

TROPICOLEGAL

PURCHASE AND SALES PROCESS



1. STARTING THE PROCESS

THE FIRST STEP required in order to begin the purchase process is that a sales and purchase agreement is signed by the parties and delivered to the Escrow Agent with an Escrow deposit. At the same time, the Due Diligence Term is agreed to by the parties. Once the term is agreed to, a title search is performed.



2. DUE DILIGENCE

THE SECOND STEP is Due Diligence. The Closing law firm and other experts hired by the buyer performs it Due Diligence including but not limited to the following acts:

- a. **Title Search to Confirm:**
 - i. Escrow deposit and term.
 - ii. New corporation Registration.
 - iii. Closing cost estimate.
 - iv. Clean title.
 - v. Property Survey.
 - vi. Home Insurance.
 1. Agent.
 2. Price, number and copy of policy.
 3. Coverage.
 4. Term.
 5. Contact information.
 - vii. Seller's legal representation.
 - viii. Contents of any liens, easements and encumbrances.
 - ix. Legal access.
 - x. Water rights and easements.
 1. Public Water.
 2. Private water concession.
 - xi. Mortgages.
 1. Verification of amounts due.
 2. Creditors contact.
 3. **poa's.**
 4. Cancellation deed draft.
 5. Closing appointment and coordination with Escrow.
 - xii. Size.
 - xiii. Segregations.
 - xiv. Nature.
 - xv. Location.
 - xvi. Annotations.
 - xvii. History of the title.
 - xviii. Inventory.

xix. Luxury home tax.

xx. If Active Business:

1. **CCSS** and **INS** policy's ad reports.
2. Company Books.
3. Shareholders agreement.
4. Workers information.
5. Tax research.
6. Government entities research.

b. Resurvey of the Property to Confirm:

- i. Altitude.
- ii. Boundaries.
- iii. Road Access.
- iv. Land size.
- v. Location.
- vi. Environmental Zones and other restrictions.
- vii. Maritime Zone location.
- viii. Water source, line and inlet meter location and number.
- ix. Electrical lines, transformers, posts located on site, inlet and meter number and location.
- x. Private entrance location.
- xi. Easement location.
- xii. Municipal parks or restricted areas.
- xiii. Common areas.
- xiv. Buildings location and exterior size.
- xv. Environmental protection zones, such as rivers, spring and wells.
- xvi. Neighbor's surveys recollection and review.
- xvii. History of the registered Survey.
- xviii.

c. Home Inspection to Confirm All Conditions of the House.

d. Local Government and Other Entities Research to Confirm.

- i. Land taxes owed.
- ii. Building Permits.
- iii. Fees fines or penalties.
- iv. Land Tax declaration. (Every Five Years).
- v. Green Zones existence or restrictions.
- vi. If active business:
 1. **Municipality.** Business License existence, validity, currency, declarations.
 2. **Banks.** Accounts, cards, codes, internet banking
 3. **Health Ministry,** permit.
 4. **Acam** payment, Music licenses.
 5. **CCSS,** payments, fines, fees, active cases.
 6. **INS.** Workers Liability Insurance.
 7. **FODESAF,** payment.
 8. **Tax Office,** Sales taxes, Income taxes, penalties, fees or fines.

e. **ENVIRONMENTAL** research with Minae to confirm no active cases against the property.

f. **Water Concession** research with Minae to verify:

- i. Existence and term of the concession.
- ii. Payments required.
- iii. Other beneficiaries.
- iv. Copy of concession file.



3. CLOSING

THE THIRD STEP is the closing and is a step which is completed at the end of the process in a meeting between the seller, buyer, lawyers and the Escrow company. The purpose of this meeting is to achieve the effective transfer of the property, and delivery of the price. This includes but is not limited to:

- g. Closing statements, and schedules the closing.
- h. Transfer deeds.
- i. Payments from Escrow:
 - i. Mortgage holders.
 - ii. Seller.
 - iii. Transfer fees and notary fees.
 - iv. Brokers.
 - v. Insurance.
 - vi. Land taxes.
 - vii. Others
- j. Transfer of services.
- k. Transfer of concessions, if any.
- l. Change of Companies registration information and bylaws if required
- m. **If Active Business:**
 - i. Transfer of all licenses, and authorizations.
 - ii. CCSS codes and INS codes.
 - iii. Workers cancellations.
 - iv. Other conditions verifications.



4. POST CLOSING

THE FOURTH STEP the post closing is in our opinion, one of the most important. It is celebrated entirely by the closing law firm, but it is also recommended that the buyer and sellers follow up 15 to 30 days after closing to make sure that the following have been completed:

- n. Transfer Registration.
- o. Concession transfer Registration.
- p. Tax payment.
- q. Municipal tax Declaration.
- r. Document delivery.
- s. Archive.
- t. Yearly payments.
- u. Escrow account continuity.
- v. Building permits.
- w. Earth movement Permits.
- x. Environmental Permits.
- y. Residency services.