

**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 subdivision/series partition lot, parcel or interest sales, as required under the provisions of the Oregon Subdivision and Series Partition Control Law.

Below is a general idea of the requirements and the method most commonly used by subdividers, series partitioners and developers, in arranging a collection escrow depository accounts for the individual purchaser of the lot, parcel or interest they sell, by means of land sale contract, as required under ORS 92.425 (1)(2).

Upon determining which escrow agent you intend to use in providing the collection 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 lot, parcel or interest being sold on land sale contract. The exact instructions may be tailored to fit your individual needs but the requirements of ORS 92.425 must be met as outlined in subparagraphs 1, 2, 3, 4 and 5, as noted below.

In addition, the subdivider, series partitioner or developer must provide authority to the Oregon Real Estate Commissioner to inspect the collection escrow account. The authorization must be made only upon the form provided by the Commissioner entitled "Authorization to Inspect Escrow Accounts". The form is available upon request from the Oregon Real Estate Agency, 530 Center St. N.E., Suite 100, Salem, Oregon 97301.

The following is an outline you may use if convenient:

We, the subdivider, series partitioner, or developer of WXYZ Subdivision wish to arrange collection escrow depository accounts for the individual purchasers of lots, parcels or interests located within our subdivision/series partition. From time to time, as individual lots, parcels or interests are sold, the following documents will be presented to you to be placed into individual escrow depository accounts for the lot, parcel or interest purchaser, as required under the provisions of ORS 92.425.

1. A copy of the Title report as it relates to the property being sold.
2. The original executed land sale contract under which the property is being purchased. (Payments on the contract shall be made through the escrow agent.)
3. An executed deed for the property being sold.
4. Executed copies of all encumbrances against the property.
5. Properly executed commitments to give partial releases for the above encumbrances.

(For actual requirements, please refer to ORS 92.425)

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 collection escrow arrangements, as required under the provisions of ORS 92.425.

Subdividers, series partitioners and developers are also advised that 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 owner of the title being 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.

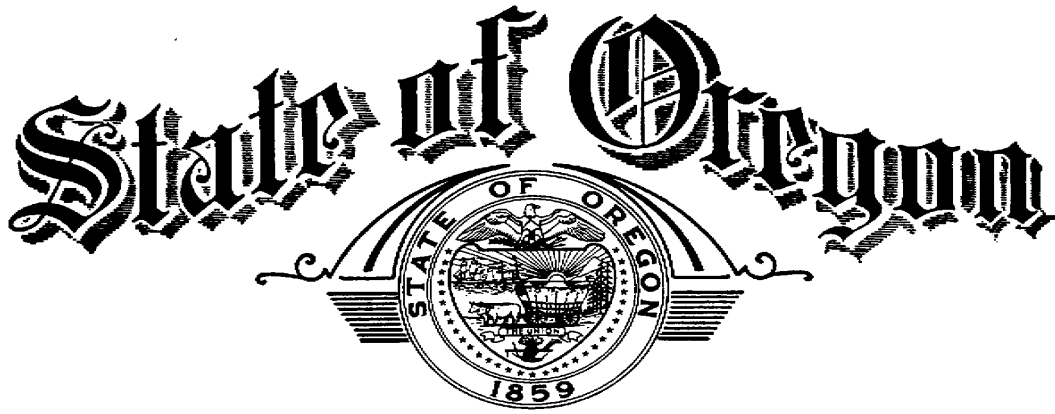
NOTE: In the event a sale or hypothecation is made of a land sale contract escrowed pursuant to ORS 92.425 be aware of the requirements of ORS 92.433 as follows:

92.433 Escrow documents required of successor to vendor's interest.

(1) A purchaser of a vendor's interest or a holder of an encumbrance secured by a vendor's interest in a land sale contract for which an escrow has been established pursuant to ORS 92.425 shall deposit in the escrow any instruments necessary to assure that the contract vendee can obtain the legal title bargained for upon compliance with the terms and conditions of the contract.

(2) A subdivider, series partitioner or developer who has sold lots, parcels or interests in a subdivision or series partition under a land sale contract shall not dispose of or subsequently encumber the vendor's interest therein unless the terms of the instrument of disposition or the encumbrance provide the means by which the purchaser or holder of the encumbrance will comply with subsection (1) of this section.

If further information is required in arranging such escrow accounts, please feel free to contact the Oregon Real Estate Agency, 530 Center Street N.E., Suite 100, Salem, Oregon 97301-3740 or phone 503-378-4630.



## Real Estate Agency

### AUTHORIZATION TO INSPECT ESCROW ACCOUNTS

\_\_\_\_\_ name of subdivision/series partition

I, the undersigned subdivider, series partitioner or developer of the above named subdivision series partition, located in (address; city, state, county, country);

\_\_\_\_\_ consisting of \_\_\_\_\_ lots, parcels or interests, hereby authorize the Real Estate Commissioner or his authorized representative to inspect all escrow deposits established pursuant to the requirements of the Oregon Subdivision and Series Partition Control Law (ORS 92.425(1))

Name \_\_\_\_\_ Phone \_\_\_\_\_  
(name of escrow depository)

Address \_\_\_\_\_  
(use street address, not PO Box)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Name of corporation

\_\_\_\_\_  
signature - subdivider  
series partitioner, developer

By \_\_\_\_\_  
Signature Title

\_\_\_\_\_  
signature - subdivider  
series partitioner, developer