developed and formalized for this course. I am sure that Jim Graaskamp shares this problem and viewpoint. I would also like to clearly communicate to the Board that I now consider myself essentially independent of the administrative activities in support of these courses. Specifically, I would choose not to assume the responsibility of regularly reporting on their operation and financial results. I would however be completely willing to participate in the analysis and budgeting of these courses if such functions are found to be of use. This decision should not in any material way affect my association with the development of course content and materials.

I assure you that efforts in behalf of the Educare Computer Network have taken a considerable amount of time. The

the intended scope of activities of the network.

Regardless of the decision above I would recommend that a meeting or colloquium be established at some convenient time and place where currently active subscribers could meet and discuss their recommendations with respect to the operation and evolution of the network. It must be remembered that the current subscribers are, in all but a contractual sense, the financial "owners" of the network and that they may therefore be legitimately given a voice in the network's operations.

I would suggest that it is not premature to give some consideration to the relative roles and importance of (1) the educational efforts of EDUCARE and (2) the services provided the network. While under the current charter the network is a wholly owned subsidiary of the Educare Foundation the Board must face the possibility that the network may in fact offer the more saleable service. In this regard the Board should address itself to the question of whether the restriction or subscribership to previous attendees of the EDUCARE course is in fact in the best interest of the professional community which it intends to serve. This is of course a difficult question and involves among other things the issue of which is the primary and secondary service. Also relevant is the question whether providing computer service can legitimately become a primary function in view of the specifically stated and originally "advertised" purposes of EDUCARE. Despite the fact that the network is a wholly owned entity within EDUCARE it is relevant to note that the network virtually formed itself and has received very little of significant value (except subscribers?) from EDUCARE. In fact, by virtue of its ownership of the network, the foundation stands to gain far more from the operations of the network than it has contributed to its formation. (Specifically of the three network products that produce any significant amount of revenue only the Elwood program was developed specifically for the EDUCARE course.)

If any of you have any questions concerning the financial statements I would be pleased to try to answer them. If you would choose to discuss or enlarge upon any of these issues either individually or collectively I would be pleased to discuss them.

Sincerely,



H. Robert Knitter

Enclosures

Network's increasing pace of activities taxes both my willingness and to a greater extent my ability to continue to contribute my support on a voluntary uncompensated basis. It is also unfair and somewhat irresponsible to provide a service to an ever increasing number of subscribers which, through volunteer effort, survives economically at the pleasure of one or a very small number of individuals. My role vis-a-vis the Network is further complicated by the fact that I have neither authority for independent action nor official responsibility to the newly formed corporation. Considered in their entirety these situations place me in a very unorthodox position with respect to Educare Computer Network, Inc.

In view of the above I would make the following recommendations:

I propose that I be hired as an employee of the Network and that as such I would have the authority to act in behalf of the network in its current operations and that with respect to such a position I remain responsible to the Board of Directors.

I would suggest that a reasonable salary be budgeted as part of a plan for a financially sound operation. I would further suggest this salary be paid to the extent possible and supportable by the operations of the network. In order to provide a basis for this planning budget I might suggest that my commitment to these efforts exceeded an average of five hours per week in the past and will probably average seven to nine hours per week during 1972.

I would recommend that specific policies be adopted which would provide the basis for payment to the Educare Foundation for the use of programs specifically developed in behalf of the EDUCARE courses. (I should point out that Minimod, the most popular analysis program, was not a development effort supported by EDUCARE but is the direct result of a conversion from existing programs in support of the real estate department at the University of Wisconsin School of Business.)

I would recommend that a specific policy be adopted with respect to the development of additional programs of primary interest to network subscribers. I have received strong and specific recommendations from several subscribers concerning library additions which would apparently be of great benefit. The selection, development and incorporation of these additional programs into the library could remain the operational responsibility of whoever assumes administrative and managerial control; the Board must however decide whether such additional efforts are within

EDUCARE

educational foundation for computer applications in the real estate industry, inc.

Reply to: 834, 15 Peachtree St., N.E., Atlanta, Ga. 30303
p.o. box 631 / madison, wisconsin 53701 / phone (608) 256-2355

August 31, 1972

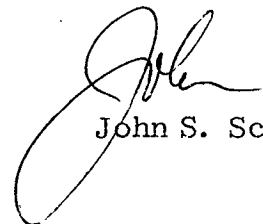
TO: Board of Directors
FROM: John S. Schneider

Enclosed herewith is a copy of the minutes of the May Meeting held in Miami.

Sorry that this has been delayed, but due to factors beyond my control, I was not able to obtain a completed draft until recently.

With best regards, I am

Very truly yours,



John S. Schneider

JSS/lr

Enclosure

cc: H. Robert Knitter
~~James A. Graaskamp~~
William A. Chatterton

Educare Committee
Real Estate Convention

In attendance

Norman Benedict	American Society of Real Estate Counselors 2 votes
William E. Coyle, Jr.	Society of Real Estate Appraisers
Robert Steele	American Institute of Real Estate Appraisers
John Schneider	

Also present

Dr. James Graaskamp) Professor Robert Knitter)	University of Wisconsin
William A. Chatterton	Foundation's attorney
James Hueser	Staff of Society of Real Estate Appraisers

The chairman of the meeting was John Schneider who called the meeting to order at 9:15 A. M. on Saturday, May 6, 1972.

1. The purpose of the meeting was to report on activities since the last meeting and to transact business.

Financial report given by Norman Benedict

One check has been written since December in the amount of \$231.00 for accounting services.

The balance until then had been	\$1319.44
	<u>231.00</u>

Current balance	\$1088.44
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This is what remains of the original \$30,000 used to set up the Educare course.

Financial structure is such that two board members must sign checks.

Bob Knitter reported that Educare has three separate accounts.

- 1) First Wisconsin National Bank is administered by treasurer of Educare and requires two signatures.
- 2) Administered by the University of Wisconsin Foundation -- funded from principal bank account administered by treasurer of Educare for the purpose of course development.
- 3) Conference fund administered by Conference Coordinator, Mr. Fred Roberto, as a working capital account.

Bob Knitter explained the financial picture

University of Wisconsin Educare fund has a balance of \$77.18 and charges of \$2,691.27 remain unpaid.

P. S-1

In the Education Conference Fund	\$3,013.24
Outstanding liabilities*	<u>6,138.71</u>

This indicates a deficit of \$3,125.47

*This is mainly for instructors' fees for conferences and Western Union charges.

We require immediate funding of \$4,700.00

Page 1/3 Report on Educare Courses that have been given in 1972

1st course had 11 registrants and lost	\$1439.52
This loss should be increased to	1639.52 because of extension of the course by one day.

2nd course had 16 registrants and had a gain of \$167.90.

Several comments had been received that the course had an over-emphasis on mechanics. Mr. Knitter replied that after the course is over, nine out of ten of the telephone calls he receives have to do with mechanical questions. He said there is great emphasis on mechanics, but the post-conference questions indicate that this is a necessary emphasis.

It was asked if it would be advisable for registrants to enter the GE course and the answer was no.

Network

Report on Educare Computer Network financial picture

P. S-3

The assets are about \$5,700, much of which is in accounts receivable.

There was considerable discussion on how funds could be transferred between the Educare Foundation which is a non-profit organization and Educare Computer Network, Inc. which is a profit-making organization.

Mr. Knitter mentioned that his wife had served as secretary for the Network and she should be paid at the rate of \$5.00 per hour for a total of \$392.50, and that the attorney's fees for Mr. Chatterton should be reimbursed at \$50.00.

There was also considerable discussion on a program that had been purchased by The University of Wisconsin for \$2,000.00 and is now being made available to Educare and Educare Computer Network.

There are 47 total subscribers to network services. There have been 68 students who took the Educare course since February of 1971. Most of those who have gone through the course have continuing access to the terminal.

It was decided that since funds are so limited, no action will be taken at this time for the Foundation to purchase the program from the owners, but the Board registered its intent to purchase this program when sufficient money is available.

Total sales are about \$1700 a month and the first quarter showed a profit of \$275.00.

Future of Educare

Promotion of the course has not been effective and that is why the registration has been so limited.

It was asked if registration should be open to students who are not members of one of the three sponsoring organizations and noted that the objection to this is that they would be teaching their competition how to do a job that could be done by themselves.

At future seminars, demonstrations will be given which will include a strong pitch for the Educare course.

Each of the three sponsoring organizations should promote Educare through their Education Committees as their own vehicle for education.

A visitor was admitted to the meeting, Mr. Casey Hambleton. He wanted a one-day seminar to be given in Columbus, Ohio.

It was the consensus of the Board that Educare courses should be publicized by means of contacting regional vice presidents of the three organizations to request permission to give seminars in their areas.

They should also obtain permission to contact Chapter presidents to advise them of the availability of a Speaker's Bureau from Educare for their chapter programs.

The president emphasized that it is not his responsibility to do this, but rather the representatives from each organization to the Board are responsible for getting information to and approval of any necessary actions from their particular organization's membership.

It was decided not to open the course to outsiders unless it is absolutely economically necessary. This decision about the necessity cannot be made until the November meeting.

The Chairman requested that Professor Knitter send him estimated costs at the end of each pair of courses and the accurate costs as soon as possible. He needs the accurate costs before November. Professor Knitter agreed to send these costs to Chairman Schneider.

Periodic reports from the organization representatives should be made to the President.

The Chairman reported that the attitude of the Education Committees of the various organizations was enthusiastic. Additional grants had been received in the following amounts:

500 from Counselors
3500 from Institute of Real Estate Appraisers
3500 from Society

Professor ^{Kn}Mitter expressed a desire that a letter of thanks should be written to those people who are doing the work at the University of Wisconsin and it also could explain some of the problems of the Foundation. The letters should go to Al Hayes and Fred Roberto and another man who will be doing some of the work very soon.

These letters should come from these organizations. A motion was made and seconded that these letters would be sent and the motion carried.

The president expressed his appreciation to Jim Graaskamp and Bob ^{Kn}Mitter for all their work in putting on the excellent courses. Mr. Graaskamp asked that they also send letters expressing their appreciation to the Dean of the School of Business at the University of Wisconsin.

Bill Coyle made a motion that as soon as the \$7500 was available from the three sponsoring organizations, \$3100 of it will be sent to the University of Wisconsin Foundation specified for Fund D-31. An additional check in the amount of \$3500 will be sent to the Educare Conference Fund to cover outstanding obligations. Norman Benedict seconded the motion and it carried.

At this point Bob Steele had to leave the meeting and gave his proxy to John Schneider.

The expected registrations for the next three Educare courses are:

July 16 - 21	12
July 30 - August 4	7
September 24 - 29	15

Bob ^{Kn}Mitter is to let John Schneider know by the first of July if there are not a total of 30 registered for the two July courses. If there are not, one of them may be cancelled.

Annual Election of Directors and Officers

It was moved and seconded that there shall be no less than six directors and that these directors shall be serving in accordance with their terms as appointed by the presidents of their sponsoring organizations. Motion carried.

It was suggested that the presidents of the sponsoring organizations be asked to appoint people who have taken the Educare course when it is possible to do so.

Attorney amended the Articles of incorporation.

The following officers were elected unanimously for a one-year term.

John Schneider	President
Roy R. Fisher	First Vice President and Secretary
Norman Benedict	Second Vice President and Treasurer

The foundation resolved that the proxy of the foundation be given equally to the Board of Directors of the Foundation to vote the stock.

It was moved and seconded that the meeting of the Educare Foundation committee be adjourned. The motion carried and the meeting was adjourned at 12:30 P. M.

Educare

The first meeting of the ~~Education~~ Computer Network Inc. was called to order at 12:35 P. M. on Saturday, May 6, 1972.

The group elected John Schneider as Chairman and Bill Coyle as secretary of the meeting.

~~The company was authorized to issue up to \$2,500 shares.~~ A decision was made to issue 600 shares of capital stock to the Educare Foundation at a value of \$2.00 per share and that the consideration to be paid is the surplus at the time the corporation was set up plus the right to lease the Foundation's program library through November 30, 1972.

It was moved and seconded that the length and term of directors of Education Computer Network be for one year.

There shall be six directors. The following men were nominated to serve as directors:

Roy Fisher
Ron Brown
Norm Benedict
Bob Steele
Bill Coyle
John Schneider

There was a motion and second to elect these men unanimously and the motion carried.

There was a motion and second to elect John Schneider as Chairman of the Board of Directors and the motion carried.

The Board then appointed H. R. ^{Kr}Witter as General Manager of Education Computer Network, Inc.

The Bylaws of the organization were adopted.

It was moved and seconded that the meeting be adjourned. The motion carried and the meeting closed at 1:00 P. M.

RESOLUTION TO AMEND ARTICLES OF INCORPORATION
AND THE BY-LAWS OF EDUCATIONAL FOUNDATION
FOR COMPUTER APPLICATIONS IN THE REAL ESTATE INDUSTRY, INC.

Resolved, that paragraph 1 of Article III of the Articles of Incorporation and paragraph 1 of Article I of the By-Laws of Educational Foundation for Computer Applications in the Real Estate Industry, Inc. be amended to provide as follows:

The corporation is organized exclusively for the improvement of business conditions in the real estate industry, including for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501 C 6 of the Internal Revenue Code of 1954 or for corresponding provisions of any future United States Internal Revenue Law, including, but not limited to, the improvement of the real estate profession through the study of and research in the application of modern developments and technology to real estate practice, the continuing education of the real estate profession in those developments and the publication and distribution of addresses, reports, treatises and other literary works on those subjects, and to carry out the foregoing, it may engage in any lawful activity within the purposes for which corporations may be organized under the Wisconsin without stock and not for profit law, Chapter 181 of the Wisconsin Statutes.

AGENDA - First meeting of Incorporators, Subscribers, and
Capital Stock and Shareholders of Educare Computer
Network, Inc.

Call meeting to order and state object.

Elect Chairman and Secretary of the meeting.

Determine number of shares to be issued.

Determine length and term of Directors.

Elect Directors.

Adopt By-Laws.

Other business.

Close meeting.

AGENDA - First Meeting of Directors

Call meeting to order and state object.

Elect officers.

President

Vice-President

Secretary

Treasurer

Authorize bank account, determine number of signers.

Set Salaries, if any.

Other business.

Close meeting.

The first meeting of the Directors of Education Computer Network, Inc. was called to order at 1:05 P. M. on Saturday, May 6, 1972.

The following officers were nominated and elected:

John Schneider, President
Roy R. Fisher, First Vice President and Secretary
Norman Benedict Second Vice President and Treasurer

H. R. Nitter was authorized as general manager and with authority to carry out all bank transactions.

Mr. Nitter's salary was set initially at \$15.00 per hour. To date he has put in 131 hours. This figure is recognized as being less than adequate for his services and will be adjusted at a future date.

The Directors will serve as a contribution to the organization and will not receive reimbursement.

Travel expense billing for Mr. Nitter and Dr. Graaskamp was discussed. It was decided to bill Mr. Nitter's expenses to Network and Dr. Graaskamp's expenses to the Foundation.

There was some discussion on a royalty fee and it was set at \$3.00 per execution.

It was decided to sell the full set of programs as they exist now for \$5.00 and to sell supplements as they come out for \$1.00 each.

Subscribers are to be informed that they don't need two terminals in their offices because one will do the job. This information is to come via courses and newsletters.

It was decided that an annual seminar could be tied in with the September course and that it could start on Friday afternoon and run through Saturday and Sunday.

It was moved and seconded that the meeting be adjourned. The motion carried and the meeting was adjourned at 1:30 P. M.

MINUTES OF DIRECTORS' MEETING
OF
EDUCATIONAL FOUNDATION FOR COMPUTER
APPLICATIONS IN THE REAL ESTATE INDUSTRY, INC.
EDUCARE

Minutes of a regular meeting of the Directors of Educational Foundation for Computer Applications in the Real Estate Industry, Inc., held in the City of Madison, State of Wisconsin, on September 30, 1972, at 4:00 p.m.

The following directors were present:

John S. Schneider
Norman Benedict
Roy R. Fisher, Jr.

A proxy was filed by Robert A. Steele authorizing John S. Schneider to act on his behalf. A proxy was also received from Ron Brown authorizing Norman Benedict to act on his behalf. A proxy was also filed authorizing Roy R. Fisher, Jr. to act on behalf of Mr. William E. Coyle, Jr.

The following were also present:

William A. Chatterton	Corporation Counsel
Professor James A. Graaskamp	
Mr. H. Robert Knitter	
Mr. Alan Hembel	Corporation Accountant

Upon motion duly made and seconded, it was resolved that the minutes of the 1972 annual meeting, as prepared by Mr. Chatterton, would be approved as published subject to notification of corrections, changes or additions received within 30 days.

Mr. Norman Benedict gave the treasurer's report, a copy of which is attached, showing a balance in the Foundation account of \$1,535.94.

Mr. Alan Hembel reported that there was a balance in the conference fund account of \$11,654.97, substantially all of which will be disbursed to cover expenses of the prior conference accrued but not billed and of the present conference.

It was resolved that a consolidated report showing the current status of the Educare accounts through September 30, 1972 and including course II be in the hands of Mr. John S. Schneider, President, on or before October 15, 1972.

Mr. Hembel further presented a pro forma income and expense analysis of Educare conferences to date, a copy of which is attached and incorporated herein indicating that the Educare conferences are self-sustaining.

The Board discussed requests for refund of \$80.00 deposited for those persons registering for the conference but who did not attend. It was pointed out that the published policy of the Foundation was that the deposit was nonrefundable. It was further pointed out that the reason for this policy is that additional expense for telephone lines, terminals, personnel, etc. have to be made based on registration. It was ultimately resolved that those registrants having made an \$80.00 deposit but who could not attend the current session would be offered the opportunity to apply the \$80.00 deposit on the February 4 to February 9, 1973 session only.

A discussion was had of the charges for the continued use of the T. A. Prince programs in the course. Professor Graaskamp advised the Board that the program was being offered to the Foundation at a discount of 50%, and that the programs do have an educational value. He further informed the Board that to his knowledge this had not resulted in any substantial sales of the program to persons taking the course. It was resolved that the problem would be discussed with Mr. Prince to see whether the cost could not be reduced substantially and if not the Board would reconsider the problem, taking into consideration the possibility of using funds now being spent on the Prince program to rewrite the Mini-Mod program to incorporate similar values.

A discussion followed of the criticisms being made by Mr. Ronald S. Graybeal Ph.D., President of Realmetrics, Inc. It was resolved that the corporation's attorney, Mr. Chatterton, review the situation and give the Board of Directors an opinion concerning the questions raised by Dr. Graybeal.

Professor Graaskamp reported on publicity and promotion and reported that a favorable reaction was being received on brochures that were being sent out for 1973. The speaker's package progress was reported, and it was resolved that no speaker's fee would be requested but that the sponsoring organization be requested to pay the expenses of the speaker.

The need for inclusion of a land development model in the

course was discussed. Mr. Benedict reported that the CAL Land Development Program could be used for the course without charge if it was put in the Foundation's library and a royalty was charged for its use. Mr. Knitter reported that such a program would be easy to write. Mr. Schneider advised that such a program would be very marketable.

There being no further business to come before the Board, it was moved, seconded and unanimously resolved that the meeting be adjourned.

Roy R. Fisher, Jr., Secretary

Approved:

John S. Schneider, President

12-3-71 Balance: \$1,589.00

Deposits:

6-8-72	Society of Real Estate Counselors	\$ 500.00
6-12-72	Society of Real Estate Appraisers	\$3,500.00
6-23-72	American Institute of Real Estate Appraisers	\$3,500.00

Paid To:

1-28-72	William A. Chatterton		
	For: Preparation and Filing Articles of Incorporation	\$ 269.56	
4-24-72	Ronald E. Carlson		
	For: Preparation of Financial Statements and Accounting	\$ 208.25	
5-21-72	William A. Chatterton		
	For: Annual Meeting Expense	\$ 311.99	
5-13-72	EDUCARE Conference Fund	\$1,250.00	
6-13-72	William A. Chatterton		
	For: Binders	\$ 13.26	
6-28-72	University of Wisconsin Foundation		
	Attention: John Feldt	\$3,000.00	
6-28-72	EDUCARE Conference Fund		
	Attention: Fred Roberto	\$2,500.00	
		\$7,553.06	\$ 7,089.00
			<u>-\$ 7,553.06</u>
			\$ 1,535.94

INCOME & EXPENSE ANALYSIS

EDUCARE CONFERENCES

1972

ITEM	① FEB 20-25 (11)	② MAR 12-17 (16)	③ JUL 16-21 (22)	④ JUL 30-AUG 4 (14)	⑤ SEPT 24- (26)
Conferences →					
<u>RECEIPTS:</u>					
Tuition, Room & Board	\$ 5225 -	\$ 7600 -	\$ 10240 -	\$ 6630 -	\$ 12730 -
<u>DISBURSEMENTS:</u>					
G.E.	\$ 1265 -	\$ 1253 -	\$ 1922 -	\$ 1246 -	\$ 2000 -
T.A. Prince	225 -	355 -	345 -	356 -	350 -
BROCHURES (Publicity)	116 -	116 -	116 -	116 -	116 -
PRINTING	103 -	197 -	325 -	156 -	502 -
TELEPHONE	77 -	72 -	42 -	10 -	40 -
MAILING	20 -	20 -	10 -	10 -	25 -
SUPPLIES	24 -	21 -	45 -	30 -	70 -
WAGES (GROSS)	1563 -	1417 -	1692 -	1478 -	3020 -
FICA	76 -	67 -	83 -	77 -	157 -
LODGING	570 -	336 -	1045 -	735 -	1375 -
BOARD	748 -	949 -	1229 -	897 -	1375 -
TELETYPE	876 -	876 -	876 -	876 -	876 -
INSTRUCTORS	1200 -	1200 -	1200 -	1200 -	1350 -
MISC.	1 -	19 -	40 -	10 -	10 -
PARKING	0 -	35 -	15 -	15 -	20 -
	\$ 6864 -	\$ 7433 -	\$ 9990 -	\$ 7212 -	\$ 11260 -
<u>GAIN OR (LOSS)</u>	<u>(\$ 1639 -)</u>	<u>167 -</u>	<u>1250 -</u>	<u>(\$ 582 -)</u>	<u>1444 -</u>

NOTE: ⑤ IS A PROFORMA STATEMENT

② The WAGES ITEM REFLECTS
START UP COSTS WHICH ARE
USUALLY PRORATED OVER A
DUAL SET OF CONFERENCES.

FEB 20-25	(\$ 1639 -)
MAR 12-17	167 -
JUL 16-21	1250 -
JUL 30-AUG 4	(\$ 582 -)
SEPT 24-29	1444 -
ESTIMATED NET	<u>\$ 640 -</u>

MINUTES OF DIRECTORS' MEETING
OF
EDUCARE COMPUTER NETWORK, INC.

Minutes of regular Directors' meeting of the Educare Computer Network, Inc., held in the City of Madison, State of Wisconsin, on September 30, 1972, at 5:30 p.m.

The following directors were present:

John S. Schneider
Norman Benedict
Roy R. Fisher, Jr.

A proxy was filed by Robert A. Steele authorizing John S. Schneider to act on his behalf. A proxy was also received from Ron Brown authorizing Norman Benedict to act on his behalf. A proxy was also filed authorizing Roy R. Fisher, Jr. to act on behalf of Mr. William E. Coyle, Jr.

The following were also present:

William A. Chatterton	Corporation Counsel
Professor James A. Graaskamp	
Mr. H. Robert Knitter	
Mr. Alan Hembel	Corporation Accountant

Upon motion duly made and seconded, it was resolved that the minutes of the 1972 annual meeting, as prepared by Mr. Chatterton, would be approved as published subject to notification of corrections, changes or additions received within 30 days.

Mr. H. Robert Knitter, General Manager of the Corporation, reported on the corporation's operation. He presented a profit

and loss statement for January through August, 1972, a copy of which is attached and incorporated herein. He further reported that the general manager's salary had not been paid but was accrued and that he was leaving it in the corporation for the time being as a working capital loan, for which he expected to receive interest.

Mr. Knitter reported that there was approximately 60 subscribers to the Network, of which 51 to 53 are billable. The other subscribers are the Educare courses, Mr. Knitter as general manager, etc. The subscribers represent 80 to 90% of the firms attending the courses.

It was resolved that the Corporation obtain workmen's compensation insurance immediately and authorized Mr. Chatterton to do so. He was further authorized to investigate the need and costs of liability insurance and if necessary to obtain the same. There followed a discussion as to ways of obtaining additional funding to develop new programs and expand services. Mr. Roy R. Fisher, Jr. moved and it was seconded and unanimously resolved that the monthly charge to subscribers of the Educare Network be raised by a sum of \$5.00 for the purpose of increasing Network Services.

It was further resolved that the general manager be authorized to negotiate for use of the CAL program, provided a royalty is reasonable, rather than write a new program at this time.

It was further resolved that a copy of the profit and loss statement for the Network be sent to subscribers to the Network to show that the Network was operating substantially at cost.

There being no further business to come before the Board, it was moved, seconded and unanimously resolved that the meeting be adjourned.

Roy R. Fisher, Jr., Secretary

Approved:

John S. Schneider, President

Educare Computer Network

Income/Expense Jan-Aug 72

Subs. Collections 1/1 - 8/30

A.R. 8/30

A.R. 1/1

plus net A.R.

Dep. 8/30

Dep. 1/1

less net Dep incr

Gross Revenue Earned

483014

- 140180

776000

- 170000

2287268

342834

- 605200

2024102

Total G.E. Pmts

less pmt on 1971 use

less admin use

less tot G.E. re-billed

Net Revenue Earned

1732474

- 160357

- 219649

- 1352468

671634

G.E. O-head

Salaries: Gen'l Mgr

Secy

tot

Oper. exp. - office

teletype

int on sal

tot

Non-Recurr

Legal Fees

Add Mach.

411250

51750

219649

463000

38625

52000

6101

96726

15000

13468

287168

Total Expenses

Net Gain (Loss)

- 807843

(136209)

Prof. Hanskamp

Graduate School of Business



1155 Observatory Drive, The University of Wisconsin, Madison 53706

M E M O R A N D U M

January 12, 1973

TO: Dean Robert Bock
FROM: H. Robert Knitter *HRK*
SUBJECT: Educare Vic-A-Vis School of Business

As we discussed in our brief January 9th meeting I would like to work toward a more formal relationship between the Business School and the Educare conference operations. As a preliminary arrangement I expect to transfer the honorarium that I normally receive to the School of Business via a deposit account already established at the U.W. Foundation. My purpose in doing so is to more legitimately permit me to include certain of the Educare functions within my administrative duties here at the School. Educare in the past has taken a sufficiently small amount of time to treat it as an activity outside of business hours with the exception of those times that courses are actually held. At those times I felt obligated to return time to the University to compensate for the hours spent teaching. As the course is presently structured I spend approximately 8-12 hours teaching during the week Educare is holding a conference session (I have included the Educare brochure to give you the dates of the 1973 conferences). I foresee no difficulty in accommodating these Educare functions within the administrative duties in that they would constitute only a small percentage in increased effort. I expect that in 1973 revenues honorariums transferred will exceed \$3000 and that these funds may then be used in behalf of data processing expenses such as conference travel or phone calls and capital acquisitions for the School. I hope this informal arrangement meets with your approval until a more formal relationship can be defined and established.

HRK/mvo



March 6, 1973

Mr. Lloyd Wyngarden, Vice President
First Federal Savings and Loan Association
Dunedin Office
380 Main Street
Dunedin, Florida 33528

Dear Mr. Wyngarden:

Jim Graaskamp has apparently responded to your letter of January 26. He asked that I pursue the question of whether or not your TC-700 terminals are compatible with the facilities for General Electric Timesharing. Unfortunately I am unfamiliar with the TC-700 terminal and will need more information before I can give you any opinion as to whether that device offers any potential for interconnection with the G. E. Timesharing Network. If you would provide a more complete identification of the terminal (is it made by Burrough's) or if you could obtain some information from Burrough's which would answer such questions as: Is this device capable of interfacing to a telephone line using a standard modem and would it communicate using standard ASCII code? Your Burrough's equipment representative might possibly be able to provide this kind of information.

If it is impossible to use any of your current equipment in accessing the services of Educare Computer Network you would require at least the installation of a teletype in each office where services are required. Teletypes currently lease for approximately \$55-\$65 per month in metropolitan areas. Educare does not make any specific provisions for this equipment and each subscriber must individually arrange for the necessary terminal equipment. Hopefully we will find that the Educare course and the services of Educare Computer Network will be of potential use to you.

Sincerely,

H. Robert Knitter, Director
Data Processing Center

HRK/mvo

cc: J. A. Graaskamp



March 7, 1973

Mr. John S. Schneider
James D. Landauer Associates, Inc.
Suite 834
15 Peachtree Street N. E.
Atlanta, Georgia 30303

Dear John:

This is in response to the request you have made to extend the services of Educare Computer Network to Mr. John McGauley after a suitable period of instruction concerning the Educare programs at his office. There is no reason why someone could not travel to Atlanta and provide the necessary instructions so that an individual could become familiar with the use of the teletype and access of the G. E. Timesharing Network. Given sufficient time I believe its also quite possible that a user might become proficient in the use of most, possibly all, of our programs.

However, the course presumably offers more than simply instructions in the mechanics of teletype use and the basics of how to operate the programs offered. Specifically, it would be difficult to duplicate (1) the benefits of several different viewpoints concerning the underlying real estate and financial implications of certain program procedures, (2) the considerably extended scope of the discussions of the future of timesharing and its potential for the professional in general, and (3) the very useful opportunities for new insights which arise in the usual group discussions. These topics are handled by several individuals and could not be duplicated by any one of us should we attempt to put the course in the individual's office.

Furthermore, it is difficult to accomplish the similar level of intensive instruction in a potential user's home office in that regardless of the diligence with which the appraiser expect to ignore his day to day business there are always numerous interruptions which seriously detract from the concentration required. One of the significant benefits of having professionals come to Madison for instruction is that they are substantially inaccessible by telephone to most of their clients. The pedagogical value of this isolation should also not be minimized.

March 7, 1973

I would like you to consider the implications of setting a precedent in offering this kind of service under the indirect auspices of Educare. In a sense instruction of this kind competes with the course and does very little to further the overall mission of the Educare Foundation in general. The instruction, of course, is probably less costly than having a professional come to Madison in that it avoids the lost time associated with travelling here. But it is precisely that time which we hope to use as effectively as possible to teach not only terminal operations and use of the programs but many broader issues. So whether savings have resulted in the end is certainly not clear. As you are probably aware we have done this in the past; Dick Mortensen, who teaches the first day and a half of the course, has travelled to Roy Fisher's office for the primary purpose of reviewing material covered many months before and Dick recently returned from Dallas doing the same for Mr. Danham, who attended the November course. In both cases individuals who were not at an Educare course participated in the review/reorientation. Dick also brought up the question as to whether this was a legitimate function of Educare, since he was teaching this material to individuals who had not previously attended this course and therefore was competing with the course itself.

I would also suggest that when it comes to the basics of accessing timesharing services and creating and deleting files G. E. offers a local instruction which could be capitalized on should we choose to change the nature of the services we offer.

I have no doubt that we could find someone to travel to Atlanta who would be competent in teaching this material. I feel confident that some mutually acceptable cost reimbursement plus fee could be arranged. The more fundamental question is do you feel that this is a reasonable precedent and should such services be included within the scope of and functions of Educare? I look forward to hearing from you on this issue and if you feel that a favorable response to Mr. McGauley is in order please have him contact me directly.

The documentation on AIP I believe does cover the reserve for replacements issue that you suggested; Jim Graaskamp pointed it out. On page 10, line 430 includes the description that "the reserves for replacement are not considered expense items and are not tax deductible. If reserves are to be tax deductible enter a zero on this line and put reserves as an optionally titled expense item."

The second problem is one that I would like a little more information on. Was the difficulty with AIP edit when you had zero vacancy and expense or was the error condition encountered during running AIP itself?

Mr. John S. Schneider

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March 7, 1973

I'm not yet prepared to answer the question you had on the mini-mod problems you had. To some extent you may have posed such an unusual case that a bug in the program was in fact encountered. I'm not so sure that this is a sufficiently common occurrence that major efforts should be made to correct such a problem, because at some point the cost of a correction out weights the possible benefits from making it. I'd like your reflection on that issue. The question of whether the working capital loan was properly processed is one I would like to defer to Dick Mortensen. Are you in a rush for a reply?

Sincerely,

H. Robert Knitter, Director
Data Processing Center

HRK/mvo

CC: J. A. Graaskamp



March 7, 1973

Mr. Ron Brown
The Ron Brown Company
2005 N. Navarro
Post Office Drawer B
Victoria, Texas 77901

Dear Ron:

Thanks for your January 29th letter. Several others have mentioned that the New Orleans presentation was affective and I'm pleased to hear that. I'm sure that I owe considerable thanks to you, John and Norman for whatever success we achieved in New Orleans; I know Jean and I had a good time there.

A number of suggestions came up concerning the Mktcomp Program and I would like your reaction to one in particular. Before I get to that I would like to assure you that we'll do something to enable one to exclude sales by number or identifier and will look into the possibility of selection to be made by variation of the T ratio. On that latter issue I wonder how many users are sufficiently sophisticated to understand the implications of changing the T ratio as a selection mechanism.

An interesting proposal arose out of the discussion as to whether Mktcomp could automatically select comparables which were "similar" to the subject property. This can be programmed only if a quantified measure of similarity can be calculated by the program. Since obviously it would be very unusual to find a subject and even one comparable which were identical in all of their factors. One of our students suggested that we might be able to compute a "comparability index" by measuring the sum of the absolute values of all of the adjustments made to a price in computing the adjusted price. The larger this total the more adjustment was made, either positive or negative, in reaching that adjusted price and there is some merit in viewing those comparables which required the least adjustment as being the most comparable ~~subject~~. This was further generalized to suggest that in place of taking the absolute value, squaring the adjustment and taking the square root of the total of these squared adjustments might be a more sound statistical basis on which to judge comparability. Under this latter method it would be assumed a property with two, \$200 adjustments was more comparable than a property with only one \$400 adjustment. Since the square root of the sum of the squares would be smaller in the

Mr. Ron Brown

- 2 -

March 7, 1973

former case. Given either of these measurers as an index of comparability the program could be written to select the 5, 10 or 20 most comparable properties in the comparable file and use these as a basis for successing calculations.

If you have the time to give this proposal some thought I would appreciate your reactions. In the interim I will definitely let you know when the changes you requested to the Mktcomp Program are effective.

Sincerely,

H. Robert Knitter, Director
Data Processing Center

HRK/mvo

CC: J. A. Graaskamp

Reply to: Suite 834, 15 Peachtree St., N. E., Atlanta, Ga. 30303

p.o. box 631 / madison, wisconsin 53701 / phone (608) 256-2355

May 7, 1973

TO: EDUCARE Board of Directors

FROM: John S. Schneider

SUBJECT: EDUCARE Board Meeting - May 3, 1973

1. 1973 Course Results

<u>Course</u>	<u>No. Students</u>	<u>Profit (Loss)</u>
2/4 - 2/9	23	+ \$ 618.15
2/25 - 3/2	11	- 1,598.00
3/25 - 3/30	13	+ 58.15
4/8 - 4/13	<u>17</u>	+ <u>776.75</u>
	64	- \$ 145.45

The "break-even" point is 15 - 17 students. To date only three have registered for the 9/16 - 9/21 and 10/7 - 10/12 course. Therefore, unless at least 30 have registered by August 16th, it will be necessary to cancel these courses.

2. Financial Condition

Cash on Deposit - \$5,487.87

3. Actions Taken by the Board

- A. Removed the course eligibility requirement that a student must be a member of one of the sponsoring organizations.
- B. Revised course fee from \$475 to \$425 plus \$100 room and board, plus a \$50 surcharge if the student is not a member of one of the sponsoring organizations.
(Hopefully in this way we can start repayment of the loans.)

- C. Requested Dr. Graaskamp to investigate the feasibility of putting the course on at locations other than Wisconsin.
- D. Requested Professor Knitter to develop a "capsule" EDUCARE seminar "road show" similar to the ASREC statistics seminar.
- E. Requested Dr. Graaskamp to develop an elective examination so that the course can receive AIREA and SREA credit.
- F. Reviewed a 20-minute slide presentation describing the EDUCARE course that we would like to present to the general membership at the next meeting (either November or May).
- G. Reviewed a report on operation of the EDUCARE Computer Network which now has 71 subscribers throughout North America (U. S. and Canada). Subscribers "on-line" have increased from 28 last year to 71. The Network is beginning to show a small profit which will permit payment of approximately \$5,750 back salary to Professor Knitter who has given a large amount of time for the past one and one-half years without payment. He and Mrs. Knitter operate and manage the Network.
- H. Elected the following officers:
 - President: Roy R. Fisher
 - 1st Vice President & Secretary: Norman Benedict
 - 2nd Vice President & Treasurer: Robert R. Steele.

Respectfully submitted,

John S. Schneider

JSS/lr

cc: James A. Graaskamp ✓
H. Robert Knitter
William A. Chatterton



February 6, 1974

Mr. Mark I. Roth
Jos. J. Blake and Associates Inc.
1065 Old Country Road
Westbury, Long Island, New York 11590

Dear Mark:

I've discussed your potential role in the next Educare conference with Jim Graaskamp and we mutually agree that you might serve a very effective role if you could; first, provide a rather complete description of your use of a cash flow model in any specific circumstance as a case study. Most useful in this regard would be a description of a specific problem, the necessity for a computer oriented cash flow, and the client's receptiveness to this modelling approach. Second, I would suggest that you could also describe the capabilities of Decision-X. If you could bring the necessary materials and give us a master copy for reproduction of the necessary handout materials we'd be glad to have that system described. We don't necessarily support any particular service, not even our own, to the exclusion of other valuable and interesting software products in support of real estate analysis. As a third function we would welcome you as a staff assistant who might work with the people who come to our conferences who are extremely naive in the operation of any mechanical equipment and in the utilization of a computer for any purposes whatsoever. If, after we get to know each other better in a face to face meeting, we find that it would be mutually agreeable to have you participate in other facets of the program I'm sure that we could work this out during the time that you're here.

While we can remain somewhat flexible on the nature of any financial arrangement between yourself and Educare. I would suggest as a starting point that both Educare and yourself cover direct out of pocket expenses. We certainly welcome you here and would waive any tuition fee but at the same time we are not prepared to fund your travel, housing or meal expenses during your trip here. Its not that there's any policy that precludes us from doing this, but the present financial reality of conducting this seminar that prevent us from bringing professionals in the area of real estate in to give

Mr. Mark I. Roth

- 2 -

February 6, 1974

our presentations a more "real" emphasis. We've wanted to do this for a long time. Why don't you take a day or two to think this over and we can discuss it further by telephone.

Sincerely,

H. Robert Knitter, Director
Data Processing Center

HRK/mvo

cc: J. Graaskamp