



Proposed Sale of REcolorado FAQs

Updated July 2, 2024

Are DMAR and SMDRA in an agreement to sell their respective shares of the REcolorado MLS?

After extensive conversations with the respective boards, including research and evaluation of long-term options, the Denver Metro Association of Realtors® (DMAR) and the South Metro Denver Realtor® Association (SMDRA), the shareholders of REcolorado, have agreed in principle through a letter of agreement to sell the Denver area Multiple Listing Service (MLS) to a private company.

Who is the buyer?

DMAR and SMDRA have signed a Letter of Intent (LOI) to sell the company to MAZL, LLC, a private company formed specifically to acquire the MLS service. Headed by J. Burks, a leader in the real estate industry for more than 40 years, MAZL has agreed to purchase REcolorado from DMAR and SMDRA furthering MAZL's unwavering dedication to supporting Colorado Realtors® and licensees, ensuring that the MLS remains an MLS and a cornerstone of the real estate community, with an even broader offering of services. It's important to clarify that MAZL is not a Private Equity Firm but rather a private entity.

Why didn't the shareholders accept the REcolorado redemption offer?

After consideration of the terms of both the MAZL offer and the REcolorado redemption, the terms of the MAZL offer were most favorable to the subscribers and members of the Associations and were approved unanimously by each Association's Board of Directors.

Were the REcolorado board of directors removed from their positions? If so, why?

As complete shareholders of Metrolist, Inc./dba REcolorado, DMRA and SMDRA boards of directors and their respective and appointed leadership teams representing the full membership of the Associations, have signed and submitted a joint, unanimous resolution removing all REcolorado board members from their position and duties, effective immediately. This decision and action were taken as a result of the violation of the board of directors' signed obligations to maintain confidentiality.

How will this sale impact the MLS services available to DMAR/SMDRA members?

Our priority is to ensure that all members retain full access to MLS data and functionality that is critical to their business. MAZL has shared its commitment to providing a broker-centric platform and assurance that the company will continue to operate as a Multiple Listing Service, maintaining its core mission of delivering exceptional data, tools and resources to Realtors® and licensees.

Will this sale result in an increase in my Association/MLS dues? If so, when and how much?

The shareholders have built into the Letter of Intent (LOI) that the end user costs will either remain the same or be capped at a minimum annual increase.

Were other bids offered/considered?

Both boards and leadership teams evaluated several legitimate offers for the sale of the REcolorado shares. After a lengthy and comprehensive evaluation, including evaluation with our Association counsel and Merger and Acquisition counsel, we determined that this offer best meets the long-term needs and services of our members.

Why does DMAR/SMDRA leadership believe that selling its shares in REcolorado makes sense at this time?

We strongly believe that this is the right time to sell the MLS, as the industry continues to advocate decoupling from the Realtor® Associations that have long owned the MLS. As has been widely reported in industry reports and media coverage, decoupling MLSs and Realtor® Associations could help protect MLS organizations from ongoing antitrust litigation. Separating could also improve MLS management, according to the latest Swanepoel Trends Report, which also recommended that MLSs be structured as for-profit businesses, while Realtor® Associations should be nonprofit organizations.

Do the Associations' leadership/board of directors have the power to make decisions about the sale of the MLS?

Yes. As elected members of the respective Association boards, each member of the leadership team has been actively engaged in the conversations, evaluation and decisions made on behalf of their members. Working in cooperation with our Associations' counselors, including Merger and Acquisitions counsel, we have worked diligently and thoroughly to research and consult on what we believe are the best decisions for the entire membership.

Does the sale of the Associations' shares require a vote of the membership?

No. Similar to other asset transactions of the associations, these decisions are entrusted to the decision-making of the respective boards of directors and leadership teams.

Why weren't the members of DMAR/SMDRA informed about the intent to sell the shares of REcolorado?

Unfortunately, the information about the proposed sale was leaked to industry media outlets in violation of the non-disclosure agreements. We apologize for not being able to share the information earlier. Our commitment is to keep our members informed as the process unfolds.

How will the money from the sale be used by the Associations?

As the Associations are trade associations, the IRS code states that no part of earnings may inure to the personal benefit of any private shareholder or individual. The Associations are committed to using proceeds for the benefit of our respective memberships in tools and services to assist our members.

Will individual members receive any of the money from the sale?

Proceeds from the sale will be used per IRS guidelines and the Associations are devoted to providing better member benefits through education, market information, tools and services, advocacy efforts and deeper conditions to other members in the real estate business.

How much will MAZL, LLC pay for the company and when will the deal close?

At this point in the process, we have secured a signed Letter of Intent (LOI) and continue conducting our due diligence on every detail of the proposed sale. The parties continue to work toward a completed sale contract. The sale price and timeline for the completion of the transaction have not been disclosed.

When will members be able to get additional details on the proposed agreement?

Again, we apologize that the legal requirements and obligations of the sale process keep us from sharing additional details at this time. Our commitment to each of you is to share those details as soon as possible.

How will this sale impact the MLS services available to REcolorado subscribers?

The MLS is an essential part of your business, and we remain committed to being your MLS partner. Our priority is to ensure that all subscribers retain full access to MLS data and functionality that is critical to their

business. MAZL has shared its commitment to providing a broker-centric platform and assurance that REcolorado will continue to operate as a Multiple Listing Service, maintaining our core mission of delivering exceptional data, tools, and resources to our subscribers.

Will the sale of REcolorado affect protections it will receive from the opt-in to the NAR Settlement?

REcolorado has submitted all necessary paperwork to opt-in to the NAR settlement. The protections REcolorado will receive by opting in will carry forward with new ownership and the company will comply with the terms of the settlement.

Who is leading REcolorado now?

A change in leadership is a common part of the transition to new ownership. Larry D. McGee, a former Chairman of the REcolorado Board of Directors and award-winning real estate broker, will serve as interim CEO during the transition. Once the sale is final, a new CEO will be named. The transitional Board of Directors includes Brenden Bailey, CEO of DMAR; Jessica Reinhardt, Past President of DMRA; Melissa Maldonado, CEO of SMDRA; and Janet Marlow, Past President of SMDRA.