

PLAN OF MERGER



This PLAN OF MERGER (the “Plan”) is by and between the **PINELLAS SUNCOAST ASSOCIATION OF REALTORS, INC. d/b/a PINELLAS REALTOR ORGANIZATION (“PRO”)**, a Florida not-for-profit corporation, and **HERNANDO COUNTY ASSOCIATION OF REALTORS, INC. (“HCAR”)**, a Florida not-for-profit corporation.

WHEREAS, PRO is a Florida not-for-profit corporation qualifying under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (“Code”), organized and operated to provide professional services to its members in all matters pertaining to real estate, to promote the interests of the real estate industry and real estate professionals, and to promote the standards of conduct of the National Association of Realtors® (“NAR”); and

WHEREAS, HCAR is a Florida not-for-profit corporation qualifying under Section 501(c)(6) of the Code, organized and operated to provide professional services to its members in all matters pertaining to real estate, to promote the interests of the real estate industry and real estate professionals, and to promote the standards of conduct of NAR; and

WHEREAS, the Board of Directors of PRO and the Board of Directors of HCAR have determined that it is in the best business interests of PRO and HCAR, respectively, and their respective members, and that the purposes and missions of both PRO and HCAR can be accomplished more efficiently and more effectively, if the businesses of each of PRO and HCAR are combined into and operated from one corporation; and

WHEREAS, in furtherance of such combination, the Boards of Directors of PRO and HCAR have each adopted this Plan and approved the merger in accordance with the terms and conditions set forth herein and in accordance with Chapter 617, Florida Statutes (“Merger”), with PRO being the surviving corporation (“Surviving Corporation”); and

WHEREAS, as a result of the Merger, PRO Biz, Inc. the subsidiary of PRO will continue to be a wholly-owned subsidiary of the Surviving Corporation.

WHEREAS, the Surviving Corporation will continue to be organized and operated to provide professional services to its members in all matters pertaining to real estate, and to promote the interests of the real estate industry and real estate professionals, and to promote the standards of conduct of National Association of Realtors (NAR), with an increased membership within the combined geographical areas of PRO and HCAR.

NOW, THEREFORE, in consideration of the mutual covenants and subject to the terms and conditions set forth below, the parties hereto agree as follows:

I. Merger: At the Effective Date (as defined below), Hernando County Association of Realtors, Inc. (HCAR) shall be merged with and into the Pinellas Suncoast Association of Realtors, Inc. d/b/a Pinellas Realtor Organization (PRO). The wholly owned subsidiary, Hernando County Information Services, Inc. shall be merged with and into, the wholly owned subsidiary, PRO Biz, Inc., which shall remain a subsidiary of the Surviving Corporation. As soon as practicable after satisfaction or waiver of the conditions of the parties to consummate the Merger, including the approval by the members of PRO, HCAR and by NAR, PRO shall file articles of merger (“Articles of Merger”) in accordance with Chapter 617, Florida Statutes, and make all other filings or recordings and take all other action required by applicable law and this Plan in connection with the Merger.

II. Terms and Conditions of Proposed Merger

- a. **APPROVALS:** The Plan shall be duly approved and adopted by the Boards of Directors of PRO and HCAR and will be submitted to the membership of PRO and HCAR for their approval and adoption at a date to be determined. No further member action will be required with respect to any future corporate action involving the Surviving Corporation.
- b. **DUE DILIGENCE REVIEWS:** It is contemplated that due diligence and document preparation shall have been accomplished and satisfied within 30 days of membership approval of the Plan or as soon thereafter as is reasonably practicable. On such date, each corporation shall sign Articles of Merger outlining the terms and conditions of the Merger.
- c. **CLOSING; EFFECTIVE DATE:** The Merger shall be effective at such time as the Articles of Merger are duly filed with the Florida Department of State in accordance with Chapter 617, Florida Statutes (“Effective Date”).
- d. **NAME:** Subject to NAR approval; it is intended that as soon as is administratively possible (concurrently with or following the Effective Date), the Surviving Corporation’s name will remain the Pinellas Suncoast Association of Realtors, Inc. d/b/a Pinellas Realtor Organization. HCAR will be a Chapter of the Surviving Corporation and will maintain its unique branding.
- e. **FISCAL YEAR:** The fiscal year of the Surviving Corporation will continue to be a December 31 year end.

III. Statement of Changes in the Articles of Incorporation of the Surviving Corporation:

- a. **TERRITORY:** The Articles of Incorporation and the Bylaws of the Surviving Corporation shall be amended as of the Effective Date to restate the territorial jurisdiction of the Surviving Corporation as a member of NAR, along with any other changes deemed advisable for the combination of the Associations. All of

Hernando County, Florida will be incorporated into the Surviving Corporations Bylaws (See Exhibit A).

- b. **MEMBERSHIP:** As of the Effective Date, all of the active members in good standing of HCAR shall become members of the Surviving Corporation by virtue of the Merger and without any action on the part of the members thereof and at the same membership classification that they currently hold. All members of PRO shall remain as members of the Surviving Corporation and at the same membership classification that they currently hold.
- c. **GOVERNING BOARDS:** Prior to the Effective Date, the officers and directors of the respective parties shall continue to serve in their respective capacities. As of the Effective Date, the officers and directors of the Surviving Corporation shall be as set forth on Exhibit A to this Plan.
- d. **CHAPTER STATUS OF MERGED CORPORATION:** Immediately upon the Effective Date of the Merger, HCAR shall reconstitute itself as the Hernando Chapter of the Pinellas Suncoast Association of Realtors, Inc. (the "Chapter"). The Chapter shall maintain a presence and visibility in Hernando County and will continue to advocate for home ownership. The Chapter shall be governed by and act in a manner consistent with the policies and procedures set forth in the Bylaws of PRO. The Chapter will conduct its business in the following manner:
 - i. The Chapter acknowledges that it will be an "unincorporated" association and a chapter of PRO.
 - ii. The initial Board of Directors of the Surviving Corporation may form a Chapter Council/Committee for the further organization of the Chapter to facilitate serving the needs of the public in the merged corporation's geographical area.
 - iii. On any such further organization of the Chapter, the Chapter acknowledges and agrees that it shall provide notification of any and all Chapter events and activities to PRO.
 - iv. The Chapter shall abide by the policies and procedures set forth by PRO.

IV. Covenants: Subsequent to the approval and execution of this Plan by both Corporations and until and including the Effective Date, PRO and HCAR agree that:

- a. The business of the Corporations will be conducted in the ordinary and usual course.
- b. The Corporations shall not: (i) amend their Articles of Incorporation; or (ii) change, combine or reclassify the memberships of members of their respective Corporation inconsistent with its Bylaws in existence at the time of signing this Plan.
- c. No party to this Plan shall: declare, set aside or make undisclosed distribution of any property without first disclosing such action to the other party and unless agreed to by the parties in writing.

- d. Each party shall use its best efforts to preserve intact the business organization (to keep available the services of its current officers and key employees) and to preserve the goodwill of those having business relationships with them.
- e. Each party agrees to promptly notify the other party at any time prior to the Effective Date if a representation or warranty, if any, provided to the other party in writing becomes materially inaccurate or no longer true.
- f. Both PRO and HCAR will jointly enter into a Plan of Merger for the two wholly-owned subsidiaries, In that Plan, Hernando County Information Services, Inc. will be merged into PRO Biz, Inc. The surviving corporation will be charged with negotiating a termination of an existing Multiple Listing Service contracts.
- g. Upon all parties' adoption of the Plan of Merger, but prior to filing of the Articles of Merger with the Florida Department of State, Division of Corporations, HCAR shall cause the mortgage debt encumbering 7321 Sunshine Grove Road, Brooksville, Florida (the "HCAR Property") to be paid in full from HCAR funds. In consideration for this debt repayment, and that HCAR members will have paid for the building and land in its entirety prior to the merger, the surviving corporation will require that any subsequent sale or commercial lease to a third party of the real property in question be approved in writing by a PRO/HCAR committee comprised of three members of the HCAR Chapter Council and three members from the PRO Board of Directors and the non-voting PRO Chairman of the Board. Robert's Rule of Order will be used in these proceedings. Except as previously stated regarding the HCAR Property, and until the Articles of Merger are filed with the State of Florida no party to this Plan shall declare, set aside or make undisclosed distributions of any other asset without first disclosing such action to the other party and unless agreed to by the parties in writing.
- h. Video conferencing and virtual classroom technology for both PRO and HCAR will be put into place as soon as possible after the effective date of the merger.

V. Abandonment of Merger: This Plan may be terminated, and the Merger abandoned at any time before the Effective Date upon the majority vote of the Board of Directors of either Corporation.

VI. Costs and Expenses: Each Corporation shall bear its own costs and expenses (including accounting, legal and other professional fees and expenses) incurred in connection with this Plan and the transactions contemplated hereby.

VII. Wholly-Owned Profit Subsidiary

- a. The members of the surviving subsidiary corporation board of directors will be selected by the Board of Directors of the Pinellas Suncoast Association of Realtors, Inc.
- b. The Hernando County Information Services, Inc. will be merged into PRO Biz, Inc., which then will be the only surviving wholly-owned profit subsidiary (See Section IV Convents paragraph f).

- c. The initial Board of Directors upon the Effective Date shall consist of up to nine (9) Members, who are broker principals, partners, corporate officers, managing brokers, and a maximum of two (2) broker associates who are non-owners or managers and the Chief Executive Officer.

VIII. Public Foundation

- a. The Surviving Corporation will retain its public foundation, Pinellas Realtor Foundation, Inc., a Florida not-for-profit corporation and request that the Board of Trustees considers renaming the organization to reflect the expanded community.
- b. The initial Board of Trustees shall remain the same upon the Effective Date and its Chief Executive Officer and President will make a recommendation to add the HCAR Past Presidents willing and able to serve on its Board of Trustees. The Chief Executive Officer and President of the foundation is the Chief Executive Officer and President of the Surviving Corporation.

IX. Committees

- a. Committees of both PRO and HCAR will continue for the balance of the year and will be evaluated by the Board of Directors for future years.
- b. The 2019 and 2020 Officers and Chapter Chairman will be stated in Exhibit A.
- c. The HCAR Chapter Council will be comprised of 9 members for the remainder of 2019, then will be comprised of a Chair, Director, and 3 Directors (for a total of 5 members) for future years.

X. Political Action Committee and Advocacy Fund (PAC)

- a. The Surviving Corporation will retain its Political Action Committee (PAC) as organized under Section 527 of the Internal Revenue Code.
- b. The current PAC assessment will be evaluated upon merger by the 2019 Board of Directors.
- c. The current Advocacy Fund assessment will be evaluated by the 2019 Board of Directors.

XI. Nominating Committee

The 2019 Nominating Committee will be made up of Past Chairman/Presidents and At-Large Members from PRO, the Central Pasco Chapter and the Hernando County Chapter of PRO. Nominating Committee members cannot run for an open position on the Board of Directors. They may sit on the Nominating Committee if they are fulfilling an existing term. The Chairman of the Board will be a voting member of the Nominating Committee. The bylaws changes necessary are outlined in Exhibit A.

XII. Florida Realtors (FR) and the National Association of Realtors (NAR) Directors

- a. 2019 Florida Realtor® Directors of both PRO and HCAR will continue until the end of their term.
- b. Starting in 2020 and going forward, Florida Realtor® directorships will be assigned by the Board of Directors based on the Surviving Corporation FR/NAR Director Policy. The HCAR Chapter Chair and Director serving on the PRO Board of Directors will have first right for two Directorships on the Florida Realtors Board of Directors.
- c. 2019 NAR Directors of PRO will continue till the end of their term.
- d. Starting in 2020 and going forward, NAR Directors will be determined by the Surviving Corporation's Board of Directors based upon the NAR director policy.

XIII. Travel

- a. FR Directors will be reimbursed for two (2) FR Meetings, determined by the Surviving Corporation's FR/NAR Director Policy.
- b. NAR Directors will be reimbursed for two (2) NAR Meetings, determined by the Surviving Corporation's FR/NAR Director Policy.
- c. Other travel funding will be decided by the merger transition team to be finalized by the Board of Directors.

XIV. Bylaws

Effective as of the Merger Effective Date, the existing Surviving Corporation's bylaws will be amended as needed to reflect the Hernando County Chapter participation in the Surviving Corporation.

XV. My Florida Regional Multiple Listing Service (MFRMLS)

- a. All MFRMLS shares will become the property of the Surviving Corporation.
- b. The current shareholder representative and shareholder appointed directors shall remain in 2018/2019 and will be reevaluated in the 2019/2020 year. HCAR will be allocated one MFRMLS Director position upon the Plan of Merger being adopted and will serve a one year position from July 1, 2019 – June 30, 2020.
- c. All MFRMLS Committee appointments will remain for 2019 and will be re-evaluated by the Board of Directors in the following MFRMLS fiscal year, beginning July 1, 2020.

XVI. Contracts

- a. David B. Bennett, CMLX¹, RCE, CAE, current PRO President and CEO will be the President and CEO of the Surviving Corporation. The Executive's contract

will survive along with all other contractual provisions, including key man life insurance and deferred compensation agreements.

- b. Joe Farrell, the current Director of Public Policy for PRO will be retained under his existing employment contract with the PRO. The contract between HCAR and PRO for Governmental Affairs Directors (GAD) services will be terminated, but GAD will continue to perform GAD functions in Hernando County since that becomes a part of the Surviving Corporation's territory.
- c. The debt encumbering the HCAR Property will be paid off by HCAR as provided in Section IV Covenants, paragraph g.
- d. Contracts may be terminated or continued by the Surviving Corporation (or by PRO for the benefit of the Surviving Corporation), in consultation with legal counsel. Contracts may also be re-negotiated.
- e. Assets of both of PRO and HCAR become the property of the Surviving Corporation.

XVII. Staffing

- a. Existing HCAR staff will become employees of PRO and will not be terminated without cause for a minimum of one year from the Effective Date of this Plan. Personnel and staffing needs will be evaluated by the President and CEO. If there is voluntary turnover in any of the existing staff, it is the sole discretion of the President and CEO whether to fill or leave those positions vacant.
- b. A revised employee policy manual will be presented to the 2019 Board of Directors for ratification.

XVIII. Member Dues

- a. Member dues and MLS fees will not change for the current year; the future fees will be established by the new Board of Directors.
- b. All members will pay equal dues and MLS Fees in 2020 and beyond.

XIX. Office Locations and Hours

- a. The Surviving Corporation headquarters will be located at 4590 Ulmerton Road Clearwater, Florida 33762.
- b. The Central Pasco Chapter office shall be located at 2009 Osprey Lane, Lutz, Florida 33549.
- c. The Hernando County Chapter office shall be located at 7321 Sunshine Grove Road, Brooksville, Florida 34613. (see Section IV Covenants paragraph g).
- d. The office hours of all locations shall be 8:30 a.m. to 5:00 p.m.

XX. Effect of Merger When the Articles of Merger have been approved by the Florida Department of State as provided for under Florida Statute 617, Corporations not for Profit, the separate existence of Hernando County Association of Realtors, Inc. shall cease, and said corporation shall be merged into the Surviving Corporation in accordance with this Plan of Merger, into the Pinellas Suncoast Association of Realtors, Inc. PRO shall continue in existence and shall without other transfer, succeed to the ownership and possession of all of the rights, privileges, immunities, and powers of each of the constituent corporations. All the property and assets, real and personal, tangible and intangible, including operating, and capital and other funds and all rights which either constituent corporation enjoyed as a beneficiary of any trust or similar arrangement, and all causes of action, and every other asset of each of the constituent corporations, shall vest in such Surviving Corporation without further act or deed. The Surviving Corporation shall assume and be liable for all the liabilities, obligations, and penalties of each of the constituent corporations. Notwithstanding the foregoing, if any act is required that would be helpful by a constituent corporation in order to transfer any such property, assets, or rights, each such constituent corporation will perform any and all such acts. No liability or obligation due or to become due, claim or demand for any cause existing against either corporation, or any member, officer, or director thereof, shall be released or impaired by such Merger. No action of proceeding, civil or criminal, then pending by or against either constituent corporation, or any member, officer, or director thereof, shall abate or be discontinued by such Merger, but may be enforced, prosecuted, settled or compromised as if such Merger had not occurred, or the Surviving Corporation may be substituted in such action in place of either constituent corporation.


XXI. Adoption of Plan of Merger

- a. The foregoing plan has been duly approved and adopted by the Board of Directors of the Pinellas Suncoast Association of Realtors, Inc., February 11, 2019, and by the Pinellas Suncoast Association of Realtors, Inc. membership on _____, 2019.
- b. The foregoing plan has been duly approved and adopted by the Board of Directors of the Hernando County Association of Realtors, Inc., February 7, 2019, and by the Hernando County Association of Realtors, Inc. membership on _____, 2019.
- c. The foregoing plan has been duly approved by National Association of Realtors, Inc. on _____, 2019

Dated:

PINELLAS SUNCOAST ASSOCIATION OF REALTORS, INC., dba PINELLAS REALTOR ORGANIZATION.

Feb 11, 2019

By: 
David B. Bennett, President and CEO

Dated:

PINELLAS SUNCOAST ASSOCIATION OF REALTORS, INC., dba PINELLAS REALTOR ORGANIZATION.

Feb 11, 2019

By: 
Kevin Batdorf, Chairman of the Board

Dated:

HERNANDO COUNTY ASSOCIATION OF REALTORS, INC.

Feb 11, 2019

By: 
Patricia Richard, President

Attest:

2-11, 2019

By: 
Michele Archbell, President-Elect

EXHIBIT A

Governance and Leadership - The initial Board of Directors (BOD) upon the effective date shall consist of 19 Members and the non-voting President and CEO.

Officers:

Chairman of the Board - Kevin Batdorf

Chair-Elect - Cyndee Haydon

Secretary - Tom Steck

Treasurer - Glen Richardson

Past Chairman - Paul Hendriks

President and CEO, David B. Bennett, CMLX¹, RCE, CAE

Directors:

Linda Wilson

Michael Wyckoff

Manuela Hendrickson

Mindy Rovillo

Jill Long

Ken Breland

Central Pasco Realtors Chapter Leadership:

Lars Kier (Chapter Chair)

Lyndie House (Chapter Director)

Hernando Realtors Chapter Leadership:

Pat Richard (Chapter Chairman)

Michele Archbell (Chapter Director)

Appointed Directors: (All appointed to one-year terms, based on agent counts)

Fred Hintenberger

Marsha Gordon

Rachel Sartain

Jim Schanz

- a. The 2019 Chair-Elect, Cyndee Haydon will be the 2020 Chairman of the Board.
- b. The 2019 Chairman of the Board, Kevin Batdorf will become the 2020 Past Chairman.
- c. Chapter Chairs are not officers or at large directors.
- d. The 2020 HCAR Chapter Chair will be Michele Archbell.
- e. The MFRMLS Director for HCAR will be Debra Myers (See XV MFRMLS b.)
- f. In 2019 and going forward, open officer, chapter chair and director seats will go through the Nomination process.

EXHIBIT A

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ARTICLE XI – OFFICERS AND DIRECTORS

Section 4. NOMINATIONS AND ELECTION

A. NOMINATING COMMITTEE *(Bylaws Change)*

A Nominating Committee will be appointed by the Chairman of the Board. The Nominating Committee shall consist of one (1) Immediate Past Chairman/Past Presidents, **from each of the Chapters and from PRO**, or if unable to serve, a Past Chairman/Past Presidents willing to serve; the Chairman of the Board, and five (5) Association members in good standing. No member of the Nominating Committee shall be eligible for nomination for any position. The Nominating Committee shall select one candidate for each open position.

Nominating Committee:

- Chairman of the Board
- Chapter Past President
- Chapter Past President
- PRO Past Chairman
- Member
- Member
- Member
- Member
- Member

ARTICLE III – JURISDICTION *(Bylaws Change)*

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is all of Pinellas County, **and Hernando County**, Florida and **Central Pasco** - WESTERN BOUNDARY: For a point of beginning, commencing at the SOUTHEAST corner of Section 33, Township 26 South, Range 18 East at the Hillsborough-Pasco County line, thence North along Range 18 East to the Northeast Corner of Section 4, Township 24 South, Range 18 East on the boundary line of Pasco and Hernando Counties: NORTHERN BOUNDARY: Thence East on the boundary line of Pasco and Hernando Counties to the Centerline of the Right-of-Way for US Highway Interstate I-75; EASTERN BOUNDARY; Thence Southwesterly along the Centerline of the Right-of-Way for US Highway Interstate I-75 to the Pasco-Hillsboro County line boundary; SOUTHERN BOUNDARY; Thence West along the Pasco-Hillsborough County line boundary to the Southeast Corner of Section 33, Township 26 South, Range 18 East the point of beginning, all being in Pasco County, FL. And the above mentioned Land O'Lakes Board to contain 111,680 acres more or less (jurisdictional territory released by the Dade City and Zephyrhills Boards for the formation of this board).