

REPRESENTATION ALTERNATIVES

In Hawaii, the law requires when buying or leasing real estate, that you be told by the real estate professionals involved exactly who they represent in the intended transaction.

A real estate broker may represent **ONLY** the Buyer/Lessee, **ONLY** the Seller/Lessor (as either the listing agent or as a cooperating subagent of the listing agent) or perhaps even **BOTH** the Buyer/Lessee **AND** Seller/Lessor in the transaction (as a “dual agent”). For a broker to act as a Dual Agent the broker must have the written permission of both the Buyer/Lessee and the Seller/Lessor. Dual Agency is unusual and will necessarily modify the duties and obligations of a broker. If your agent is acting as a dual agent, then be certain they explain and that you understand what these appropriate modifications are before you agree to a dual agency situation.

As a prospective buyer/tenant you should know that:

- The listing broker and cooperating (“selling”) broker are paid by and are generally the agents of the Seller/Lessor only.
- All the broker’s fiduciary duties of loyalty, confidentiality and full disclosure are owed **ONLY** to their client.
- Even if neither broker is your agent, however, they are still able to provide you with a variety of valuable market information to assist in your decision-making process.

For example, if you are a Buyer/Lessee a real estate broker representing only the Seller can still:

- Provide you with access to and information about available properties.
- Assist you in comparing the physical features of different building, as well as lease terms being offered.
- Provide you with income and expense analysis.
- Discuss with you available financing alternatives.
- Check applicable zoning, building permits & uses.
- Explain standard forms & closing procedures and costs.
- Provide you with names of other real estate professionals you may need to consult (inspectors, architects, attorneys, accountants, engineers, etc.).
- Analyze your space requirements in view of existing inventory and match it to your needs.
- Manage the entire acquisition process and act as a liaison between all parties to a transaction.
- In short, brokers can help expedite the transaction regardless of whom they represent as agent.

All brokers involved in a transaction are obligated by law and ethics to treat you honestly and fairly. They must:

- Promptly present all written offers and counter-offers between the principal parties.
- Exercise reasonable care and skill in handling the transaction.
- Respond honestly and accurately to questions concerning the property.
- Disclose material facts the broker knows or reasonably should know about the property.

If you choose to have a real estate broker represent you as your agent, you should:

- Enter into a written contract that clearly establishes the obligations of the respective parties.
- Specifically address in writing how your agent will be compensated.
- If any AVALON COMMERCIAL LLC agent has already shown you one of its listed properties and you later decide to retain your own agent, you will be expected to compensate your agent directly.

PLEASE NOTE AND REMEMBER: A real estate broker is qualified to provide valuable information and assistance, but is **NOT** an expert in every aspect of real estate. For example: a broker is **NOT** qualified or permitted to give legal, tax or environmental advice or to guarantee investment returns or future real estate values. You should always read carefully all documents that you are asked to sign **BEFORE** you sign them.

If you do not understand the effect of any part of any such a document or if you otherwise desire legal, tax or other advice, consult your attorney, accountant or other expert in the respective field before signing anything!

Likewise, a broker does not hold him or herself out as an expert regarding all aspects of the physical condition of any property. Therefore, you might find it helpful and advisable to consult with a professional expert for advice on architectural, construction, engineering, zoning or survey matters. AVALON COMMERCIAL LLC ALWAYS strongly recommends that every principal party to any and all real estate transactions retain all such experts at the principal parties' own respective expense to advise them.

OUR ROLE WITH PROSPECTIVE BUYERS/TENANTS ON PROPERTIES WE LIST FOR OTHERS: AVALON COMMERCIAL LLC will automatically be representing the Seller/Lessor in any transaction in which we are the listing agent of the Seller/Lessor. In marketing our own listings, it is our responsibility to provide you with expeditious and professional service based on our extensive knowledge of the marketplace. You are free to obtain the advice of other licensed professionals at your own expense, however, you also may choose to represent yourself and work directly through AVALON COMMERCIAL LLC as the listing broker.

AVALON COMMERCIAL LLC will be pleased to represent only you in the location and acquisition of properties that Avalon Commercial LLC does not list. When acting as your agent only, we shall disclose that fact and disclaim any sub-agency relationship to the Seller or listing broker of such properties.

Here are just some of the reasons why you may benefit from working with AVALON COMMERCIAL LLC in your real estate acquisitions:

- Professional and expeditious service from a thoroughly experienced commercial real estate professional.**
- Extensive knowledge of relevant market trends and conditions.**
- Awareness of currently available product inventory.**
- Commitment to honesty, integrity and professional excellence.**
- Facilitation of good, timely and accurate communications between all parties to an intended real estate transaction.**

PLEASE FEEL FREE TO ASK ANY QUESTIONS THAT YOU MAY HAVE.