

AGENCY DISCLOSURE

UNDERSTANDING WHOM REAL ESTATE AGENTS REPRESENT

The following is the Vermont Real Estate Commission's Mandatory Consumer Disclosure: This mandatory disclosure shall be given to the consumer at the first reasonable opportunity, and must be given to the consumer before discussion of confidential information; entering into a service agreement; or showing a property.

CUSTOMER: Right now you are a CUSTOMER. As such, Earth Asset and its agents are not obligated to keep confidential the information that you might share with them. As a customer, you should not reveal any confidential information that could harm your bargaining position. Vermont law requires all agents to perform basic duties when dealing with a Buyer and Seller. You can except the agent with whom you deal to provide the following services whether you are a CUSTOMER or a CLIENT:

- To disclose all material facts pertaining to the property know to the agent.
- To treat both the Buyer and Seller honestly and not knowingly give false or misleading information.
- To account for all money and property received from or on behalf of the Buyer or Seller.
- To comply with all state and federal laws related to the practice of real estate.

CLIENT: You may become a CLIENT. Whether you are selling or buying, CLIENTS receive more than CUSTOMERS. You become a CLIENT by entering into a written contract with a real estate brokerage firm. All agents in the firm work for you. In addition to the services noted above, as a CLIENT you can expect the following services:

- Confidentiality, including bargaining information.
- Promotion of your best interest within the limits of the law.
- Advice and counsel.
- Assistance in negotiations.

IMPORTANT INFORMATION:

- You are not required to hire a brokerage firm for the purchase or sale of Vermont real estate.
- You may represent yourself.
- Before you hire a brokerage firm, ask for an explanation of the firm's conflict of interest policies.

Per the Vermont Real Estate Commission Rules, the following definitions apply to real estate-related activities and parties:

BROKERAGE SERVICES: means those activities requiring a license, specifically listed in 26 V.S.A. Section 2211(a)(4).

BROKERAGE FIRM: means a business entity, such as a sole proprietorship, a partnership, a corporation, or a business trust, which carries on a business which requires a real estate broker's license.

BUYER: includes a person who buys, offers to buy, intends to buy, or is interested in buying, real estate.

BUYER SERVICES: means brokerage services provided as agent of a buyer of real estate.

EXCLUSIVE BUYER AGENCY AGREEMENT: means an agreement by which a buyer engages a single brokerage firm to provide brokerage services, and by which the buyer agrees not to obtain services from any other broker, but which expressly reserves to the buyer the right to purchase property himself or herself without liability to the brokerage firm for a commission.

EXCLUSIVE RIGHT TO MARKET: means a seller service agreement which grants to the brokerage firm the exclusive right to market the property, and which recognizes a liability on the part of the owner for a commission to the brokerage firm, even if the property is sold by the owner.

EXCLUSIVE RIGHT TO REPRESENT BUYER: means a buyer service agreement which grants to the brokerage firm the exclusive right to act on behalf of the buyer in a real estate purchase, and which recognizes a liability on the part of the buyer for a commission to the brokerage firm, even if the property is purchased without assistance by the firm.

FIDUCIARY DUTY: means the duty to act for the benefit of the principal in all matters relating to the agency relationship. A fiduciary must put the interest of the principal ahead of the interests of the agent and any third party. Fiduciaries must disclose all material facts the fiduciary learns about the transaction, must disclose any knowledge gained from other parties to the principal's transactions, must protect the principal's confidences and act with reasonable care and obedience toward the principal. Unless otherwise agreed, the duty to protect the principal's confidences continues after the brokerage service agreement expires or is otherwise terminated.

PRINCIPAL, OR CLIENT: means the person(s) with whom a broker has an agency relationship related to the negotiation, sale, purchase, or exchange of an interest in real estate. Brokers owe a fiduciary duty to their principals.

SELLER: includes a person who sells, offers to sell, intends to sell, or is interested in selling, real estate.

SELLER SERVICES: means brokerage services provided as agent of a Seller of real estate. Earth Asset Partnership, LP is the exclusive representative of the Sellers of its listings, and therefore will not represent a Buyer of any of its listings. In the event that a Buyer wishes to engage Earth Asset to represent them in the purchase of a non-Earth Asset listing, we would be happy to speak to you about how to formalize that relationship and our compensation arrangement associated therewith. Please feel free to contact us to explore this form of agency relationship/representation.