

COSTA RICA SOTHEBY'S INTERNATIONAL REALTY® (“Broker”)**DISCLOSURE NOTICE**

THIS IS NOT A CONTRACT. It is a disclosure notice for your information and protection that describes the various types of agency relationships that can exist in real estate transactions.

CONSUMER PROTECTION

COSTA RICA SOTHEBY'S INTERNATIONAL REALTY® complies with the Code of Ethics and Standards of Practice of the National Association of REALTORS® and adheres to the principles of fair dealing including fulfillment of fiduciary duties, full and fair disclosure, and not favoring one customer over another. The information and professional advice provided by the firm is impartial and independent. We are advocates for efficient and transparent markets and have committed to expanding the level of professional ethics and responsibility in Costa Rica's real estate industry.

TYPES OF AGENCY RELATIONSHIPS

Whether you are the buyer or seller, you may choose to have the advice, assistance and representation of your own agent, who works for you. Do not assume that a real estate agent works solely for you unless you have an agreement for that relationship.

Broker may be engaged as a Seller's Agent, Buyer's Agent, Dual Agent, or Designated Agent. Regardless of the type of agency, Broker is committed to presenting all properties honestly and accurately and disclosing any known material defects. Broker's agents owe you certain additional affirmative duties based on the type of agency relationship described below.

SELLER'S AGENT. A Seller's Agent under a listing agreement with the Seller acts as the agent for the Seller only. They must put the Seller's interest first and negotiate for the best price and terms for their client, the Seller. As a Seller's Agent, Broker would have the following affirmative obligations:

To the Seller:

- (a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
- (b) Making a continuous and good faith effort to find a Buyer for the property, except while the property is subject to an existing agreement.
- (c) Confidentiality, except that a licensee has a duty to reveal known material defects about the property.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.
- (d) An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.
- (e) Disclosure to other parties in the transaction that the licensee has been engaged as a seller's agent.

Broker/Agent _____

Client _____

Costa Rica Sotheby's International Realty

P.O. Box 11182-1000
San José, Costa Rica
t 506.2253.5333 / toll free 800.277.0382 / sircostarica.com

A Seller's Agent may compensate other brokers as subagents if the seller agrees in writing. Subagents have the same duties and obligations as the Seller's Agent. Seller's Agents may also compensate Buyer's Agents who do not have the same duties and obligations as Seller's Agents. If you enter into a listing agreement, the other sales representatives in the company owe you the same duties identified above under Seller agency. The exception is *Designated Agency*. See the *Designated Agency* section in this notice for more information.

BUYER'S AGENT. *Buyer agency* is a relationship where the Broker, upon entering into a written agreement, works only for the Buyer. The Buyer's Agent must put the Buyer's interest first and negotiate for the best price and terms for their client, the Buyer. A Buyer's Agent has the following affirmative obligations:

To the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
- (b) Confidentiality, except that a licensee is required to disclose known material defects about the property.
- (c) Making a continuous and good faith effort to find a property for the Buyer, except while the Buyer is subject to another existing contract.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.
- (d) Disclosure to other parties in the transaction that the Broker has been engaged as a Buyer's agent.
- (e) An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

A Buyer's Agent may be a paid fee, which may include a percentage of the purchase price, and, even if paid by the Seller, will represent the interests of the Buyer. If you enter into a written agreement, the other sales representatives in the company owe you the same duties identified above under Buyer agency. The exception is designated agency. See the designated agency section in this notice for more information.

DUAL AGENT. *Dual agency* is a relationship where the Broker acts as the agent for both the Seller and the Buyer in the same transaction with the written consent of both parties. In this type of agency relationship, the broker does not represent either the seller or buyer exclusively, and they cannot expect the broker's undivided loyalty. A dual agent must deal with each party fairly and honestly and be neutral with regard to any conflicting interest of the seller and buyer. Dual agents owe the additional duties of:

- (a) Taking no action that is adverse or detrimental to either party's interest in the transaction.
- (b) Unless otherwise agree to in writing, making a continuous and good faith effort to find a Buyer for the property and a property for the Buyer, unless either are subject to an existing contract.
- (c) Confidentiality, except that Broker is required to disclose known material defects about the property.

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DESIGNATED AGENT. In *Designated Agency*, Broker may designate one or more of its agents to represent the seller while designating other agents to represent the buyer. The real estate agent once so designated is then the agent for either the buyer or seller, who becomes their client. The designated agent owes the buyer or seller undivided loyalty, reasonable care, disclosure, obedience to lawful instruction, confidentiality and accountability; provided, however, that the agent must disclose known material defects. The agent must put their client's interests first and negotiate for the best price and terms for their client. In situations where Broker designates agents to represent the separate interests of the seller and buyer Broker becomes a dual agent with the additional duties of:

- (a) Taking reasonable care to protect any confidential information disclosed to the Broker.
- (b) Taking responsibility to direct and supervise the business activities of its agents who represent the Seller and Buyer while taking no action that is adverse or detrimental to either party's interest in the transaction.

CONSUMER RESPONSIBILITY

The above duties of the Broker in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

ACKNOWLEDGMENT

I, the undersigned agent, have provided this disclosure form to _____ and have informed him/her that I am a:

- Seller's Agent
- Buyer's Agent
- Dual Agent
- Designated Seller's Agent
- Designated Buyer's Agent

COSTA RICA SOTHEBY'S INTERNATIONAL REALTY

By: _____
Agent name

Date: _____

We have read this agency disclosure form in its entirety. We understand that this form is for agency disclosure purposes only and is **NOT A CONTRACT**.

Client

Client

Broker/Agent _____

Client _____