

ARELLO GOVERNANCE TASK FORCE REPORT

March 14, 2011 – FINAL REPORT

Task Force Charge

The Governance Task Force will review ARELLO's existing bylaws, policies and procedures to ensure that our governance structure provides the foundation for ARELLO to continually pursue its mission, vision and long term goals. Emphasis will be placed on developing assurances that ARELLO 1) will be representative of its ACTIVE MEMBERS and MEMBER JURISDICTIONS, 2) will maintain focus on attaining its mission and vision, 3) stay dedicated to accomplishing the goals and objectives established in its strategic plan and 4) effectively support member jurisdictions in our efforts to protect the public.

A. Voting Issues

1. Can an Alternate Director or a Director vote in place of an absent DVP?

ACTION: Recommend change to Article V, Section 1 of Bylaws to allow Alternate Director to vote in place of absent DVP (4/8/10).

See Exhibit B for proposed language changes.

2. Should Individual Members be allowed to vote keeping in mind that the Individual Member could now be an educator, etc.?

ACTION: Recommend change to delete Article III, Section 3 of Bylaws to eliminate Individual Member category. Individual members will join as affiliate members. Emeritus members who are affiliated with a real estate entity must also become affiliate members. (This would result in a fee increase for existing individual members who convert to affiliate members – from \$50/year to \$150/year under existing dues schedule.) (4/8/10).

(This will also necessitate a change to Procedure 8, Section 1 to delete the reference to the obsolete membership classification.)

See Exhibit E for proposed language changes.

3. Board member absenteeism (is it adequately addressed?)

ACTION: None (4/8/10).

B. Committee Composition

1. Should non-Board of Director members be allowed to serve on the Finance Committee?

ACTION: Recommend change to Procedure 6, Section 9 to increase Finance Committee membership to add 2 “at large” members (4/8/10).

See Exhibit D for proposed language changes.

2. Should the composition of committees stagger terms so a certain number of members remain from one year to the next?

ACTION: Recommend change to Procedure 5, Section 7 to state that previous year’s committee chair should be appointed as a committee member the next year for continuity, and Vice Chair appointee should be someone who has served as a committee member, if possible (4/8/10).

See Exhibit C for proposed language changes.

3. Should the president have the authority to appoint all members of the finance, exam accreditation and education certification committees?

ACTION: Recommend change to Procedure 6, Section 9 to state that ratification of the Finance Committee appointments is done at the January BOD meeting (instead of the annual conference). Recommend change to Procedure 5, Section 7 to remove reference to deadline for committee membership appointments, and to establish a fixed deadline of December 1 for committee Chair and Vice Chair appointments (4/8/10).

See Exhibits C and D for proposed language changes.

4. Should there be a limit to the number of voting members on all standing committees (except Exam Accreditation and Education Certification, for which there already are limits)?

ACTION: None (4/8/10).

5. Can we appoint nonvoting affiliate members to Exam Accreditation and Education Certification in addition to the seven required? Do we want to be able to?

ACTION: None (4/8/10).

C. Committee Authority and Operations

1. Closed Meetings – Can Finance go into closed meeting without non-finance committee Active members present? Article VIII – Section 3 allows “Active Members” to attend closed sessions. Review Policy 4 regarding access to personnel salaries. If the Finance Committee as an entity has access to this information, if a discussion is to occur, can the Finance Committee go into closed session with members of Finance Committee only?

ACTION: Recommend change to Article VIII, Section 3 of the Bylaws to state that the Finance and Executive Committees may meet in closed session for certain limited purposes (10/4/10).

See Exhibit F for proposed language changes.

2. Revamp Nominating Committee to allow selection of multiple candidates.

ACTION: Recommend change to Article IV, Section 3 of Bylaws to incorporate direction from Board of Directors (proposed change in Exhibit A was timely noticed to membership and passed at General Assembly 9/17/10) – DONE.

3. Are there adequate provisions that allow BOD to assign policy review and approval to a committee such as the Education Certification and Exam Accreditation, etc. so that these committees have flexibility to set and implement program policies?

ACTION: Recommend changes to Procedure 6, Section 6 to delete approval by BOD for Exam Accreditation and Education Certification program

policies. Add language to Procedure 6, Section 5 for Education Certification committee to match Exam Accreditation authority.

See Exhibit D for proposed language changes.

4. Status of the Task Force – should it be continued to next year to complete its work; or does the Task Force need to be converted to a standing committee that oversees/reviews proposed changes to the bylaws, policies and procedures that are presented by other standing committees as action items?

ACTION: Recommend change to Procedure 6 to re-establish the former Bylaws Committee as a standing committee named the Governance Review Committee (GRC) (9/16/10).

See Exhibit D for proposed language changes.

D. Bylaws, Policies & Procedures

1. Visit requirements to change bylaws and/or procedures (consider current definition of quorum).

ACTION: None (9/16/10).

- a. Article X does not appear to provide for the BOD to be notified of a proposed bylaw change that would go to the General Assembly. Should a notification requirement be established to BOD as a courtesy?

ACTION: Recommend change to Procedure 6 to re-establish the former Bylaws Committee as a standing committee named the Governance Review Committee (GRC). Recommend change to Article X, Section 2 and Article XI of Bylaws to require all proposed changes to governing documents be submitted to the GRC for review prior to submission to the membership and/or BOD, no later than 60 days prior to the General Assembly or BOD meeting. The GRC's duties would include:

- a. ensuring that written notice of proposed bylaws changes is given to the membership as set forth in Article X, Section 1;

- b. review proposed changes in conjunction with other governing documents to ensure consistency;
- c. GRC will not judge the merits of any proposed changes and will not oversee P&P for Education Certification or Exam Certification programs.

These proposed changes will be submitted to BOD for consideration in January 2011, with a vote on any Bylaws changes at the 2011 General Assembly (9/16/10).

See Exhibits D and G for proposed language changes.

- b. Article XI and changes to P&P – review to be certain there is adequate control over the BOD’s ability to change same, specifically wording in Section 2 “by an affirmative vote of a majority of the Board of Directors present at a duly scheduled meeting”.

ACTION: No changes required. Executive Officer will make sure BOD agenda items are posted on the website in advance of meetings (9/16/10).

- 2. Do we need policies that: define scope of ARELLO programs, projects, working groups, etc.; emphasize importance of ARELLO maintaining focus on its mission; and set up guidelines for ARELLO issuing policy statements, especially at the request of an external entity?

ACTION: None (9/16/10).

- 3. Do we have/need a policy or procedure for renewing strategic plan periodically?

ACTION: Recommend changes to Procedure 6, Section 7 to charge the Executive Committee with responsibility for ensuring the Association maintains a current strategic plan (10/4/10).

See Exhibit D for proposed language changes.

- 4. Sections 7 and 8 of Procedure 6 – change to “active members” from “active” members?

ACTION: Recommend change to Procedure 6, Sections 5 and 6 to require that committees be comprised of “Active Members” only.

Add a statement to Procedure 6, Section 1 to require all members of standing committees to sign a conflict of interest statement?

Recommend changes to Policy 8 to add a new Section 3 regarding conflicts of interest for committee members (10/4/10).

See Exhibits D and H for proposed language changes.

5. Review Procedure 9, Section 2: Review this section and consider adding something to the effect that ARELLO shall not factor in a loss for guest registrant fees even though it currently states “Members serving as program advisors, Finance Committee members, Directors and staff shall not set fees and plan expenses for guest registrants in such a way to attempt to derive surplus net revenue from their registration fees.”

ACTION: None (10/4/10).

6. Review Procedure 13: Should procedures be established for District Caucus agenda and issues so that there is a set routine for moving issues to the BOD, e.g., should the District officers be the logical step to present a pressing matter? Should we create procedure for DVP’s to solicit agenda items? Should DVP have a procedure to identify voting delegates for each caucus meeting?

ACTION: Recommend change to Article IV, Section 6 of the Bylaws to add language clarifying the DVP’s responsibility to bring forward matters from the District meetings. In addition, Debbie will add a standing BOD agenda item: “Issues from DVPs” (10/4/10).

See Exhibit I for proposed language changes.

7. Any calendar year vs. old term cleanup issues. Article V. Section 2. For clarification, should it refer to the DVPs elected for the upcoming year and the current year’s President?

ACTION: Recommend change to Article V, Section 2 of the Bylaws to clarify which year’s officers vote and who administers the ballot (10/4/10).

See Exhibit B for proposed language changes.

E. Miscellaneous

1. In addition to Bylaws, Policies and Procedures, the Governance Task Force should review all ARELLO position statements for current relevance and accuracy.

ACTION: Propose to BOD a repeal of position statement on banks in real estate (4/8/10). (The motion was presented and passed at the April 10, 2010 Board of Directors meeting.) - DONE

2. Revisit geographic district definitions.

ACTION: President Grace will establish a separate redistricting task force to consider this matter (10/4/10) – DONE.

3. Size of Board of Directors?

ACTION: This item will be the considered as part of the charge of a separate redistricting task force appointed by President Grace (10/4/10) – DONE.

F. Other Items Identified by Committee Members

- a. Article II S1 – This section does not refer to the many services that ARELLO provides.

ACTION: Recommend revision to Article II, Section 1 to add program administration language suggested above (1/6/11).

See Exhibit J for proposed language changes.

- b. Article II S6, 7, 10 – All three of these sections refer to someone not having voting rights, but it is worded differently in all three sections.

ACTION: Recommend revision to Article III, Sections 2, 4, 6, 7, 8 and 10 to make voting rights language consistent and to refer to “regulatory” instead of

“active” members for clarity; recommend change to delete Article III, Section 6 (1/6/11).

See Exhibit E for proposed language changes.

- c. Article II S9 – What is the purpose of this section? Why are jurisdictions outside of the US and Canada treated differently?

ACTION: Recommend revision to Article III, Section 9 to remove second sentence (1/6/11).

See Exhibit E for proposed language changes.

- d. Article IV S4 – The following line, to me, is a bit confusing. “The President-Elect, unless more than two-thirds of the voting delegates do not vote said President-Elect to the office of President, shall succeed to the office of President” Could the wording not be made simpler, such as it just being a majority vote?

ACTION: Recommend revision to Article IV, Section 4 to clarify voting language for simplicity (1/6/11).

See Exhibit K for proposed language changes.

- e. Article IV S8 – This section refers to the Chief Executive Officer as the “secretary of the Association”. I believe that description is inadequate. As an example, the preamble to my own job description says the following: The Registrar is the chief operating and administrative officer of the Nova Scotia Real Estate Commission and is responsible to the Commission Board of Directors for the proper management of all aspects of the Commission activities. The Registrar has the responsibility for planning, policy development, finance and administration, personnel, education, licensing, professional standards and day-to-day compliance with the Real Estate Trading Act and Commission By-law. The Registrar shall conduct all operations and activities in accordance with established Commission policies and objectives.

The Duties are described in more detail under Procedure 4.

ACTION: Recommend revision to Article IV, Section 8 to add duties established by the Board of Directors in Procedure 4; change Article V, Section 3 to clarify that the Executive Committee secures the CEO (1/6/11).

See Exhibit L for proposed language changes.

- f. Article IV S10 – The last sentence refers to “A plurality of votes cast...”. What is intended? Does the average member understand this term? It defines as – “the

number of votes that an election winner gets, or the number exceeding the nearest rival, when no one has more than 50 percent of the total votes cast”.

ACTION: Recommend revision to Article IV, Section 10 from “plurality” to “majority” of votes cast (1/6/11).

See Exhibit K for proposed language changes.

- g. Article V S4 & Article VIII S4 & Procedure 2 – All three sections have wording that refers to “quorum”. Does this mean that if a meeting was duly called will go ahead and transact business no matter how many people show up for the meeting. If there was to be an ice storm and 80% of the members did not make it, would the meeting go ahead regardless?

ACTION: None (1/6/11).

- h. Procedure 1 S3 – I am confused as to what this wording is trying to accomplish. Would there not be a better plain language way to state this?

ACTION: Recommend revision to Procedure 1 to delete Section 3; Richard and Teresa will draft revised language for Article IV and Procedure 1 to accurately describe election process for DVP and directors (1/6/11).

See Exhibit K for proposed language changes.

- i. Procedure 4 S1 – One of the duties is “develop conference programs in coordination with the President”. In light of where things have gone with the Program Committee, should this not be revisited. One concern I have had over the years is that the conference program can take dramatic shifts depending on who is President. The wording of Procedure 6 S14 describes the Program Committee’s function, which is to “develop the programming for the Annual Conference for consideration by the President and Chief Executive Officer”.

ACTION: Recommend revision to Procedure 4, Section 1 to delete the phrase regarding development of conference programs (1/6/11).

See Exhibit L for proposed language changes.

- j. Procedure 5 S2 – This section stipulates that the President-Elect should announce the appointment of members to committees within 40 days of the conference ending. The conference can fall anywhere in a six week time period from year to year. Would it not be better to state a date by when the appointments must be done?

ACTION: Addressed in item B-3 above (4/8/10).

- k. District Membership – This issue continues to be discussed. Should ARELLO look at the district membership/boundaries?

ACTION: To be addressed in item E-2 above – DONE.

G. Other Items Identified by ARELLO Members

- a. Review charge of Education Certification Committee to ensure it encompasses all the committee presently does. (Nedka Dineva)

ACTION: Jeanne will contact Nedka for clarification of what needs to be added (10/4/10).

See Exhibit D for proposed language changes – also awaiting additional clarification from Joe McClary.

- b. Review terms for members of Exam Certification Committee – consider implementing 3-year staggered terms to ensure continuity of membership and to allow committee members some time to serve after a steep learning curve. (Pat Anderson) Also, change the composition of the committee from 9 to 7 members.

ACTION: Recommend revision to Procedure 6, Section 6 to incorporate this change. Debbie and Teresa will look for the old language (10/4/10).

See Exhibit D for proposed language changes.

- c. Look at districts for Canadian provinces – consider splitting into east and west. (Robert Fawcett)

ACTION: To be addressed in item E-2 above – DONE.

- d. Decrease number of committees and work groups; revise CEO duties to become a true leadership position. (per Bob Myroniuk e-mail)

ACTION: Hold off on discussion for now (10/4/10).

- e. Change governing documents to require use of ARELLO's Abbreviated Rules of Procedure, rather than Sturgis.

ACTION: Recommend revision to Article VIII, Section 6 and Procedure 13 to incorporate this change (1/6/11).

See Exhibit M for proposed language changes.

At a teleconference on 3/14/11, the Task Force considered the following additional changes from the work group members, based on a final review of the governing documents.

For brevity, individual suggested corrections to the governing documents are omitted from this report.

Bylaws:

- Article II Section 1: The underlying element of public protection in our shared mission is important enough to be preserved in our Governing Documents.
- Article III Section 3: Clarification—there is only 1 nomination with action required by 2 people.
- Article IV Section 5: No single person should be able to hire the CEO. This requires buy-in by the Executive Committee at least and is how it has been done previously and is unfolding currently.
- Article IV NEW Section 10: There needs to be authority in the Governing Documents for terminating the CEO.
- Article V Section 1: There are Officers (including immediate Past President) and there are Directors and together they make the BOD—This language is simply to clarify this inclusivity.
- Article V Section 4: Identifies to whom notice should be given and allows for one to schedule but not convene such a meeting.
- Article VIII Section 1: Stylistic, clarifies the General Assembly meeting's relationship to the Annual Conference.
- Article VIII Section 2: Adds language to provide a vehicle for convening a General Assembly meeting by request of membership. Similar provision is given for convening Executive Committee and BOD meetings.
- Article VIII Section 3: While there is some stylistic consideration here, the main purpose of this change is to gain members of the BOD access to meetings otherwise closed to them. When the business conducted during these closed meetings comes up for action it may have been beneficial if any interested Board Members could be present. The Executive and Finance Committee members are, with one exception BOD members—but they are a small percentage of the entire Board.
- Article VIII Section 5: Last year there was an implication that a potential member of the Board of Directors who would not be able to attend meetings intended to assign another to vote by proxy. This would be the place to address such a thing.

Policies

- Policy 4 B new c: brings into harmony with Article VIII Section 3 of the Bylaws which allows for closed meeting discussions of topics in addition to those currently stated in this policy
- Policy 4 C: includes Board of Directors as an entity to receive conforming with proposed change to Bylaws. Please note: this information would be given only when appropriate (note additional language.) I believe that it is important that should something in outlined subject areas come up that requires Board level action-the issue can be discussed and exhibits reviewed
- Policy 4 C new e: brings into harmony with Article VIII Section 3 of the Bylaws which allows for closed meeting discussions of topics in addition to those currently stated in this policy
- Policy 8 Sections 1 and 2: There are Officers (including immediate Past President) and there are Directors and together they make the BOD—This language is simply to clarify this inclusivity.
- Policy 8, new section 4: Add language to clarify that a work group member or director who recuses him/herself from a committee vote due to a perceived conflict of interest will not affect the computation of a quorum for the purposes of conducting business

Procedures

- Procedure 3 Section 1: typo
- Procedure 4 Section 2: add a requirement that the Executive committee maintain a current job description for the CEO
- Procedure 5 Section 7: language added to allow for the various schemes allowed in these documents for working group member terms
- Procedure 5 Section 8: added language was moved from Procedure 6 Section 6 where it applied only to the Examination Accreditation Committee—it seems that this is something we might wish to encourage in all working groups
- Procedure 6 New Section 13: typo
- Procedure 6 New Section 14: brings this section into harmony with Article 4 Section 3 of the Bylaws and Procedure 1 Section 1 of the Policies and Procedures
- Procedure 8 Sections 3-8: made language regarding “regulatory roundtable” or educational session consistent and corrected a typo in Section 4
- Procedure 9 Section 2: clarify language to ensure guest registrant fees are not set in such a way to derive surplus revenue
- Procedure 30 section 2: Add language to clarify that a work group member or director who recuses him/herself from an Exam Accreditation committee vote due to a perceived conflict of interest will not affect the computation of a quorum for the purposes of conducting business

ACTION: Recommend all of the above changes as presented and incorporated into the “red line” documents (3/14/11).

EXHIBIT A

Proposed Change to the BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

***** APPROVED BY GENERAL ASSEMBLY Sept. 2010 *****

Rationale: The nominating committee feels strongly its responsibility to encourage service to the Association by soliciting membership to serve as candidates for the various offices of the Association and to verify that candidates for office meet the requirements set forth in the governing documents. However, the nominating committee went to the Board of Directors at the 2009 Annual Conference and requested that it be allowed to present multiple nominees for a single office in those instances where more than one qualified candidate stepped forward. The 2009 nominating committee felt that the function of the committee should be to present a full slate of candidates rather than to decide between qualified candidates. Rather, electing an officer should be the business of the ARELLO membership at the General Assembly. The 2009 Board of Directors voted to support the nominating committee's request. The committee is now seeking the Membership's support for this change.

Article IV, Section 3: ~~The n~~Nominations for each office, except President, in the Association shall be made by a nominating committee appointed by the President; but additional nominations may be made from the floor by any voting delegate of the Association. The presiding officer of the General Assembly shall call for a representative of that committee to present its slate of candidates. The representative shall first read the list of District Vice-Presidents, Directors, and Alternates as identified by the Districts. The reading of their names shall by itself place them in nomination without the necessity of any other action by the voting delegates. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor, the presiding officer shall, at his or her option, call for a voice vote or a vote by a show of hands. If a nomination is made from the floor, in any contested race the presiding officer shall call for written balloting until one candidate receives a majority. Then, the presiding officer shall call for a voice vote or a show of hands on all other nominees. The representative of the nominating committee shall then present the committee's nominee or nominees for Treasurer. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor and the nominating committee has submitted

only one nominee, the presiding officer shall, at his/her option, call for a voice vote or a vote by a show of hands. If more than one candidate is submitted by the nominating committee or a nomination is made from the floor, the presiding officer shall call for written balloting until one candidate receives a majority. The representative of the nominating committee shall then present the committee's nominee or nominees for President-Elect. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor and the nominating committee has submitted only one nominee, the presiding officer shall, at his/her option, call for a voice vote or a vote by a show of hands. If more than one candidate is submitted by the nominating committee or a nomination is made from the floor, the presiding officer shall call for written balloting until one candidate receives a majority. When there is a contested election for an office referenced above, in order to be elected, a candidate must receive a majority of all votes cast. If there is a tie vote for first place for an elected office of ARELLO, the President shall allow each candidate to make a presentation not to exceed three minutes before the voting delegates cast a second ballot. If there is a tie vote after the second ballot, the President shall provide for a 15-minute caucus for each District, after which time a third ballot shall be cast. The balloting process shall continue in the same manner thereafter until a winner is declared. In the case where there is a tie for second place, only those candidates receiving votes equal to or greater than the tying number of votes shall proceed to the next ballot. If a member refuses to accept his or her nomination, his or her name shall be removed from consideration for office.

EXHIBIT B

Proposed Change to the BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale: To clarify that the alternate Director from a District shall become a voting Director when either a Director or the District Vice-President from that District is not in attendance at a Board of Directors meeting.

ARTICLE V

Board of Directors and Executive Committee

Section 1. The President, President-Elect, Treasurer, District Vice-Presidents, Directors, and the most immediate ~~ACTIVE-REGULATORY~~ MEMBER Past-President constitute the Board of Directors. District Vice-Presidents and all other Directors shall serve from the first day of January after the final adjournment of the Annual Conference, or from the date of any special election during which they have been elected, through the last day of December of that same calendar year. The alternate Director of a District shall: (1) fill in at any Board of Directors' meeting which an elected Director or the District Vice President from that District is unable to attend; and (2) become a Director in the event of the resignation of a Director or the District Vice President from that District.

Rationale: To clarify which year's DVPs vote for Senior DVP and who administers the ballot.

ARTICLE V

Board of Directors and Executive Committee

Section 2. The Executive Committee of the Association shall be composed of the President, President-Elect, Treasurer, the most immediate ~~ACTIVE-REGULATORY~~ MEMBER Past-President, and one District Vice-President designee, to be called the Senior District Vice-President, who shall be selected by receiving the largest number of votes from a ballot by all the District Vice Presidents who were elected for the upcoming year to be administered by the current year's President within 30 calendar days after the General Assembly at the Annual Conference, and within 30 calendar days from the date at which the position of Senior District Vice President becomes vacant for any reason. In the event of a tie vote, the President shall inform the District Vice Presidents of the vote count and administer another vote. If the second ballot returns a tie vote, the President shall cast the deciding vote.

EXHIBIT C

Proposed Change to the PROCEDURES OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

1. To set December 1 as the deadline for the President to appoint working group chairs, and for the Vice-President to appoint working group vice-chairs.
2. To direct that the President-Elect should attempt to make vice-chair appointments from among those individuals who have previously served as a member of the working group.
3. To direct that the President appoint the previous year's chair of each working group as a member of the working group during the year following their year as chair to ensure some membership carryover from one year to the next.

PROCEDURE 5 WORKING GROUPS

Section 2. Whenever possible, the President-Elect, when taking office as President, should announce the appointments of members to the various working groups ~~within 40 days from the last day of the Annual Conference at which he or she is duly elected and installed~~ no later than January 1 of his or her term of office.

Section 7. Working group chairs, vice-chairs and members shall serve one-year terms. The President shall appoint each working group chair and members for the term coinciding with his or her term as President. The President-Elect shall appoint each working group vice-chair for the term coinciding with his or her term as President-Elect. The President and President-Elect shall make all appointments for working group chairs and vice-chairs no later than December 1 of the year proceeding his or her term of office. The President-Elect should endeavor to ensure that the person appointed as vice-chair should have previously served as a member of the working group. If for any reason the President-Elect has not appointed any vice-chair position by December 1, ~~within 30 days of taking office,~~ the President shall appoint all such positions left vacant. When appointing working group chairs, each President should give first consideration to individuals who served as vice-chair during the previous term. The President should endeavor to ensure that at least one member of the Board of Directors is appointed to each working group to facilitate communication between each group and the Board. The President shall also appoint the previous year's working group chair as a member of the working group if the previous year's chair is agreeable with the appointment.

EXHIBIT D

Proposed Change to the PROCEDURES OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale: To re-establish the former Bylaws Committee as a standing committee named the Governance Review Committee, and to provide for an ongoing review process for the Association's governing documents.

PROCEDURE 6

STANDING COMMITTEES

Section 3. The Standing Committees of the Association shall be:

Commission Member Resource

Education Certification

Examination Accreditation

Executive

Fair Housing

Finance

Governance Review

Investigator/Auditor Resource

Law and Regulation

Membership

Nominating

Program

Section 10. The Governance Review Committee will monitor the Association's bylaws, policies and procedures to ensure they continue to serve the needs of the organization. The committee will review all proposed changes to the Association's governing documents to ensure proposed verbiage is not in conflict with other provisions of the governing documents and that proposed changes are put in the proper format prior to vote by either the Board of Directors or the General Assembly. The committee will ensure that required written notice of proposed bylaws changes is given to the membership as set forth in the Bylaws, and that any work group affected by a proposed change to a governing document has had an opportunity to provide input. The committee will not judge the merits of a proposed change unless a recommendation is requested by the President or Executive Committee. Provided, however, the committee will not review Program policies of the Education Certification and Examination Accreditation Committees.

Section 110. The Investigator/Auditor Resource Committee...

Section 124. The Law and Regulation Committee...

| **Section 132.** The Membership Committee's primary...

| **Section 143.** The Nominating Committee...

| **Section 154.** The Program Committee...

Rationale:

1. To allow the Exam Accreditation Committee and Education Certification Committee to adopt policies for programs administered by them, without Board of Director approval.
2. To reference all of the duties of the Education Certification Committee and give that committee the same authority as the Exam Accreditation Committee.
3. To specify that members of the Exam Accreditation and Education Certification Committees are Active (Regulatory) Members in the Association, as defined in the Bylaws.
4. To provide for continuity on the Exam Accreditation Committee by implementing 3-year staggered terms for its members, and change the composition of the committee to 7 members from 9.
5. To move the procedure pertaining to the composition of the Exam Accreditation Committee and Education Certification Committee into the sections describing these standing committees, to avoid redundancy and to ensure consistency between the procedure describing the committee and the procedure describing the program.

PROCEDURE 6

STANDING COMMITTEES

Section 5. The Education Certification Committee shall promote improving the quality of real estate education through evaluation and certification of education courses and programs. It shall operate and continually evaluate the ARELLO® Distance Education Certification Program and Content Certification Program, which reviews and may certify course delivery of distance education courses and content of live and distance education courses. Such Programs shall be operated in accordance with the committee's own Policies and Procedures for the Programs. The committee shall administer communication and education awards programs as set forth elsewhere in these Procedures. The committee shall seek to expand utilization of its services to appropriate individuals/institutions outside of ARELLO®. Members of the committee shall be appointed by the President so that each year the total membership of the committee is seven Regulatory Mmembers. The President shall give due consideration to appointing members with diverse backgrounds and reasonable expertise. If the term of a committee member expires or a committee member resigns before the end of the member's term, the President shall appoint a replacement to complete the vacating member's term.

Section 6. The Examination Accreditation Committee shall operate and continually evaluate the ARELLO® Examination Accreditation Program, which reviews and may accredit examination programs used in qualifying candidates for licensure. Such Program shall be operated in accordance with the committee's own Policies and Procedures for the Program ~~as approved by the Board of Directors.~~ The committee shall seek to expand utilization of its services to appropriate individuals/institutions outside of ARELLO®. The committee shall consist of seven Regulatory members, which Members of the committee shall be appointed by the President to three-year staggered terms such that two or three terms expire every year. so that each year the total membership of the committee is nine members. (For 2012, three members shall be appointed for a three-year term, three members shall be appointed for a two-year term, and three members for a three-year term. All subsequent appointments shall be for three-year terms.) -A member can be reappointed to consecutive terms. In appointing these members, the President shall give consideration to representation of jurisdictions that prepare their own examinations and jurisdictions that contract for their examinations to be prepared by professional examination organizations. No more than three members shall represent jurisdictions that use the services of any single professional examination provider as of the time of member appointment. The President shall also give consideration to appointing members with various backgrounds relating to education and licensing, and shall assure that the committee members individually and the committee as a whole possess appropriate expertise to perform the committee's assigned tasks. In this regard, the President shall assure that the committee includes at all times members who possess expertise that is sufficient to enable them to make decisions and determinations based on recommendations of the program administrator and consultants pertaining to submissions from jurisdictions and examination organizations for accreditation of their examination program. If the term of a committee member expires and a replacement is not named in a timely fashion, then the member shall continue to serve until a replacement is appointed. If a committee member becomes ineligible for continued service due to termination of his or her ARELLO® membership, the committee shall operate with a vacancy until a replacement is named.

PROCEDURE 30

EXAMINATION ACCREDITATION COMMITTEE

Section 2. ~~The committee, which shall consist of seven voting members, shall be appointed by the President. In appointing these members, the President shall give consideration to representation of jurisdictions that prepare their own examinations and jurisdictions that contract for their examinations to be prepared by professional examination organizations. No more than three members shall represent jurisdictions that use the services of any single professional examination provider as of the time of member appointment. The President shall also give consideration to appointing members with various backgrounds relating to education and licensing, and shall assure that the committee members individually and the committee as a whole possess appropriate expertise to perform the committee's assigned tasks. In this regard, the President shall assure that the committee includes at all times members who possess expertise that is sufficient to enable them to make decisions and determinations based on recommendations of the program administrator and consultants pertaining to submissions from jurisdictions and examination organizations for accreditation of their examination program. Members shall represent a variety of ethnic, racial, cultural, and geographic backgrounds to the extent possible. Each committee member shall serve a~~

~~one-year term or until termination of his or her ARELLO® membership, whichever comes first. If the term of a committee member expires and a replacement is not named in a timely fashion, then the member shall continue to serve until a replacement is appointed. If a committee member becomes ineligible for continued service due to termination of his or her ARELLO® membership, the committee shall operate with a vacancy until a replacement is named. The term of each committee member shall coincide with the term established for ARELLO® officers. A member can be re-appointed to consecutive terms.~~ The committee shall meet in conjunction with the meetings of the ARELLO® Board of Directors or as often as is necessary. The committee Chair, in consultation with program administrator, or in the absence of a program administrator, the ARELLO® Chief Executive Officer, may authorize the review of examinations to be performed by a delegate of a committee reviewer. Such delegate must be an ARELLO® member and meet the expertise criteria established herein, as well as adhere to ARELLO® Procedures and the program policies adopted by the committee relating to the confidentiality of application materials and the handling of such materials.

PROCEDURE 31

EDUCATION CERTIFICATION COMMITTEE

Section 2. ~~Each member of the committee shall be an active member of the Association and the President shall give due consideration to appointing members with diverse backgrounds and reasonable expertise. If the term of a committee member expires or a committee member resigns before the end of the member's term, the President shall appoint a replacement to complete the vacating member's term.~~ The committee shall meet to take actions in conjunction with regularly scheduled ARELLO® meetings and may hold other meetings in person or electronically when a majority of the members agree to do so. A majority of those present and voting shall constitute a quorum. Committee meetings shall be open to the public unless the nature of business calls for a closed session. Members who recuse themselves because of a perceived conflict of interest shall not affect the computation of a quorum.

Rationale:

1. To increase the number of Finance Committee members from six to eight by adding two active members, who are not serving on the Board of Directors.
2. To specify that ratification of Finance Committee appointments is done at the next subsequent BOD meeting (instead of the annual conference) -- committee appointments are not made until after the new officers have been elected at the annual conference.

PROCEDURE 6

STANDING COMMITTEES

Section 9. The Finance Committee shall review the previous year's audited financial report and assist the Executive Committee with the annual audit as needed. The Finance Committee shall work with the Chief Executive Officer to prepare a proposed budget each year to submit to the Board of

Directors. The Finance Committee shall recommend to the Board of Directors investment policies and strategies. The Treasurer shall chair the Finance Committee. The Finance Committee shall be comprised of the Treasurer, ~~and~~ six other members of the Board of Directors, which may include Officers, District Vice-Presidents, Directors and/or alternate Directors as part of that number, ~~and~~ two Regulatory active members of the association not serving on the Board of Directors. The ~~six~~ eight ~~other~~ members shall be nominated by the President and ratified at the first meeting of the Board of Directors ~~to be~~ held following the Annual Conference. The President should strive to nominate one Finance Committee member from each of the districts.

Rationale:

1. To charge the Executive Committee with responsibility for ensuring the Association maintains a current strategic plan.

PROCEDURE 6

STANDING COMMITTEES

Section 7. The Executive Committee shall operate as set forth in the Bylaws. The Executive Committee shall ensure that the Association maintains a current strategic plan.

EXHIBIT E

Proposed Change to the POLICIES, PROCEDURES and BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale: To rename “active” members as “regulatory” members. (This allows us to avoid the description of an “inactive ACTIVE MEMBER”.)

To eliminate the category of “individual member”. Individual members may join as affiliate members. Emeritus members who are affiliated with a real estate entity must also become affiliate members. (This would result in a fee increase from \$50 to \$150 per year under current dues schedule for the few existing individual members who choose to convert to affiliate membership. Emeritus members are exempt from payment of fees.)

To eliminate the category of “allied member” because it is not used and appears to be unnecessary. To standardize the language for non-voting status across all categories of membership.

To eliminate the unique reference to dues for Canadian jurisdictions – all classes of membership pay the dues established by the Board of Directors.

ARTICLE III MEMBERSHIP

Section 1. Any sovereign nation, political subdivision of such sovereign nation or any governmental or non-governmental entity designated by such to administer the licensing or registration process that authorizes persons to conduct real estate or estate agency activities shall become a MEMBER JURISDICTION upon approval of an application for membership and payment of any required fees as provided for by the Association’s Board of Directors. Such entity may have its membership status terminated by vote of the Association membership due to nonpayment of dues or fees, due to a change in such entity’s laws that removes its jurisdiction over real estate, or after an official request from that entity.

Section 2. A REGULATORY ~~an ACTIVE~~ MEMBER of the Association is any individual who is affiliated with an agency in a MEMBER JURISDICTION which is charged with administering one or more of the laws cited in Section 1 above and who is: (1) a full-time employee of the agency; (2) a member of the regulatory body which directs the activities of the agency; (3) an attorney retained to provide legal counsel on a regular basis to the agency; or (4) an employee or appointed representative of the agency formally approved by the MEMBER JURISDICTION'S regulatory body. A REGULATORY ~~an ACTIVE~~ MEMBER may represent his or her MEMBER

JURISDICTION as its voting delegate, hold office, serve as a voting member on working groups, and perform other functions as provided elsewhere herein and as authorized by his or her MEMBER JURISDICTION.

~~**Section 3.** A former ACTIVE MEMBER of the Association, who is no longer engaged in the administration or enforcement of real estate license or regulatory laws, may become an INDIVIDUAL MEMBER upon (1) the Chief Executive Officer's approving a completed application in accordance with criteria established by the Board of Directors and (2) payment of any fees established by the Board of Directors. An INDIVIDUAL MEMBER shall not hold office in the Association, other than the office of Chief Executive Officer, but may serve as a voting member of Association working groups.~~

Section 34. A former ~~ACTIVE-REGULATORY~~ MEMBER who is no longer engaged in the administration or enforcement of real estate license or regulatory laws may become a MEMBER EMERITUS upon nomination by the nominating committee appointed by the president to nominate an individual for each Association office and approval by the Board of Directors. A MEMBER EMERITUS may be exempt from payment of fees and shall not hold office in the Association, other than the office of Chief Executive Officer, but may serve as a voting member of Association working groups. In order to be considered for status as a MEMBER EMERITUS, an individual should have: (1) served as an ~~ACTIVE-REGULATORY~~ MEMBER for no less than six years, or have served no less than four years if that individual was ever a Senior Officer or a District Vice-President; (2) attended at least nine ARELLO conferences; (3) performed an extraordinary and uncommon level and/or length of service on behalf of more than one Association working group; and (4) a nominator and seconder who submit the individual for consideration, including a substantiation of the reason(s) why the individual is deserving of MEMBER EMERITUS status, in writing to the Chief Executive Officer.

Section 45. The term "jurisdiction" as used in these Bylaws shall mean and include any sovereign nation or a political subdivision of a sovereign nation authorized to enact a real estate regulatory law.

~~**Section 56.** Any sovereign nation, political subdivision of such sovereign nation or any governmental or non-governmental entity designated by such to administer any law, rule and/or regulation for any area of practice related to real estate or estate agency, as determined by the Board of Directors to be related, shall designate individual representatives to become ALLIED MEMBERS upon approval of an application for membership and payment of any required fees as provided for by the Association's Board of Directors. ALLIED MEMBERSHIP is not transferable, and is only valid for the period of time during the Association's fiscal year that an individual remains a bona fide representative of the regulatory entity under which it was approved for membership. Entities that qualify as MEMBER JURISDICTIONS and ACTIVE MEMBERS cannot qualify for ALLIED MEMBERSHIP. ALLIED MEMBERS shall not have voting rights.~~

Section 57. The Association may, at the discretion of the Board of Directors, admit an ASSOCIATE MEMBER ORGANIZATION that has not enacted a real estate regulatory law

pursuant to Article III, Section 1, but has made application for membership and has indicated sufficient interest in or progress toward enacting a real estate regulatory system, subject to payment of any fees and the meeting of any further requirements established by the Board of Directors. The ASSOCIATE MEMBER ORGANIZATION may attend ~~and participate in all conferences and meetings of the Association, but the ASSOCIATE MEMBER ORGANIZATION shall be without a vote~~ the Association's open programs and meetings, but shall have no official vote in any meeting of the Association and shall not be eligible to serve as an officer or as a member of the Board of Directors of the Association. No state of the United States or province of Canada nor the District of Columbia shall be eligible for associate membership. Other services provided and available to ASSOCIATE MEMBER ORGANIZATIONS shall be as set forth in the Association's Policies and Procedures.

Section 68. Whenever an ~~ACTIVE-REGULATORY~~ MEMBER or MEMBER JURISDICTION challenges the eligibility of: (1) another MEMBER JURISDICTION or applicant for MEMBER JURISDICTION or organization status to vote or to hold membership; (2) a ~~REGULATORY~~ ~~ACTIVE~~-MEMBER to hold an office to which the ~~ACTIVE-REGULATORY~~ MEMBER was elected or to participate in the affairs of the Association as a ~~REGULATORY~~ ~~ACTIVE~~ MEMBER; or (3) an ~~INDIVIDUAL MEMBER~~; MEMBER EMERITUS, ASSOCIATE MEMBER ORGANIZATION, ~~ALLIED MEMBER~~, or applicant or nominee for such member status to hold membership, the Executive Committee shall conduct an investigation of the member applicant, or nominee's eligibility for membership, and make a recommendation for disposition to the Board of Directors whose decision on the matter shall be final.

Section 79. MEMBER JURISDICTIONS, ~~other than states of the United States, provinces of Canada, and the District of Columbia,~~ shall pay the dues amount set forth by the Board of Directors for that separate category of MEMBER JURISDICTION. ~~ALLIED MEMBERS shall pay the amount of dues set forth by the Board of Directors.~~

Section 840. An AFFILIATE MEMBER of the Association is any individual or entity that does not qualify for membership as a ~~REGULATORY~~ ~~ACTIVE~~-MEMBER or MEMBER JURISDICTION, that has indicated support for the purposes and objectives of ARELLO, and that is in good standing (through the annual, timely payment of dues and otherwise) on the books and records of the Association. Any such person or entity may become an AFFILIATE MEMBER upon (1) the Chief Executive Officer's approving a completed application in accordance with criteria established by the Board of Directors and (2) payment of any dues and/or fees established by the Board of Directors. The Board of Directors may also remove an AFFILIATE MEMBER at any time in its sole discretion. AFFILIATE MEMBERS may attend the Association's open programs and meetings, but shall have no official vote in any meeting of the Association and shall not be eligible to serve as an officer or as a member of the Board of Directors of the Association. AFFILIATE MEMBERS may, however, be appointed by the President to serve as non-voting members of working groups, unless a working group made up mostly of AFFILIATE MEMBERS is created, in which case AFFILIATE MEMBERS may serve as voting members of that body. AFFILIATE MEMBERS otherwise shall have restricted rights and may participate in the conduct and affairs of the Association and examine the Association's books and records only to the limited extent authorized by the Board of Directors in its sole discretion. No AFFILIATE MEMBER shall use the Association's logo or image or the existence of its membership status in any advertising or promotional material or for any commercial use or purpose. No AFFILIATE MEMBER shall

represent, speak for, or have the authority to create any obligation for, the Association without the prior written consent of the Board of Directors.

POLICY 5

CODE OF ETHICS

Section 24. The Board of Directors of ARELLO® may reprimand or remove from office any ~~Active-Regulatory~~ Member found guilty of a violation of this Code of Ethics. The Board may also reprimand, remove from office or terminate the membership of any ~~Individual Member or~~ Member Emeritus found guilty of a violation of this Code of Ethics....

PROCEDURE 8

ADVISORY GROUPS

Section 1. Advisory Groups are established to provide avenues of useful input from non-regulators to regulator members of the Association. The President shall make appointments to Advisory Groups. Advisory Groups are to meet in a format (live, online or otherwise) at the pleasure and direction of the Advisory Group's leadership and membership and within the constraints imposed by the Association's budget policies for each Advisory Group. Preference should be given to members of the Association (full, Affiliate, ~~Allied~~, Associate, ~~Individual~~ and Emeritus) when appointments are made....

EXHIBIT F

Proposed Change to the BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale: To allow the Finance and Executive Committees to meet in closed session for certain limited purposes.

ARTICLE VIII

ASSOCIATION MEETINGS AND CONFERENCES

Section 3. All conferences and meetings of the Association shall be open. However, the presiding officer at such conferences, meetings, or working group meetings may close such sessions to persons other than ACTIVE-REGULATORY MEMBERS of the Association whenever the business of the meeting involves a discussion of: (a) ~~personnel matters;~~ (b) the purchase, sale, lease, or exchange of real property by the Association; ~~or (c) bids received in a sealed bidding process before a decision is made to award a contract based on that process;~~ (d) (b) security arrangements for meetings and space occupied by the Association; and (c) any matter for which the Bylaws or Policies and Procedures expressly require that a meeting be closed. The presiding officer may also close such sessions to persons other than the Executive Committee and/or Finance Committee whenever the business of the meeting involves a discussion of: (a) personnel matters; (b) bids received in a sealed bidding process before a decision is made to award a contract based on that process; or (c) any Association records identified in the Policies as being available only to the Executive Committee and/or Finance Committee.

EXHIBIT G

Proposed Change to the BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale: To re-establish the former Bylaws Committee as a standing committee named the Governance Review Committee, and to provide for a review process for proposed amendments to the Association's governing documents.

ARTICLE X BYLAWS

Section 2. Any MEMBER JURISDICTION, District, ~~ACTIVE-REGULATORY~~ MEMBER, or working group of the Association may propose amendments to the Bylaws by giving written notice as set forth in this Article. Such notice shall include the proposed amendment setting forth: (1) the Section or Sections proposed to be amended; (2) the proposed amendment(s) in legislative style; and (3) the rationale for such proposed amendment. The rationale should be a summary of the proposer's reason or reasons for the change and shall not limit, modify, or expand in any way the proposed language of the proposed amendment. Proposed amendments to the Bylaws shall be submitted to the Governance Review Committee no later than 60 days prior to the General Assembly at which a vote is to be taken on the amendment. The Governance Review Committee will ensure the amendment is in the proper format and not in conflict with other provisions of the Association's governing documents, and will be responsible for ensuring the amendment is noticed to the membership as set forth in the Bylaws. The General Assembly may amend without further notice to the membership any part of the language of the Section or Sections proposed to be amended and any other Sections that the presiding officer deems germane to the proposed amendment(s) regardless of whether such other Sections have been noticed.

ARTICLE XI POLICIES AND PROCEDURES

Section 6. Any MEMBER JURISDICTION, District, ~~ACTIVE-REGULATORY~~ MEMBER, Committee, Council, Board or Forum may propose amendments to Policies and Procedures, in writing, which proposal shall include: (1) the Policy or Procedure to be amended; (2) the proposed amendment(s) in legislative style; and (3) the rationale for the proposed amendment(s). Proposed amendments to the Policies and Procedures shall be submitted to the Governance Review Committee no later than 60 days prior to the Board of Directors meeting at which a vote is to be taken on the amendment. The Governance Review Committee will ensure the amendment is in the proper format and not in conflict with other provisions of the Association's governing documents.

EXHIBIT H

Proposed Change to the POLICIES AND PROCEDURES OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To ensure members of standing committees are aware of their obligation to avoid conflicts of interest.

PROCEDURE 6

STANDING COMMITTEES

Section 1. Standing Committees are to meet in conjunction with both meetings of the Board of Directors and at any other time with reasonable notice at the discretion of the Chair. All members of standing committees will sign a conflict of interest statement. In its area of responsibility, a Standing Committee may make recommendations to the Board of Directors and/or the General Assembly for amendments to the Association's governing documents in accordance with the Bylaws and Policies and Procedures.

POLICY 8

CONFLICT OF INTEREST

Section 3. Likewise, work group members must also act at all times in the best interests of the Association and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, work group members shall identify the potential conflict at the outset of any discussions and, as required, remove themselves from all discussion and voting on the matter. Work group members shall provide goods or services to the Association as a paid vendor to the Association only after full disclosure to, and advance approval by, the Board of Directors, and pursuant to any related policies and/or procedures adopted by the Board.

EXHIBIT I
Proposed Change to the
BYLAWS
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To clarify a District Vice President's responsibility to bring forward matters from District meetings to the Board of Directors.

ARTICLE IV

OFFICERS, DISTRICT VICE PRESIDENTS AND ELECTIONS

Section 6. District Vice-Presidents shall preside at their respective District meetings and shall represent the District in consultations with the President, the Board of Directors and others on affairs of the Association. District Vice-Presidents shall establish regular communication with the ~~Active~~REGULATORY Members within their District boundaries to inform them of and solicit input on relevant issues being addressed by the Association, bring forward to the Board of Directors issues from their District, ~~to~~ promote participation in Association activities, and ~~to~~ bring to each District Vice-President's service on the Board an informed perspective on the customs and practices of those members within their District. District Vice-Presidents shall serve on multiple working groups, as assigned by the President, to serve as liaisons for their Districts and for the Board of Directors.

EXHIBIT J
Proposed Change to the
BYLAWS
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To include language referencing the major programs administered by ARELLO under the Association's Objectives and Purposes.

ARTICLE II

OBJECTIVES AND PURPOSES

Section 1. The primary purpose of this Association shall be better administration and enforcement of real estate license and regulatory laws in the MEMBER JURISDICTIONS. The Association shall work to achieve this purpose by providing its members with opportunities for communication on license and regulatory law matters, administering programs that provide support to MEMBER JURISDICTIONS, ~~for~~ conducting research and obtaining information on license matters, and ~~for~~ professional improvement. The Association may also encourage and develop cooperation with all other organizations whose major objective is of a similar nature.

EXHIBIT K
Proposed Change to the
BYLAWS
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To clean up the voting procedures for President-Elect, DVP and directors. President-Elect automatically succeeds to office of President. DVPs and directors from each district should be elected by their respective district caucuses and not by the membership at large.

ARTICLE IV

OFFICERS, DISTRICT VICE PRESIDENTS AND ELECTIONS

Section 3. Nominations for each office, except President, in the Association shall be made by a nominating committee appointed by the President; but additional nominations may be made from the floor by any voting delegate of the Association. The presiding officer of the General Assembly shall call for a representative of that committee to present its slate of candidates. The representative shall first read the list of District Vice-Presidents, Directors, and Alternates as ~~identified-elected~~ by the Districts. The presiding officer shall then ask for a motion and a second to ratify the results of the elections by the various districts, recognizing these members as duly elected to the Board of Directors. The reading of their names shall by itself place them in nomination without the necessity of any other action by the voting delegates. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor, the presiding officer shall, at his or her option, call for a voice vote or a vote by a show of hands. If a nomination is made from the floor, in any contested race the presiding officer shall call for written balloting until one candidate receives a majority. Then, the presiding officer shall call for a voice vote or a show of hands on all other nominees. The representative of the nominating committee shall then present the committee's nominee or nominees for Treasurer. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor, and the nominating committee has submitted only one nominee, the presiding officer shall, at his/her option, call for a voice vote or a vote by a show of hands. If more than one candidate is submitted by the nominating committee or a nomination is made from the floor, the presiding officer shall call for written balloting until one candidate receives a majority. The representative of the nominating committee shall then present the committee's nominee or nominees for President-Elect. The presiding officer shall then ask whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If no such nomination(s) is made from the floor, and the nominating committee has submitted only one nominee, the presiding officer shall, at his/her option, call for a voice vote or a vote by a show of hands. If more than one candidate is submitted by the nominating committee or a nomination is

made from the floor, the presiding officer shall call for written balloting until one candidate receives a majority. When there is a contested election for an office referenced above, in order to be elected, a candidate must receive a majority of all votes cast. If there is a tie vote for first place for an elected office of ARELLO, the President shall allow each candidate to make a presentation not to exceed three minutes before the voting delegates cast a second ballot. If there is a tie vote after the second ballot, the President shall provide for a 15-minute caucus for each District, after which time a third ballot shall be cast. The balloting process shall continue in the same manner thereafter until a winner is declared. In the case where there is a tie for second place, only those candidates receiving votes equal to or greater than the tying number of votes shall proceed to the next ballot. If a member refuses to accept his or her nomination, his or her name shall be removed from consideration for office.

Section 4. The President-Elect shall, when necessary, perform the duties of the President and shall participate in Board, Executive Committee and other working group activities in order to be prepared to perform those duties should the need arise. The President-Elect shall perform any other duties assigned in the Policies and Procedures, as well as those delegated by the President. The President-Elect shall automatically ~~be nominated~~succeed to the office of President. ~~The presiding officer shall call for a vote on the election of the President-Elect to become President. The President-Elect, unless more than two-thirds of the voting delegates do not vote said President-Elect to the office of President, shall succeed to the office of President. The presiding officer shall administer a ballot of voting delegates for the individual who is automatically nominated President. If that President-Elect is not elected President, the presiding officer shall then ask the General Assembly whether any voting delegate wishes to make a nomination from the floor. No second is required to make a nomination. If only one such nomination(s) is made from the floor, the presiding officer shall, at his or her option call for a voice vote or a vote by a show of hands. If more than one nomination is made from the floor, the presiding officer shall call for written balloting until one candidate receives a majority.~~ If the President-Elect for the past year has chosen not to serve as President or is otherwise unavailable to serve, the Procedures outlined in the election for President-Elect in Section 3 above shall be followed in selecting a new President.

Section 10. Upon termination of license or regulatory law affiliation with any jurisdiction by an Officer or Director of this Association, or upon death, resignation, or other legal incapacity of an Officer or Director, said vacancy of said office shall be filled until the next general election in the following manner: (1) a vacancy in the office of President shall be filled by the elevation of the President-Elect to the office of President; (2) a vacancy in the office of President-Elect shall be filled, at the discretion of the Board of Directors, from among the membership of the Association by election of a President-Elect by the Board of Directors at its next scheduled meeting or any duly constituted special meeting; (3) a vacancy in the office of Treasurer shall be filled by appointment by the President; (4) a vacancy in the office of District Vice-President or Director shall be filled from the District wherein there is a vacancy. In filling a vacancy in the office of District Vice-President and District Director, unless the alternate Director is utilized, as set forth in Article V, Section 1, the President shall conduct an election by contacting the MEMBER JURISDICTIONS of the District wherein a vacancy exists; and the jurisdictions of such District shall nominate and elect a member of such District to fill the vacancy. This procedure shall apply to filling a vacancy in the alternate Director position. A plurality majority of votes cast shall be required for election to fill a vacancy under this Section.

**Proposed Change to the
POLICIES AND PROCEDURES
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS**

Rationale:

To clean up the voting procedures for President-Elect, DVP and directors. President-Elect automatically succeeds to office of President. DVPs and directors from each district should be elected by their respective district caucuses and not by the membership at large. Resolves a conflict in the documents where some references to this procedure referenced nominations and others referenced elections. Additionally, language has been added to this section that references a candidate's ability and commitment to serve and be in attendance at meetings. This language was taken from Procedure 5 Section 8 with regard to the commitment of members of working groups.

PROCEDURE 1

NOMINATION OF OFFICERS, DISTRICT VICE PRESIDENTS AND DIRECTORS

Section 1. It shall be the duty of each District Vice President to hold a ~~nominating~~ caucus at a scheduled meeting of the District or during the Annual Conference. The purpose of such caucuses shall be to ~~nominate~~ elect candidates for the offices of the District's Vice President, Directors and an Alternate Director, ~~and, If~~ may be recommended by the District as well. The District shall utilize secret ballots to resolve contested ~~nominations~~ elections. This list of ~~nominees~~ selected members to the Board of Directors, and any other recommendations the District may vote to make for other ARELLO® offices, shall be submitted to the Chair of the ~~n~~ Nominating cCommittee within one week of their ~~nomination~~ election, but in any event no later than 24 hours ~~or~~ prior to the ~~n~~ Nominating cCommittee's scheduled meeting at the Annual Conference, ~~whichever is earlier~~. When considering candidates for ~~nominations~~ the Board of Directors, Districts should bear in mind the desirability of providing for continuity on the Board of Directors by working to assure that Board ~~nominees~~ candidates possess the ability and willingness to serve the Association and will be ~~are~~ able to serve more than one year as a Director and ~~that~~ terms of service are staggered so that in any given one-year cycle new Directors may serve alongside some number from their same District who served in the previous cycle. Districts also should bear in mind the desirability of including both appointed officials and agency employees, and the desirability of inquiring whether a ~~nominee's~~ candidate's term of office or employment in his or her Member Jurisdiction equals or exceeds the term of the office to which such person is being ~~nominated~~ elected. Elections contested on the basis of procedure shall immediately be brought to the attention of the President, who may convene and preside over a meeting of the District strictly to resolve the matter and ensure a list of duly elected Directors and District Vice President is timely submitted to the nominating committee for presentation at the General Assembly meeting.

~~**Section 3.** In the event a District has recommended nominees for the offices to be filled, the caucus shall accept these recommendations unless released by the recommended nominee or obliged to replace a recommended nominee no longer eligible for membership in the Association.~~

EXHIBIT L

**Proposed Change to the
BYLAWS
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS**

Rationale:

To clarify the CEO's duties, and to correct a reference as to the body responsible for hiring the CEO.

ARTICLE IV

OFFICERS, DISTRICT VICE PRESIDENTS AND ELECTIONS

Section 8. In addition to the offices established elsewhere in this Article, the Association shall also establish an office known as the Chief Executive Officer who shall be appointed by the Executive Committee. The Chief Executive Officer is responsible to the Board of Directors for the operation of the Association and shall serve as secretary of the Association. The Chief Executive Officer shall receive such compensation and have such duties; as the Board of Directors shall determine in accordance with procedures established in the Policies and Procedures.

ARTICLE V

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Section 3. The Board of Directors shall be responsible for establishing Policies and Procedures consistent with these Bylaws. The Board shall set forth the Association's mission, purposes and goals. The Board shall direct and participate in a continuous process of planning to facilitate the accomplishment of those goals. The Board shall monitor the implementation of activities by various working groups and staff to ensure that progress is made toward those goals and that the Association's mission and purposes are being advanced. The Board shall ~~secure a Chief Executive Officer and~~ see that the Executive Committee performs periodic reviews of ~~this individual's~~ the Chief Executive Officer's performance. The Board shall ensure adequate resources for the Association to fulfill its mission and accomplish its plans. The Board shall approve annual budget goals, safeguard the tax-exempt status of the Association and ensure that appropriate financial controls are in place. The Board shall work with the Chief Executive Officer to monitor Association activities to assess whether they are consistent with the Association's mission and goals and whether they are operating effectively. The Board shall work to enhance the Association's public image and expand its visibility. The Board shall ensure legal and ethical integrity in Association activities. The Board shall ensure the effective governance of the Association through development of the appropriate working group structure and the periodic assessment of the efficiency of the various working groups and of the Board itself. The Board shall facilitate the development of events that serve to educate and connect members of the Association in accordance with the mission, purpose and goals set forth for the Association. The Board shall assess current issues and identify those that

are relevant for the Association's members and shall ensure that the Association provides leadership and resources on those issues. The affairs of the Association between meetings of the Board of Directors shall be administered by the Executive Committee, consistent with the Policies and Procedures set forth by the Board of Directors.

**Proposed Change to the
POLICIES AND PROCEDURES
OF THE ASSOCIATION
OF REAL ESTATE LICENSE LAW OFFICIALS**

Rationale:

To clarify that the CEO's duties are to oversee the meetings, while the Program Committee is responsible to develop conference programs.

PROCEDURE 4

DUTIES OF THE CHIEF EXECUTIVE OFFICER

Section 1. The Chief Executive Officer shall keep the minutes of all meetings of the Board of Directors and the General Assembly; ~~develop conference programs in coordination with the President;~~ oversee meeting planning functions of the Association as directed by the Board of Directors or Executive Committee; conduct the official correspondence of the Association;...

EXHIBIT M

Proposed Change to the BYLAWS OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To reference that ARELLO will use its own abbreviated Rules of Procedure instead of Sturgis for conducting meetings.

ARTICLE VIII

ASSOCIATION MEETINGS AND CONFERENCES

Section 6. ARELLO'S Simple Rules of Procedure for Occupational Licensing Agencies, ~~The Standard Code of Parliamentary Procedure by Alice Sturgis~~, latest edition, shall be recognized as the parliamentary authority governing all meetings and conferences when not in conflict with these Bylaws.

Proposed Change to the POLICIES AND PROCEDURES OF THE ASSOCIATION OF REAL ESTATE LICENSE LAW OFFICIALS

Rationale:

To reference that ARELLO will use its own abbreviated Rules of Procedure instead of Sturgis for conducting meetings.

PROCEDURE 13

DISTRICT MEETINGS

Section 1. The requirements listed in this section shall apply to any meeting or portion of a conference where any number of ARELLO® jurisdictions propose official action for the Association in the name of the District, including, but not limited to, the election of District representatives for official ARELLO® positions, the nomination and/or endorsement of persons for ARELLO® officer positions, the recommendation of changes to the Association's governing documents, or the recommendation of a policy statement for adoption by ARELLO®. Minutes shall be kept at such District conferences and copies shall be forwarded to the President and Chief

Executive Officer of the Association. ARELLO'S Simple Rules of Procedure for Occupational Licensing Agencies, ~~*The Standard Code of Parliamentary Procedure* by Alice Sturgis~~, latest edition, shall prevail at such District conferences and meetings in the absence of specific guidance in the Bylaws. Any items requiring a vote at a District meeting shall be voted on by the voting delegate of each Member Jurisdiction. The selection of voting delegates shall be the same as previously set forth in the Bylaws and Policies and Procedures. Only votes in contested elections shall be by secret ballot by the voting delegates.