October 14, 2011
San Diego, California

President, Ronald L. Goss, CPM®
President-elect James A. Evans, CPM®
Secretary/Treasurer Elizabeth H. Machen, CPM®
Staff Liaison: Russell C. Salzman, CAE, IOM, CEO

Purpose
- Serve as a resource for identifying member and industry issues for development of Institute strategy
- Receives and acts on recommendations from the Executive Committee
- Final authority on decisions affecting Institute bylaws, policy and budget matters

Welcome and introductions; Purpose of Council - Ronald L. Goss, Chair
President Goss welcomed everyone and called the meeting to order at 8:30 a.m. After reminding the Council of its purpose, President Goss introduced the officers, senior vice presidents, past president, and CEO who were seated at the head table. He then asked the rest of the Executive Committee members to stand and be recognized. He also introduced the IREM® Past Presidents who were present and recognized the international delegations in attendance from Brazil, Canada, Cayman Islands, China, Japan, and Korea. Finally he recognized IREM’s Industry Partners and conference sponsors and thanked them for their support.

Approval of minutes - Ronald L. Goss
MOTION (GC-10-11-01) Passed: To approve the minutes of the April 12, 2011 Governing Council meeting.

Greetings from IREM® Japan Chapter No. 110 - Michiyo Matsumoto, CPM®
President Goss referred to a letter that was shared with the Governing Council from Ms. Matsumoto describing her first-hand experience during the earthquake and tsunami. Ms. Matsumoto was present at the San Diego conference and President Goss thanked her for her courage and grace under extraordinarily challenging circumstances.

National Association of REALTORS® Guest- James L. Helsel, Jr., CPM®, NAR® Liaison to the RPAC Major Donor Council
President Goss introduced special guest James L. Helsel, CPM®, who addressed the Council to discuss RPAC and the various issues it supports that benefit the real estate management industry. He encouraged IREM® Members to contribute to RPAC as their insurance to preserve the real estate management industry and make it work for their clients. President Goss praised Mr. Helsel’s work with NAR® and IREM and expressed his pleasure that Mr. Helsel, as a fellow CPM® Member, was a candidate for 2016 NAR® President.

IREM® Foundation - Robert B. Toothaker, CPM®, 2012 President, and Gail P. Duke, CPM®, 2012 Vice President
President Goss acknowledged the distinguished leadership of outgoing IREM® Foundation President Edward H. Boudreau, CPM®, and then called on the incoming IREM® Foundation officers to present their report.
Mr. Toothaker and Ms. Duke announced the new 2012 Board of Directors and then provided a recap of activity for 2011 including recognition of scholarship recipients who had earned an IREM credential; approval of over $37,930 in grant funding; and recognition of the Joe Aveni Golf Tournament sponsors and donors who provided over $16,000 in funds.

They then presented the Lloyd D. Hanford, Sr. Distinguished Faculty Award to John W. Magnuson, CPM, for his distinguished contribution to IREM and the real estate management industry. Mr. Magnuson was the 23rd IREM® Instructor to receive the award in the last 28 years.

In closing, they asked IREM® Members to become part of the cycle of giving that supports the IREM® Foundation’s mission and ultimately grows the Institute.

**Education Task Force - Joseph S. Greenblatt, CPM®, Chair**

Mr. Greenblatt noted that the full task force report with recommendations and related proposed statement of policy amendments was sent in advance to the Governing Council. He then presented highlights of the report and recommendations. The overall charge was to retain independent contractor status of IREM instructors within the IRS guidelines while at the same time preserving the high quality of IREM’s education delivery. Recommendations to accomplish this goal eliminated language in education governing documents and agreements that would imply an employee relationship and revised policies to focus on educational results and outcomes rather methods and processes. These changes included restructuring of education governance as well as instructor specific policies. Mr. Greenblatt presented a comparison of what the expected effect of the new policies would be so as to clarify areas that would remain the same and what would change relative to instructor selection, evaluation, and assignments; the code of conduct; agreements; recognition programs; and how instructors would maintain their eligibility. Mr. Greenblatt then reviewed the timeline for implementing the recommendations.

**MOTION (GC-10-11-02) Passed:** To approve the recommendations of the Presidential Education Delivery Task Force incorporating amendments to the IREM Statement of Policies as distributed on September 15, 2011.

Discussion: There was no further discussion following Mr. Greenblatt’s report and the motion was approved.

**Standing Committee Reports**

**Audit Committee – Elizabeth H. Machen, Chair**

There were no motions from the Audit Committee for consideration by the Council. Ms. Machen reported that, based on the latest review with Chris Raab of Morgan Stanley, as of September 31, 2011, IREM’s investment portfolio had been re-balanced. She also reported that the Audit Committee had reactivated a line of credit with Morgan Stanley. In other business of the Audit Committee, Ms. Machen reported that the committee reviewed the status of the 2011 audit and the new AMS computer system.

In closing, Ms. Machen provided highlights of the Audit Committee’s activities and accomplishments in 2011 including restructuring the composition of the committee, revising the investment policy, and adding a human rights statement to IREM’s investments.

**Membership and Credentialing Committee – Lori Tillis, CPM®, Chair**

The Membership and Credentialing Committee presented two motions for consideration by the Governing Council.
MOTION (GC-10-11-03) Passed: 1: To modify the CPM® requirements by adding a new fast track option recognizing 20 years of qualifying professional experience as a way to complete the CPM® education requirement, to be effective January 1, 2012, as outlined below.

**Checklist for Becoming a CPM®**

**Education** – Select one of four options (NEW OPTION UNDERLINED)

<table>
<thead>
<tr>
<th>Option 1: IREM Courses</th>
<th>Option 2: Other Designations Fast Track</th>
<th>Option 3: RE Degree Fast Track</th>
<th>Option 4: Proposed Professional Experience Fast Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ One MKL400-level course</td>
<td>□ Hold a CCIM, CSM, PCAM, or RPA designation</td>
<td>□ Have an undergraduate or graduate degree (e.g. major, minor, or concentration) in real estate or property management</td>
<td>□ Have 20 years of qualifying professional experience (as verified via experience reports and approved by chapter)</td>
</tr>
<tr>
<td>□ HRS402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ MNT402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ FIN402</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ ASM603</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ ASM604</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ ASM605</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Management Plan** – Select one of two options (NO CHANGE)

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Pass management plan on an actual property</td>
<td>□ Pass management plan skills assessment (MPSA®)</td>
</tr>
</tbody>
</table>

**Examination** (NO CHANGE)

| □ Pass CPM® certification exam |

**Ethics** (NO CHANGE)

| □ Attend and pass exam for ETH800 | □ Pledge to uphold the IREM® Code of Professional Ethics (included as part of the CPM® Candidate application; also listed on www.irem.org) |

**Experience** (NO CHANGE)

| □ 3 years (36 months) of real estate management experience (meeting portfolio and function minimums; portfolio and function requirements listed on www.irem.org) |

**Other Requirements** (NO CHANGE)

- □ Be a CPM® Candidate for a minimum of one year
- □ Submit a CPM® application with the $210 application fee
- □ Submit three (3) Confidential Letters of Recommendation (included as part of the Candidate new member packet and CPM® application)
- □ Be affiliated with the NATIONAL ASSOCIATION OF REALTORS®
- □ Be current with annual national
- □ Be current with annual chapter dues
- □ Hold a real estate license or verify that you are not required to have one for your current position
- □ Attend two IREM® Chapter meetings or events during the 12 months immediately prior to CPM® approval
- □ Be interviewed and recommended for approval by the local IREM® Chapter
Discussion: As background, Ms. Tillis noted that IREM’s strategic principle to “Organize for Growth” required exploring ways to reach new markets. This motion, she said, targeted the senior-level executive market, and particularly seasoned professionals – those who can become CPM® Members themselves and who can support the development of other real estate management professionals. She noted that tapping this target market would allow IREM® to expand its CPM® program increase new members immediately, increase potential for future new members, and “manage for quality,” another of IREM’s strategic principles.

She noted that a similar proposal was reviewed in April 2011 and was tabled so that additional information could be reviewed and a knowledge-based decision could be made. Specifically, she said there was concern that those who are on a fast track option have a less likely chance of being prepared for and passing the management plan/MPSA® requirement. Data of MPSA® and management plan statistics from 2008-2010 was thoroughly analyzed and provided to the Committee. The information shows that the MPSA® pass rate for current fast track Candidates falls between 81% and 91%, versus 77% for students who completed their education requirement through IREM® courses.

Ms. Tillis used graphics to display these statistical findings as well as to display the exact language of the new fast track option and the admissions requirements of the CPM program would remain in place.

Several Councillors rose to address the motion. Amanda Heaitley, CPM®, of South Carolina Chapter No. 73, spoke against the motion stating her view that education is the common element of the existing options and that experience does not equal education.

Tiffany L. Jackson, CPM®, of Northern Colorado Chapter No. 17, spoke against the motion and asked for clarification as to whether the motion meant that anyone with only 20 years of experience could get their CPM® Designation. Ms. Tillis noted that the option was for education fast track only and that all other admissions requirements would remain in place.

Jeremy Long, CPM®, Hawaii Chapter No. 34, spoke in favor of the motion saying that he believed the fast track programs worked well and that an individual with 20 years of qualifying experience should be able to handle the other requirements.

Kevin L. Sigstad, CPM®, Northern Nevada/Tahoe Chapter No. 89, spoke against the motion stating his concern that the individuals on the new fast track would not be able to complete the CPM® exam.

Kevin S. Grail, CPM®, Central Florida Chapter No. 60, spoke in favor of the motion sharing his observation that many successful individuals did not have formal education, for example Steve Jobs, and that his own professional experience had taught him a lot of what he needed. He also noted that the decision was not permanent; it could be reviewed at a later date and undone if warranted.

Robert S. Griswold, CPM®, ARM®, San Diego Chapter No. 18, spoke in favor of the motion noting that he spoke against it when it was discussed in April 2011. Having given it thought since then he said he was comfortable that chapters’ input in the admissions process would be key in screening applicants and that it was worth giving it a chance.
Tiffany Jackson, CPM®, Northern Colorado No. 17, addressed the Council a second time stating her view that IREM’s reputation was based on its education and that substituting experience for education would take away from IREM’s legitimacy.

Jessica L. Folmer, CPM®, Northern Nevada/Tahoe Chapter No. 89, spoke against the motion sharing her experiences in the classroom with other students who had 20 or more years of experience and noting that they struggled with spreadsheets and technology applications.

Deborah Ho-Beckstrom, CPM®, Minnesota Chapter No. 45, asked for clarification as to the criteria for the 20 years of experience. Ms. Tillis responded that it must be qualifying experience within the existing experience criteria.

Deborah D. Westphal, CPM®, Georgia Chapter No. 67, spoke in favor of the motion saying that she viewed the new fast track as an opportunity to attract sharp, experienced people to IREM. She said that with the other admissions requirements in place no one will be getting a free pass to the CPM Designation. She asked Councillors to keep an open mind and suggested that the new fast track option had the potential of strengthening rather than weakening the program.

There was no further discussion and the motion was approved.

**MOTION (GC-10-11-04) Passed:** To modify the requirements for the Professional Achievement Award, to be effective January 1, 2012, as follows (new language underlined):

1. Submit a Professional Achievement Award application with the non-refundable application processing fee.
2. Must be a current practitioner and hold an IREM® credential (CPM®, ARM®, or ACoM) for a minimum of 7 years.
3. Be endorsed by the local IREM® Chapter.
4. Be approved by the Membership & Credentialing Committee.
5. Fulfill 7 of the 11 following criteria with narrative explanations:

   1. Taught an approved IREM® courses or seminar.
   2. Written, have been a contributing author, or participated in a review team for an IREM® produced publication.
   3. Facilitated an IREM® webinar.
   4. Had published at least three bylined articles in JPM® or other industry periodical.
   5. Held local chapter positions as president, president-elect, vice president, secretary, treasurer, or committee chair for at least three years.
   6. Held national positions as president, president-elect, secretary/treasurer, senior vice president, regional vice president, committee or board chair, committee vice chair, or elected governing councillor for at least three years.
   7. Written and developed or presented a seminar or course sponsored by IREM®, other real estate associations, or other educational or corporate institutions.
   8. Attended education courses, seminars, or webinars sponsored by IREM®, other real estate associations, or other educational or corporate institutions totaling a minimum of 10 hours.
   9. Been a featured speaker or panelist for an education session during one of IREM’s chapter, regional, or national meetings.
   10. Earned 100 points on IREMFIRST by participating and contributing to the site.
11. Been involved in other professional organizations or community service activities for a minimum of three (3) years.

12. Achieved a five-star chapter status when serving as a chapter president.

13. Served as the Executive CPM® of an AMO® Firm for a minimum of five (5) years.

Discussion:
As background, Ms. Tillis stated that the intention of the motion was to make the Professional Achievement Award more meaningful and prestigious for members. She said the purpose of the Award was to recognize IREM® credentialed members who had continued their professional development and made outstanding professional accomplishments beyond earning their credential. She added that the program previously existed as the CPM® Professional Achievement Award but promotion and participation had been non-existent—the last CPM® to have earned the award was in 2004. She said the committee believed that there was value in a professional achievement program that all IREM® credentialed members can earn and is revisiting the requirements as approved in 2010. There was no further discussion and the motion was approved.

Education Committee – Farzaneh Tofighi, CPM®, Chair
There were no motions from the Education Committee for consideration by the Governing Council. Ms. Tofighi reported that the committee discussed the transition to the new committee composition as proposed by the Education Task Force. She also announced that the committee approved a new Workshop-in-a-Box (WIB) on the topic of Disaster Preparedness bringing the total number of workshops to seven. She encouraged all chapters to go to IREM’s Chapter Services website to learn more about the WIB program for conducting local non-designation, education programs. Ms. Tofighi said the committee also received updates on IREM Vision, IREMFIRST, and 2011 education statistics.

Legislative and Public Policy Committee – Clark F. Lindstrom, CPM®, Chair
There were no motions from the Legislative and Public Policy Committee for consideration by the Governing Council. Mr. Lindstrom brought the Council up to date on a new legislative statement of policy on Credit Risk Retention that was adopted in June 2011. He said a new statement of policy on Credit Risk Retention was adopted in June 2011 to address a Notice of Proposed Rule resulting from the Dodd-Frank Act of 2010. He said the proposed rule would apply to all forms of assets that can be securitized, including commercial real estate and commercial loans and that it suggested a five-percent risk retention requirement, unless asset-backed securities, backed exclusively by loans meet specific standards to qualify for the proposed zero percent rate. IREM’s new statement of policy stated that certain requirements may be too stringent and negatively affect IREM members involved in commercial real estate. Mr. Lindstrom also gave a brief overview of federal legislative activity including FASB lease accounting proposed changes. He provided a recap of the 2011 Capitol Hill Visit Day in April announcing that with 347 attendees there had been a 31 percent increase from the previous year. Mr. Lindstrom closed with a summary of the state legislative issues that were raised at the Legislative Forum.

Ethics and Discipline Committee – Marjean Pountain, CPM®, Chair
The Ethics and Discipline Committee presented one motion for Governing Council consideration.

MOTION (GC-10-11-05) Passed: To modify the ethics Statement of Policies. These modifications focus primarily on housekeeping issues and the board procedures. (Full text in Appendix B.)

Discussion:
As background, Ms. Pountain stated that the motion was the result of a routine, every-three-years
review by the Committee of the Statement of Policies related to ethics administration conducted in order to assure the policies reflect current practices and to eliminate any inconsistencies or ambiguities to make sure they reflect current business practice. There was no further discussion and the motion was approved.

Ms. Pountain also reported that the Ethics and Discipline Committee would be conducting a survey to assess members’ knowledge about these obligations. She also reported that the Committee began work to create an ongoing communications piece based on case studies that summarize complaints that have gone to hearing. She said this piece would be designed to serve several educational purposes for chapters and would be posted on the IREM® website as an official record of ethics case history.

**Regional Vice Presidents Committee – James A. Evans, Chair**

The Regional Vice Presidents Committee presented four motions for Governing Council consideration.

**MOTION (GC-10-11-06) Passed:** To approve the mandatory amendments to chapters as listed below:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Region</th>
<th>Incorporation of Mandatory Amendments - IV.2.2; IV.3; V.1; VI.4; VII.2</th>
<th>HQ &amp; RVPReviewed Amended Bylaws</th>
<th>Other -- Specific Amendments Made by Chapters - - by Article Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>12</td>
<td>Yes</td>
<td>Updated language throughout to match the Model Chapter Bylaws</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>8</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>73</td>
<td>8</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>7</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

Discussion:

As background, Mr. Evans stated that the mandatory amendments were approved at the 2008 Fall Meetings and 2009 LLS to incorporate the following:

- Change ACCREDITED COMMERCIAL MANAGER to ACoM.
- Incorporate Student and Academic Members.
- Remove the “if applicable” language for Associate Members since all chapters must have Associate Members within their jurisdiction.
- Clarify again that a CPM® Member must be president under Article IV.4 and in Article VII.2 that the three other members of the Executive Council must be voting members.

There was no further discussion and the motion was approved.

**MOTION (GC-10-11-07) Passed:** To amend the Model Chapter Bylaws with these mandatory amendments:

Article IV. Membership, candidacy, and other status

2.2.1 Associate, Student, and Academic members. This chapter shall have among its non-designated membership those individuals within its jurisdiction who hold national Associate, Student, or Academic membership. The benefits, services, and rights of Associate, Student, and Academic members to participate in the governance of the chapter shall be determined by the Executive Council provided such
rights are not inconsistent with any other articles of these bylaws or the IREM national bylaws. Associate, Student, and Academic members shall not be assessed annual dues by the chapter; however, the chapter may choose to offer an optional service package to Associate, Student, or Academic members for a fee. Acceptance or refusal of such a service package shall not affect the membership status of the Associate, Student, or Academic member.

Discussion:
As background, Mr. Evans stated IREM’s governing documents, including IREM’s Statement of Policies and the Model Chapter Bylaws, were silent on the issue of chapter dues or fees for Student and Academic Members. He said that the committee recently learned that some chapters were assessing dues against their Student Members, and at least one chapter had set Student Member dues at $100. Noting that national dues for Student Members were only $40, he said the dues level was intentionally set very low to encourage college students to participate. He said the motion was supported by IREM’s Student and Academic Advisory Board. There was no further discussion and the motion was approved.

Motion (GC-10-11-08) Passed:  To amend the IREM® Statement of Policies as follows:

Article II.  Membership
Section 6.  Student and Academic Membership
6.1 Student Membership Program
6.1.1 Requirements to Become a Student Member
To be eligible for Student membership, an individual must meet the following requirements:

(a) Attends an accredited college or university on a full-time basis, including both undergraduate and graduate degree programs. Suppliers, vendors, and professional service providers to the real estate industry are not eligible for Student membership.

(b) Submits a Student Member application, together with Student membership dues for the current academic year.

(c) Agrees to comply with the principles and declarations of the Institute.

(d) Upon approval, a Student Member shall have such rights, privileges, and obligations as determined by the governing council, which shall include but not be limited to: subscription to JPM; member discounts on books, courses, and other services; access to all member services on the IREMFIRST Web site; gateway/access to membership in the student’s local chapter; and inclusion in the Institute online membership directory.

(e) A chapter may adopt separate fee-for-service programs for its Student Members provided such fees shall not be referred to as dues and Student Members shall not be required to pay them.

Discussion:
See background for GC-10-11-07. There was no further discussion and the motion was approved.

MOTION (GC-10-11-09) Passed:  To amend the Model Chapter Bylaws with these mandatory amendments:

ARTICLE VIII. Nominations and elections
Section 5. Election. The officers and other elected members of the Executive Council shall be elected by the voting membership of this chapter at a regularly called annual meeting or other methods described herein. The slate of nominees may be submitted in writing to, and officers elected by, the voting members of the chapter by written ballot, including mail, fax, or electronic means. An election conducted in this manner shall be determined according to a majority of the votes received in writing within 15 days after distribution to the voting members, provided that at least 20% of the voting members have voted. Elections shall be held not later than the fourth Thursday of September. Immediately following the election, the chapter shall notify the Institute of Real Estate Management of the names, addresses, phone numbers, and officer titles of those elected. and, in the case of written voting per 5.1 below, The chapter shall produce certification that the initial meeting election was held.

5.1 Should the annual meeting fail to produce a quorum, the slate of nominees may be submitted in writing to, and officers elected by, the voting members of the chapter by written ballot, including mail, fax, or electronic means. An election conducted in this manner shall be determined according to a majority of the votes received in writing within 15 days after distribution to the voting members, provided that at least 20% of the voting members have voted.

Discussion:
As background, Mr. Evans said that this modification would facilitate compliance with election protocols for chapters by giving them an alternative to conducting elections at the annual meeting. There was no further discussion and the motion was approved.

Mr. Evans thanked the Regional Vice Presidents who were completing their two-year terms:
Region 1, R. Winder Nordblom, CPM®
Region 4, Kevin Grail, CPM®
Region 7, Jeffrey I. Burck, CPM®
Region 9, Deborah Ho-Beckstrom, CPM®
Region 10, M. Andrea May, CPM®

He also recognized and thanked those Regional Vice Presidents who had completed their first year and would be continuing in 2012:
Region 2, Alfred O. Ojejinmi, CPM®
Region 3, Vera McPherson, CPM®
Region 5, Chip Watts, CPM®
Region 6, M. Kristine Moore, CPM®
Region 8, Benjamin R. Forsyth, CPM®
Region 11, Shannon E. Alter, CPM®
Region 12, Laura A. Cantrell, CPM®
Region 13, Debra K. Owings, CPM®
Region 14, Sandra Lynn Caputo, CPM®

Nominating Committee – O. Randall Woodbury, CPM®, Chair
There were no motions from the Nominating Committee for consideration by the Governing Council. Mr. Woodbury stated that the purpose of the Nominating Committee included leadership development, mentoring, succession planning, and recommending nominees for elective office. He reported that the committee reviewed Regional Vice President applications and recommendations for the 2013 – 2014 term and said the slate would be published in March prior to the election at LLS in 2012. He said the committee was pleased to review the progress in IREM’s leadership development – including the RVP
retreat that took place just prior to the conference and the incorporation of chapter learning into this conference. In closing, he said that the committee reviewed and discussed future IREM leaders and he encouraged everyone present to feel free to contact anyone on the Nominating Committee if they had any questions about how the nominations process works or if would like to discuss their future IREM career.

Executive Committee – Ronald L. Goss, Chair
There were no additional motions from the Executive Committee for consideration by the Governing Council. All motions from the committees had been first acted on by the Executive Committee prior to being brought to the Council.

President Goss reported that the Executive Committee began its work with an in-depth review of IREM operations and initiatives completed in 2011 as well as those that were begun in 2011 and would continue into 2012. In addition, he said the committee discussed 2012 goals, in particular those that would leverage the investment in IREM’s new Association Management System to provide metrics to use in IREM’s overall marketing strategy for growth.

Scanning Note-Ronald L. Goss
President Goss noted that one of the key purposes of the Council was to provide insights into the real estate management industry. He said that a survey would be distributed following the meeting to gather input that would be used for shaping IREM’s direction over the next 12 to 18 months. He asked everyone to watch for the survey and to be sure to complete and return it.

Financial report-Elizabeth H. Machen
Ms. Machen presented highlights of the year-to-date August financial report which was distributed in advance to the Council. She began with a recap of the balance sheet noting that assets were down about seven percent from the previous year due to a decrease in net operating income and a decrease in cash due to capital expenditures. Managed investments, she said, were recovering since the low point in 2008 and she noted that the Audit Committee had instituted a “floor limit” to act as a safety net to prevent the asset base from falling by more than 15 percent of the current benchmark. Ms. Machen then turned her attention to income and expense items. She reported that net operations as of the end of August showed a $439,208 loss. Adding in negative investment income, she said, brought the loss to $531,934. Based on these financial reports she said the staff and officer team did comprehensive review of all programs and recast the budget and made the necessary changes to produce a balanced year-end forecast. Ms. Machen reviewed each of the major program groups to demonstrate where adjustments had been made.

Presentation and adoption of 2012 budget - Joseph S. Greenblatt, CPM®, SVP, 2012 Secretary/Treasurer-elect
Noting that the proposed 2012 budget was distributed to the Governing Council 30 days in advance, President Goss called on Secretary/Treasurer-elect Joe Greenblatt to present the highlights of the budget. Mr. Greenblatt began by outlining the major goals of the 2012 budget as follows:

- Continuing to be less reliant on investment income
- Realistic – based on actual experience and current trends
- Incorporating our strategic initiatives
- Maintain member services
Then, turning the numbers, he provided the following recap of the operating budget.

<table>
<thead>
<tr>
<th></th>
<th>2012 Budget</th>
<th>2011 Forecast</th>
<th>2011 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$11,763,540</td>
<td>$11,176,690</td>
<td>$11,169,202</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>11,204,693</td>
<td>10,603,742</td>
<td>10,653,724</td>
</tr>
<tr>
<td>Net Operating Contribution</td>
<td>$558,847</td>
<td>$572,948</td>
<td>$515,478</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>($547,785)</td>
<td>($572,632)</td>
<td>($514,357)</td>
</tr>
<tr>
<td>Net Operating Income –after Depreciation</td>
<td>$11,062</td>
<td>$316</td>
<td>$1,121</td>
</tr>
<tr>
<td>Net Investments</td>
<td>$124,812</td>
<td>$135,473</td>
<td>$135,472</td>
</tr>
<tr>
<td>Net Income</td>
<td>$135,874</td>
<td>$135,789</td>
<td>$136,594</td>
</tr>
</tbody>
</table>

He then gave a brief recap of the operating budget by program group, with focus on those with the largest revenue share – Dues and Designations, and Programs. He noted price increases incorporated into the budget in the areas of Income/Expense Analysis® publication prices, IAE registration fees for the IREM® Fall Leadership Conference, non-“early bird” conference registrations. He also noted a pricing structure change for RES201 and CID201 confirming the suggested price at the existing maximum of $745 and eliminating the price range minimum of $575 that was previously allowed.

Mr. Greenblatt reviewed the capital budget noting that, at $97,700, it was the lowest capital budget in 10 years.

Mr. Greenblatt then discussed the impact the proposed 2012 budget would have on IREM’s cash reserves, which are required to be maintained at 33 percent of the annual expense budget. He said the proposed budget would exceed this requirement by $1,705,345. He noted that in recent years with technology investments over the past few years, reserves had been declining. He said that 2012 would be a replenishing year.

In closing, Mr. Greenblatt summarized the key highlights of the budget as follows:

- Growth
  - $11.9 million budget
  - 17,965 members
  - 7,896 student enrollments
- Enhancing member services/new initiatives
  - Reinvigorate CPM® curriculum
  - One new and one revised publication
  - Execute an “enterprise-wide strategic marketing plan”
- $11,062 net operating contribution
- $135,874 positive bottom line (with investments)
- Reserves funded at $5.4 million (45% above philosophy)
MOTION (GC-10-11-10) Passed: To adopt the 2012 budget as recommended by the Executive Committee and distributed to the Governing Council.

Discussion:
There was no discussion and the motion was approved.

CEO update-Russell C. Salzman
Mr. Salzman “rapped” a very brief update on new products and services available to Members focusing on those using new technology platforms.

Annual Membership Meeting to Elect Governing Councillors - O. Randall Woodbury, Chair, Nominating Committee
MOTION (GC-10-11-11) Passed: To recess the Governing Council meeting for the purpose of convening a membership meeting for the election of new Governing Councillors.

President Goss called the annual meeting to order. He called on Nominating Committee Chair O. Randall Woodbury, CPM®, to present the slate of nominees.

Prior to presenting the slate for election, Mr. Woodbury moved to amend the slate.

MOTION (GC-10-11-12) Passed: To amend the slate to add Branden Barker, CPM®, for the three-year term beginning January 1, 2012.

Mr. Woodbury then noted that the slate of nominees had been published 30 days in advance of the meeting and was also included in the meeting materials distributed upon sign-in. Noting that no additional names had been submitted by the membership, he presented the following slate of Governing Councillors for election.

MOTION (GC-10-11-13) Passed: To elect the slate of Governing Council Nominees as published on September 15, 2011 and amended on October 14, 2011.

For the three-year term beginning January 1, 2012 and ending December 31, 2014, the nominees are:

- Branden Barker, CPM®, Baton Rouge, LA
- Kelly Blaskowsky, CPM®, San Antonio, TX
- Robert W. Collins, CPM®, Rockville, MD
- Robert James Daniels, CPM®, Macomb, MI
- Rita Dugan, CPM® Candidate, Colorado Springs, CO
- Claudia Snyder Ferrara, CPM®, Dallas, TX
- Elizabeth E. Lane, CPM®, Dearborn, MI
- Greg L. Martin, CPM®, Chicago, IL
- Kimberley R. Morgan, CPM®, Austin, TX
- David “Nick” Schwendeman, CPM®, Lexington, KY
- Jason Stowe, CPM®, Raleigh, NC
- Andrew Swinkoski, ARM®, CPM® Candidate, Indianapolis, IN
- Joseph W. Thomas, CPM®, Canton, MI
- Debbie Warner, CPM®, ARM®, Reno, NV
Approval of 2012 appointments-Ronald L. Goss
President Goss noted that incoming president James A. Evans, CPM®, had appointed his team for 2012 and the rosters of appointees were distributed at the registration desk. He asked for a motion to confirm the appointments.

MOTION (GC-10-11-14) Passed: To confirm the 2012 appointments.

Installation of 2012 SVPs and RVPs-Ronald L. Goss
President Goss asked the new/incoming 2012 senior vice presidents and regional vice presidents to come to front of the room and installed them as officers of the Institute.

Senior Vice Presidents:
- Lori E. Burger, CPM®, Rohnert Park, CA
- Michael T. Lanning, CPM®, Kansas City, MO
- J. Benjamin McGrew, CPM®, Sacramento, CA
- Christopher E. Mellen, CPM®, ARM®, Braintree, MA
- Julie L. Muir, CPM®, Portland, OR
- Henry B. Voges, CPM®, St. Louis, MO
- Jay Windsor, CPM®, Ft. Lauderdale, FL

Regional Vice Presidents:
- Region 1: Robert E. Cuttle, CPM®
- Region 4: Elizabeth L. Bullard, CPM®
- Region 7: Dawn E. Daffinee, CPM®
- Region 9: Marjean K. Pountain, CPM®
- Region 10: David H. Davis, CPM®

Appreciation and recognition of President Goss-O. Randall Woodbury, Immediate Past President
Mr. Woodbury presented President Goss with a plaque from the Governing Council commemorating his service as president and added his personal appreciation for President Goss’s contributions and friendship.

President’s Remarks-Ronald L. Goss
President Goss expressed his appreciation for the members of IREM and said it had been an honor to meet hundreds of members across the country and internationally who so proudly represent the Institute. He noted several highlights of the year including new international initiatives in Bulgaria and China, IREM ED – IREM’s contemporary education delivery platform, improved member satisfaction statistics, as well as legislative efforts and successes. He extended special thanks to the Executive Committee, Regional Vice Presidents, Committee Chairs and Vice Chairs, and Committee Members. He thanked the chapter leaders sharing his belief that IREM is a grass roots organization and that overall successes arise from local actions. Finally he offered sincere gratitude to fellow officers Jim Evans and Beth Machen and assured the Members that they would be in great hands in 2012.

Passing of the gavel to James A. Evans, CPM-Ronald L. Goss
President Goss said it had been an honor and privilege to serve as IREM’s president and that it
was also an honor and privilege to turn the gavel over to 2012 President Jim Evans.

Adjourn-James A. Evans, 2012 President
President Evans asked for a motion to adjourn the meeting.
MOTION (GC-10-10-15) Passed: To adjourn the October 22, 2010 meeting of the Governing Council at 10:45 a.m.
Appendix A. Attendance
Appendix B. Proposed Statement of Policy Amendment

Section 5: Codes of Ethics and Enforcement

5.5.1 Definitions

"Unethical Conduct" is defined as conduct that violates the IREM Code of Professional Ethics and/or ACCREDITED MANAGEMENT ORGANIZATION Code of Professional Ethics Minimum Standards and Code of Ethics for an AMO.

(GC, 04/2006)

"Code of Ethics" shall be defined as the IREM Code of Professional Ethics and/or ACCREDITED MANAGEMENT ORGANIZATION Code of Professional Ethics the Minimum Standards and Code of Ethics for an ACCREDITED MANAGEMENT ORGANIZATION.

(GC, 04/2006)

5.5.4 Oversight of Institute Ethics Activity

Refer to Article I for the specific duties and composition of the boards.

5.5.5 Initial Review of Allegations

(a) The Ethics Inquiry Board board of ethical inquiry provides the initial review of all allegations of possible unethical or improper conduct to determine whether there is reasonable cause to believe that such conduct may have occurred. To this end, the Ethics Inquiry Board shall:

(2) Review any allegations of unethical or improper conduct of a housing manager or assistant housing manager for public housing authority-owned projects assisted under the U.S. Housing Act of 1927, who are certified by the Institute under the U.S. Department of Housing and Urban Development Regulations, Title 24, Chapter 8, Part 867, and amendments thereto. All subsequent items of this section to include Sections 5.5.4 to 5.5.7 shall also be applicable to housing managers or assistant housing managers for public housing authority-owned projects.

(GC, 11/2002)

(3) Review allegations of failure of any CPM-Member, Candidate Member, ARM Member, AMO Member, or applicant, or Associate Member under contract to the Institute to comply with the provisions of that contract.

(5) The ethics inquiry board may, in accordance with the provisions of this section, reject an application for status with the Institute or suspend or terminate the membership or status of any member or holder of status for cause, subject to the right to request a "show cause" hearing before the ethics hearing and discipline board.

(a) Upon the presentation to the ethics inquiry board of sufficient evidence, the board may:

(EC, 10/2008)
(1) Reject an application for status with the Institute for probable cause if the applicant’s integrity and character have been challenged and the allegations have been determined to be valid, relevant, and actionable; or

and

(GC, 11/2002)

(2) Suspend any membership or status for cause if the member has been formally charged by legal authorities with having committed a criminal offense arising out of property management and/or related real estate activities;

or

5.5.6 Complaint Procedures

Complaints may be generated either by an outside party or by action initiated by the ethics inquiry board.

(a) Outside Party Complaints. Any person, whether a member of the Institute or not, having reason to believe that a member may be in violation of the Codes of Ethics, bylaws, or policies of the Institute may file a complaint as an outside party with the ethics inquiry board.

(4) After a complaint has reached the ethics inquiry board, it may be withdrawn by the complainant only with the approval of the Ethics Inquiry Board.

(c) Preliminary Review of Ethics Matters

(1) Upon receipt of an outside-party complaint or other allegations, the chair of the ethics inquiry board, together with legal counsel, may, shall, as a preliminary measure, review the complaint or allegations and determine if additional information is needed to expedite the work of the Board, one or more of the following: that the matter (1) contains insufficient information on which to base a determination; (2) does not constitute an issue involving unethical or improper conduct or is otherwise outside the jurisdiction or authority of the ethics inquiry board; (3) is unworthy of further consideration; or (4) is valid and contains sufficient information on which to conduct further investigation and should be investigated by the ethics inquiry board; or (5) is valid and contains sufficient information and evidence to believe that an ethics violation or improper conduct may have occurred.

(3) In the event the preliminary determination by the chair is that the outside-party complaint or other allegation does not constitute an issue involving unethical or improper conduct or lies outside the jurisdiction or authority of the ethics inquiry board, or that further consideration is unnecessary, the matter may be dismissed after the chair has secured the concurrence of a majority of the voting members of the ethics inquiry board. Such concurrence may be obtained in writing by submitting the matter together with the report and recommendation of the chair to the board of ethical inquiry, or such concurrence may be obtained at a meeting of the ethics inquiry board. If the ethics inquiry board does not concur in the chair’s recommendation that the matter should be dismissed, the matter shall remain open for the ethics inquiry board to determine whether further investigation is warranted or whether there is sufficient information and evidence to forward the matter for hearing. (EC, 10/2008)

(4) In the event the preliminary determination by the chair is that the matter is valid and actionable, the matter shall proceed to the review by the full board to determine whether further investigation is
warranted or whether there is sufficient information and evidence to forward the matter for hearing.  
(GC, 11/2002)

(5) In the case of an outside-party complaint, the complainant shall be advised of the preliminary determination and whether the ethics inquiry board will proceed with the complaint.

(d) Investigation

(5) Subsequent to an investigation, the ethics inquiry board, by majority vote, either at a regularly scheduled meeting or an ad hoc meeting or by written communication, shall determine that either: (1) the matter does not constitute an issue involving unethical or improper conduct and that the outside-party complaint should be dismissed, or in the case of action initiated by the ethics inquiry board, that the file should be closed; or (2) there is reasonable cause to conclude that a violation of the Code of Ethics or a breach of the bylaws or policies may have occurred and the outside party complaint in its final form, or a complaint filed by the ethics inquiry board, shall be forwarded to the ethics hearing and discipline board for hearing.

(e) Disposition

(1) In determining if a potential violation of the Code of Ethics or a breach of the bylaws or policies may have occurred, the board chair and ethics inquiry board members shall use common business sense and rely on a thorough understanding of the Code of Ethics, bylaws, and policies. Only those alleged violations for which there is sufficient evidence and documentation should be the subject of a formal complaint.

(5) If the respondent to a formal complaint is an Institute faculty member, the respondent shall voluntarily request a personal leave of absence from teaching and shall provide evidence of having requested such a leave within 30 days of receiving notification of the complaint.

(a) This requirement shall be incorporated into the Institute’s faculty agreement as follows: "Upon notification from the ethics inquiry board ethics hearing and discipline board to an instructor that a complaint against the instructor has been forwarded for hearing, the instructor shall notify the staff vice president of Education faculty and grader management liaison that he or she wishes to be relieved from teaching assignments for personal reasons. The instructor will have 30 days to provide documentation to the ethics hearing and discipline board demonstrating that this has been done. If the ethics hearing and discipline board does not receive such documentation within the 30 days, it shall notify the staff vice president of Education faculty and grader liaison of the breach of agreement, for action to be determined by the staff vice president of Education."
(EC, 10/2008)

(h) In cases where the chapter would have standing to file an ethics complaint, the following method of communication shall be put in place.
(EC, 10/2008)

(2) If the liaison leaves the chapter while the ethics matter is pending, the current chapter president shall designate a replacement liaison that shall be required to sign a confidentiality statement. The original liaison shall continue to be bound to absolute confidentiality including any communication with the replacement liaison. The chair of the appropriate ethics board shall educate the replacement on the
salient points of the matter.

(3) The chapter liaison and the chapter have no assigned investigatory authority.

5.5.7 Hearing Procedures

(c) Nature of Disciplinary Action

(1) Disciplinary action may consist of one or more of the following sanctions:

(a) Letter of censure, with publication of determination.

(1) A letter of censure may be unconditional or may be conditional. If conditional and the condition is not met, the respondent's membership or status may or may not be suspended or terminated.

(e) Hearing Procedures

(3) The hearing shall be closed to all except the hearing panel, chair, respondent, outside party complainant, chair, or designee of the ethics inquiry board when acting as complainant on behalf of the ethics inquiry board or when acting on behalf of the complainant, their witnesses and counsel, the appropriate staff vice president, administrative secretary, court reporter, if any, and Institute legal counsel. Witnesses shall be present only when testifying, and when being questioned and cross-examined.

(EC, 10/2008)

(6) The hearing panel of the board may recess the hearing from time to time as its judgment, justice, or expediency requires.

(9) When any member of the Institute or any interested party receives written notification from the ethics hearing and discipline board to provide testimony as a witness at such hearing, it shall be the member's, or party's duty to provide testimony. Failure/refusal of a member to provide testimony when requested by the ethics hearing and discipline board shall result in possible violation of the Code of Ethics.

(EC, 2005)

(12) To ensure due process, the hearing procedures outlined in this section shall be followed:

(b) The complaint and the response are read into the record, provided that, with the approval of the parties, this reading may be waived and those documents made a part of the record. The reading of the complaint and the response into the record will be waived, provided that panel members state they have read the complaint and the response.

(j) Members of the hearing panel and Institute legal counsel shall have a final opportunity to question the parties and to call additional witnesses or request additional information they deem necessary or appropriate to a full hearing.

(f) Decision of the Hearing Panel of the Ethics Hearing and Discipline Board
(2) The decision of the hearing panel of the ethics hearing and discipline board shall be by a majority vote and by secret ballot. Failure of secrecy shall not invalidate the decision. In the event the respondent is found in violation, the ethics hearing and discipline board may, in its discretion, consider, in determining appropriate discipline, all past records in the respondent's Institute files, including previous determinations of violations. (GC, 11/2002)

(3) The hearing panel of the ethics hearing and discipline board shall render its written decision no later than (30) (45) days after the conclusion of the hearing. The decision shall contain findings of fact, conclusions, and, if appropriate, a statement of discipline imposed or other action taken by the ethics hearing and discipline board. The decision shall be filed with the president of the Institute, and copies of the decision shall be mailed to the respective parties. (EC, 11/2005)

(5) In the event that the respondent is found guilty of unethical or improper conduct warranting suspension or termination of membership or status and the respondent holds an elected or appointed position representing the Institute, including, but not limited to president, president-elect, secretary/treasurer, senior vice president, regional vice president, governing councilor, chapter officer, faculty member, management plan grader, proctor, committee or board chair, vice chair, or committee or board member, such position shall be suspended immediately pending final disposition of the matter. Such suspension of position shall not be published and shall be kept confidential to the extent possible with communication on a need to know basis only.

(g) Resignation. If a respondent resigns his or her membership or other status at any time during the investigation or proceeding after a complaint has been filed, the complaint shall be dismissed without further action by the ethics inquiry board or the ethics hearing and discipline board. The respondent may reapply for membership or candidacy only after a period of no less than five (5) years have elapsed, provided, however, that upon reapplication, the ethics inquiry board or ethics hearing and discipline board, with whichever board last handled the respondent's case at the time of resignation, shall determine the appropriate action forward the respondent's file to the membership and credentialing committee. (EC, 10/2008)

(i) Report of Decision. If no appeal is filed, a report shall be made by case number to the governing council disclosing appropriately the action taken by the ethics hearing and discipline board. No details of the case shall be reported that may prejudice the case in future action. A report of the decision will be published in the Journal of Property Management and on the IREM website.

5.5.8 Appeal Procedures
(a) Role of the Ethics Appeal Board. The ethics appeal board shall:

(1) Hear any case in which the decision by the ethics hearing and discipline board was adverse to the respondent or outside party complainant as requested by that party.

(2) Summarize and publish the opinions, findings, and actions of the ethics appeal board in matters brought before it as it deems appropriate. (GC, 11/2002)
(b) Final Authority and Procedures. The ethics appeal board shall be the sole judge of all matters that come before it, and may adopt such procedures and rules, not inconsistent with the bylaws of the Institute and these policies, as may be necessary for it to carry out its responsibilities.
(EC, 10/2008)

(c) Limitation on Appeals. Appeals may be taken to the ethics appeal board only from decisions of the ethics hearing and discipline board adverse to the respondent or outside party complainant.

(d) Specifications of Request for Appeal

(3) Granting of Appeal. If a request for appeal is granted, the administrative secretary, on behalf of the chair of the ethics appeal board, shall send a copy to the chair of the ethics hearing and discipline board, legal counsel for the Institute, and to other parties, if any, on a need-to-know basis, and shall inform the members of the ethics hearing and discipline board at its next scheduled meeting. The appeal will be docketed and proceed to hearing in accordance with the rules.

(4) Transcript. Upon acceptance of the request for appeal, the official transcript of the hearing before the ethics hearing and discipline board shall be generated and made available to the appellant, the appellee and the appeal board prior to the appeal hearing. Any party may be allowed to offer corrections to the transcript. The ethics appeal board will be notified of any such requested corrections to the record.
(GC, 11/2002)

(j) Appeal Hearing Procedures
(GC, 11/2002)

(3) The appeal hearing shall be closed to all except the appeal hearing panel, ethics appeal board chair, chair of the ethics hearing and discipline board, appellant, appellee, or chair of the ethics inquiry board when acting as complainant or designee of the appellee on behalf of the ethics inquiry board, appellant counsel, appellee’s counsel, the appropriate staff vice president, administrative secretary, and Institute legal counsel.
(EC, 10/2008)

(g) Decision of the Ethics Appeal Board

(2) The decision of the ethics appeal board shall be by a majority vote and by secret ballot. Failure of secrecy shall not invalidate the decision. The decision shall be filed with the president of the Institute. Such decision may adopt, reject, or modify the recommendation of the ethics hearing and discipline board or request the ethics hearing and discipline board to take other action, including, but not limited to, rehearing the case.

(h) Effect of Decision of the Ethics Appeal Board. A decision of the appeal hearing panel of the ethics appeal board shall be final and binding. Each member waives the right to seek review of the decision of either the ethics hearing and discipline board or the ethics appeal board in any court of law or equity.
(EC, 10/2008)

(j) Report of Decision. After the appeal is concluded and a decision rendered by the ethics appeal board to adopt, modify, reject, or refer the case back to the ethics hearing and discipline board for a rehearing,
a report shall be made to the governing council and ethics and discipline committee appropriately disclosing the action taken. A report of the decision will be published in the Journal of Property Management and on the IREM website.

(6) If the case is referred back to the ethics hearing and discipline board for a rehearing, the report to the Governing Council shall not disclose the identity of the individuals or organizations involved.

If the basis for rehearing is newly-discovered evidence not available at the time of the hearing, the matter will be referred to the original hearing panel, or a majority of the original hearing panel. If the basis for rehearing is a failure of due process, the respondent will be given a new hearing before a new hearing panel.

(EC, 11/2005)