

ESCROW INSTRUCTIONS

This office has been in receipt of many inquiries regarding what provisions are to be made in arranging collection escrow depository accounts for Timeshare sales, as required under ORS 94.871.

Below is a general idea of the requirements and the method most commonly used by developers, in arranging escrow depository accounts for the individual purchaser of the timeshare they sell, by means of land sale contract, as required under the above statute.

Upon determining which escrow agent you intend to use in providing the escrow depository, please execute a letter of instruction to the escrow agent, requesting that they agree to accept the escrow as instructed, for each individual unit being sold on land sale contract. The exact instructions may be tailored to fit your individual needs but the requirements of ORS 94.871 must be met as outlined in subparagraphs a, b, c, d and e described below.

In addition, the Developer must provide authority to the Oregon Real Estate Commissioner to inspect the escrow depository account. The authorization must be made only upon the form provided by the Commissioner entitled "Authorization to Inspect Escrow Accounts", (see enclosed Form 3-A).

The following is an outline you may use if convenient:

We, the Developer of WXYZ Timeshare wish to arrange collection escrow depository accounts for the individual purchasers of a timeshare estate located within our Timeshare Plan. From time to time, as individual timeshare estates are sold, the following documents will be presented to you to be placed into individual escrow depository accounts for the purchaser, as required under the provisions of ORS 94.871.

- (a) A copy of the title report or abstract as it relates to the timeshare being sold.
- (b) The original sales document or a true copy thereof relating to the purchase of the timeshare estate.
- (c) A commitment to give a partial release for the timeshare estate being sold from the terms and provisions of any blanket encumbrance. The commitment shall be in a form satisfactory to the Commissioner.
- (d) A commitment in a form satisfactory to the Commissioner to give a release of any other lien or encumbrance existing against the timeshare estate being sold.
- (e) A document in good and sufficient form transferring the interest purchased."

An executed copy of the above letter of instruction to your escrow agent is to be forwarded to this office.

Upon presentation of the above escrow instruction to your escrow agency, please request that your escrow agent forward a letter to this office confirming receipt of the instructions. They may respond with a general statement to the effect that they will comply with the escrow instructions and participate in the escrow arrangements, as required under the provisions of ORS 94.871.

Developers are also advised that under ORS 93.365, all instruments contracting to convey fee title to any real property, at a time more than 12 months from the date that the instrument is executed and the parties are bound, shall be acknowledged, in the manner provided for acknowledgment of deeds, by the conveyor of the title to be conveyed. Such instruments, or a memorandum thereof, shall be recorded by the conveyor not later than 15 days after the instrument is executed and the parties are bound thereby. Earnest money or preliminary sales agreements; options. And rights of first refusal are excluded from this requirement.

If further information is required in arranging such escrow accounts, please feel free to contact the **Oregon Real Estate Agency, 530 Center St NE Ste #100, Salem, Oregon 97301** or phone **503-378-4630**.