

REVISIONS TO THE 2011 OREF SALE AGREEMENTS

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The following summary addresses the major changes made to the OREF forms that will become available in January 2011. Some changes were stylistic and grammatical, and will not be discussed here as they do not materially affect Realtor® practice. The primary focus of this summary is on the substantive changes that bear on Realtor® practice, the reason for the changes, and their risk management impact. *This summary should not be relied upon in lieu of a thorough review of the specific forms and their revised provisions by each individual broker and principal broker.*

Residential Real Estate Sale Agreement

SECTION 2.2 (BALANCE OF PURCHASE PRICE). OREF has made substantial changes to this section of the Residential Sale Agreement. These changes have been added to all of the other OREF Sale Agreements (i.e. those dealing with New Residential Construction, Commercial Sales, Farms and Ranches, Vacant Land and the new Residential Condominium form scheduled to be released in 2011).

Background. It is no surprise that the current real estate and credit markets are creating a much different dynamic between sellers and buyers. Now that it is a buyer's market, there have been some anecdotal reports of disputes arising around the financing contingency. This is especially true regarding the buyer's duty to secure satisfactory financing in a timely manner.

The current OREF Sale Agreements do not spend much time addressing what buyers must do as a part of their financing contingency – nor what information must be provided to their sellers.

Since financing is much more difficult today than it was in the past (i.e. before 3Q-2007), buyers are experiencing more difficulty in securing lender commitments. As a result, buyers today are somewhat less communicative about the status of their pending loan applications, since they frequently apply to more than one lender, simultaneously or sequentially, in order to compare rates, terms, closing costs and barriers to qualification. This practice is facilitated by the fact that the existing OREF financing contingency clause does not expire until closing. As a result, a buyer's failure to obtain their loan may not be communicated to the seller until shortly before closing.

In an effort to encourage the flow of information between sellers and buyers regarding financing status, OREF has significantly changed this provision in all of its Sale Agreements. They will now read as follows¹:

2.2 BALANCE OF PURCHASE PRICE. (Select A or B)

A. This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds at time of submission of this Agreement to Seller or Listing Licensee. Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within ___ business days (five [5] if not filled in) ("Disapproval

¹ All comments will appear in **RED CAP TYPE WITH BOLD ITALICS.**

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Period”) following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly refunded and this transaction shall be terminated. **If Seller fails to provide Buyer or Buyer’s Licensee with written unconditional disapproval of the Verification by Midnight of the Disapproval Period, Seller shall be deemed to have approved the Verification.**

COMMENT: THIS PROTOCOL SUBSTANTIALLY FOLLOWS THAT OF THE PROFESSIONAL INSPECTION SECTION [§15]. NOTE THAT IF THE TRANSACTION IS ALL CASH, IT IS IMPORTANT FOR BUYERS AND THEIR AGENTS TO SUBMIT THEIR VERIFICATION OF FUNDS AT THE SAME TIME THE OFFER IS SUBMITTED. NOTE ALSO, THAT AS WITH THE PROFESSIONAL INSPECTION SECTION, “SILENCE IS CONSENT” I.E. IF THE SELLER FAILS TO OBJECT TO THE BUYER’S VERIFICATION OF FUNDS WITHIN THE “DISAPPROVAL PERIOD,” THE SELLER SHALL BE DEEMED TO HAVE APPROVED THE EVIDENCE SUBMITTED AS VERIFICATION OF AVAILABLE FUNDS. LASTLY, SIMILAR TO THE PROFESSIONAL INSPECTION SECTION [§15], NOTE THAT OREF HAS CONTINUED THE REQUIREMENT OF “UNCONDITIONAL DISAPPROVAL.” THUS, A CONDITIONAL DISAPPROVAL, E.G. “WE REJECT UNLESS YOU GET US MORE INFORMATION,” IS TECHNICALLY INSUFFICIENT TO QUALIFY AS AN EFFECTIVE DISAPPROVAL. IF THE SELLER WANTS MORE INFORMATION, HE/SHE SHOULD RESOLVE THE ISSUE WELL BEFORE EXPIRATION OF THE DISAPPROVAL PERIOD. THE FAILURE TO MAKE AN “UNCONDITIONAL DISAPPROVAL” BY MIDNIGHT OF THE DISAPPROVAL PERIOD, WILL CONSTITUTE APPROVAL OF THE VERIFICATION.

B. **Balance of Purchase Price to be financed as follows** (Select only one): Conventional; FHA; Federal VA; Other (Describe details of loan to be obtained): _____ (collectively “Lender”).

COMMENT: SECTION 2.2B IS NEW. IT REQUIRES THAT THE BUYER IDENTIFY, AT THE OUTSET, WHAT BASIC TYPE OF LOAN THEY ARE SEEKING, I.E. CONVENTIONAL, FHA, ETC. THIS SECTION HAS BEEN ADDED, SINCE IT AVOIDS THE AMBIGUITY THAT SOMETIMES OCCURS WHEN THE FINANCING PORTION OF A SALE AGREEMENT IS NON-SPECIFIC OR PROVIDES THAT THE BUYER WILL OBTAIN A “LOAN OF BUYER’S CHOICE.” IT IS IMPORTANT FOR REALTORS® TO UNDERSTAND THAT UPON SELECTING A PARTICULAR BOX, SUCH AS “CONVENTIONAL,” THEY MAY NOT THEN MOVE INTO AN FHA OR OTHER FEDERAL OR STATE LOAN PROGRAM WITHOUT SECURING SELLER’S ADVANCE WRITTEN CONSENT. THIS IS MERELY A CONTINUATION OF PRE-EXISTING REALTOR® PRACTICE. ACCORDINGLY, THIS SECTION 2.2 B, AND SECTION 3.1(5), BELOW, SHOULD NOT BE CONSTRUED TOGETHER TO AUTHORIZE A BUYER TO UNILATERALLY MOVE FROM ONE GENERAL LOAN CATEGORY (AS SELECTED BY CHECKING A BOX) TO ANOTHER CATEGORY IN AN UNSELECTED BOX, WITHOUT SECURING SELLER’S EXPRESS WRITTEN CONSENT IN ADVANCE.

2.3 PRE-APPROVAL LETTER. Buyer has attached a copy of a Pre-Approval Letter from Buyer’s Lender or mortgage broker; Buyer does not have a Pre-Approval Letter at the time of making this offer; Buyer agrees to secure a Pre-Approval Letter as follows: _____.

COMMENT: IN ACTUAL PRACTICE TODAY, SELLERS FREQUENTLY EXPECT THEIR BUYER TO PRODUCE SOME CONFIRMATION THAT THEY HAVE DEALT WITH A BANK OR MORTGAGE BROKER BEFORE SUBMITTING AN OFFER OF PURCHASE. SECTION 2.3 MERELY SEEKS TO ADDRESS THIS PRACTICE AT THE INCEPTION OF THE TRANSACTION.

3.1 BUYER REPRESENTATIONS: As of the date of signing this Agreement, Buyer makes the following representations to Seller: (1) Buyer shall apply for a loan not later than ___ business days (three [3] if not filled in) following the date Buyer and Seller have signed this Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all application, appraisal and processing fees, where applicable) to obtain the loan; (2) Buyer shall make a good faith effort to secure the ordering of the Lender’s appraisal no later than expiration of the Inspection Contingency Period in Section 15 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Negotiation Period. (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to Close the transaction described herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or Closing of other property, 401K disbursements, etc.), except as follows (describe): _____. (4) Buyer authorizes Buyer’s Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer’s loan application status. (5) Buyer shall promptly notify Seller or Seller’s Licensee if, after signing this Agreement, Buyer substitutes another lender or loan program for any reason. (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer’s financing and the timing of Closing.

COMMENT: SUBSECTIONS 1, 3, AND 4 ARE CARRIED OVER FROM THE 2010 FORM AND REMAIN THE SAME. SUBSECTIONS 2, 5, AND 6 ARE NEW. THE NEW SUBSECTIONS ARE ADDRESSED AS FOLLOWS.

SUBSECTION 2 HAS BEEN ADDED DUE TO ANECDOTAL REPORTS THAT SOME BUYERS HAVE TRIED TO PUSH OFF ORDERING THE APPRAISAL [WHICH THEY WILL HAVE TO PAY FOR] UNTIL WELL INTO THE TRANSACTION. IN SOME CASES, THE DEFERRAL CAN CONTINUE AS LONG AS THE INSPECTION CONTINGENCY PERIOD REMAINS IN EFFECT – SINCE LENDERS MAY CONDITION THEIR CONSENT ON THE RESULTS OF THE INSPECTION. SINCE SUBSECTION 1 REQUIRES BUYERS TO EXERCISE “BEST EFFORTS” TO SECURE THE LOAN, INCLUDING THE APPRAISAL, THE

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OREF FORMS COMMITTEE FELT THAT THE END OF THE INSPECTION CONTINGENCY PERIOD WAS A REASONABLE DEADLINE FOR BUYERS TO MAKE A GOOD FAITH EFFORT TO ORDER THE APPRAISAL. NOTE, HOWEVER, THIS IS NOT AN ACTUAL DEADLINE, AND THERE MAY BE INSTANCES IN WHICH THE APPRAISAL MAY BE LEGITIMATELY ORDERED LATER, DEPENDING UPON CIRCUMSTANCES OUTSIDE OF THE BUYER'S CONTROL (SUCH AS LENDER DELAY).

SUBSECTION 5 HAS BEEN ADDED SO THAT BUYERS AND THEIR AGENTS WILL BE ENCOURAGED TO KEEP SELLERS AND THEIR AGENTS INFORMED WHEN THE LENDER OR LOAN PROGRAM IS CHANGED. THIS PROVISION IS NOT INTENDED TO PROHIBIT CERTAIN CHANGES, SUCH AS MOVING FROM ONE CONVENTIONAL LENDER OR LOAN PROGRAM TO ANOTHER CONVENTIONAL LENDER OR LOAN PROGRAM CHANGE – IT MERELY REQUIRES THAT SELLERS AND THEIR AGENTS BE PROMPTLY NOTIFIED. HOWEVER, AS NOTED IN THE COMMENTS TO SECTION 2.2.B ABOVE, STANDARD REALTOR® PRACTICE HAS ALWAYS BEEN THAT WHEN A BUYER REPRESENTS IN THEIR OFFER THEY ARE GOING TO OBTAIN A “CONVENTIONAL LOAN,” THAT DOES NOT MEAN THEY MAY UNILATERALLY APPLY FOR AN FHA OR A STATE/FEDERAL VA LOAN WITHOUT FIRST SECURING THEIR SELLER'S EXPRESS WRITTEN CONSENT. AS MOST REALTORS® KNOW, THERE CAN BE SUBSTANTIAL DIFFERENCES IN COSTS, INSPECTIONS, AND CLOSING TIME, BETWEEN CONVENTIONAL LOANS VERSUS FEDERAL/STATE INSURED OR GUARANTEED LOANS. ACCORDINGLY, SUBSECTION 5 SHOULD NOT BE CONSTRUED TO PERMIT A BUYER TO UNILATERALLY MOVE FROM ONE TYPE OF LOAN CATEGORY (E.G. CONVENTIONAL) BY HAVING CHECKED THE APPROPRIATE BOX AT SECTION 2.2 B TO ANOTHER COMPLETELY DIFFERENT PROGRAM (E.G. FHA) IN AN UNSELECTED BOX, WITHOUT FIRST SECURING THE SELLER'S WRITTEN CONSENT.

SUBSECTION 6 HAS BEEN ADDED TO CONTINUE WITH THE THEME ABOVE, I.E. ENCOURAGING BUYERS AND THEIR AGENTS TO KEEP SELLERS AND THEIR AGENTS INFORMED – IN REAL TIME – REGARDING THE STATUS OF BUYERS' FINANCING.

REALTORS® ARE ENCOURAGED TO IMPRESS UPON THEIR BUYERS THE IMPORTANCE OF THESE NEW PROVISIONS. EFFORTS TO CONCEAL MATERIAL INFORMATION REGARDING THE LOAN STATUS FROM SELLERS AND THEIR AGENTS COULD RESULT IN SELLERS REFUSING TO RELEASE THE EARNEST MONEY DEPOSIT WHEN FINANCING FAILS AT THE LAST MINUTE.

3.2 INSURANCE. If the Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty insurance that will be secured for the Property.

***COMMENT:** THIS SUBSECTION 3.2 HAS NOT BEEN SUBSTANTIVELY CHANGED.*

3.3 FINANCING CONTINGENCIES. If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and, (3) Other (*Describe*): _____.

All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

***COMMENT:** THIS SUBSECTION 3.3 HAS NOT BEEN SUBSTANTIVELY CHANGED.*

3.4 FAILURE OF FINANCING CONTINGENCIES. If Buyer receives actual notification that any Financing Contingencies identified above have failed or otherwise cannot occur, Buyer and Seller shall have _____ business days (two [2] if not filled in) following the day of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon any price and terms as Seller determines, in Seller's sole discretion.

***COMMENT:** THIS SUBSECTION 3.4 IS NEW. ITS PURPOSE IS TO OUTLINE A PROTOCOL FOLLOWING THE FAILURE OF A FINANCING CONTINGENCY. IN SOME INSTANCES, EITHER THE APPRAISAL FALLS SHORT OF THE PURCHASE PRICE, OR THE LENDER INSISTS UPON A HIGHER DOWN PAYMENT (OR BOTH). ALTERNATIVELY, THE COST OF THE LOAN IN POINTS AND/OR INTEREST RATE ARE MATERIALLY CHANGED BY THE LENDER, THUS AFFECTING THE BUYER'S VIEW OF THE ECONOMICS OF THE TRANSACTION. IN SUCH CASES, THE PARTIES ARE GIVEN A FIXED PERIOD (TWO BUSINESS DAYS IF NOT FILLED IN) WITHIN WHICH TO EITHER TERMINATE THE TRANSACTION OR REACH A MUTUAL AGREEMENT UPON A NEW SALE PRICE AND/OR TERMS THAT WILL PERMIT THE TRANSACTION TO CONTINUE. IT IS IMPORTANT TO NOTE THAT THIS PROVISION DOES NOT REQUIRE EITHER BUYER OR SELLER TO AGREE TO CONTINUE WITH THE TRANSACTION. IF THE PARTIES ARE UNABLE TO REACH AGREEMENT ON EITHER ALTERNATIVE, THIS PROVISION MANDATES THAT THE “TRANSACTION SHALL BE AUTOMATICALLY TERMINATED AND ALL EARNEST MONEY SHALL BE PROMPTLY REFUNDED TO BUYER.”*

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SECTION 5 (TITLE INSURANCE) On January 1, 2010 the Real Estate Settlement Procedures Act ("RESPA") placed disclosure requirements on concessions sellers were permitted to offer buyers. Fees the seller pays on the buyer's behalf can be designated by escrow as "concessions" which some lenders place dollar limits on. In Oregon, it is *customary* that sellers pay for their buyers' owner's policy of title insurance. In other words, by custom and practice, this is not a seller concession in most Oregon real estate transactions.

Comment: This change to Section 5 is primarily informational. It notes that in some areas of the country, the seller's payment for the buyer's standard owners policy of title insurance may be regarded as a "seller concession." Under the amended Real Estate Settlement Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations and disclosure requirements on "seller concessions" unless the product or service paid by the Seller was one customarily paid by the Seller. In Oregon sellers customarily and routinely pay for their buyer's standard owner's policy of title insurance. In order that this practice be made clear for escrow and lenders, the OREF Forms Committee added a clause to the end of Section 5 (Title Insurance) explaining the issue. It concludes as follows:

Accordingly, unless the terms of this Section 5 are modified in writing by Buyer and Seller, the parties acknowledge, agree and so instruct escrow, that in this transaction, Seller's payment of Buyer's standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law.

SECTION 11. (WOODSTOVE/FIREPLACE INSERT). As of August 1, 2010, Oregon law (ORS 468A.460 – 468A.515) requires all sellers of "residential structures" to remove and destroy *uncertified* solid fuel burning devices, such as woodstoves or fireplace inserts before closing of the sale. The OREF Forms Committee has developed form **OREF-046** which sets forth detailed information for sellers and buyers. Section 11 asks whether the property contains one or more woodstove or fireplace inserts, and if so, requires that the OREF form be used. Realtors® are not required to provide this form if the property does not contain a woodstove or fireplace insert OR contains an exempted device, as explained below.

The law provides that unless a buyer expressly accepts responsibility for removal by checking a box and signing the form, it will be the seller's responsibility. The removal law applies to all "residential structures," such as: (1) Those that contains one or more dwelling units and are four stories or less above grade; (2) Condominiums, rental residential units or other residential dwelling units that are part of a larger structure, if the property interest in the unit is *separate* from the property interest in the larger structure; (3) Modular homes constructed off-site; (4) Manufactured dwellings; and (5) Floating homes.

Certified woodstoves or inserts do not have to be removed upon sale of the residence. A *certified* woodstove or fireplace insert is one that bears a certification label located on the back and has been issued by the Oregon DEQ or U.S Environmental Protection Agency ("EPA"). This means that it has met certain particulate emission standards. If the woodstove or insert in the home does *not* bear such a label, it is automatically an "Uncertified Device" and must be removed and destroyed. Sellers who cannot access the back of their device may call the manufacturer or check the EPA's certified woodstove list at the URL displayed in Section 11 of the new Residential Real Estate Sale Agreement.

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There are several statutory exemptions to this law, although the primary ones are pellet stoves, central wood-fired furnaces, antique stoves, masonry fireplaces and masonry heaters.

An uncertified woodstove or insert must be entirely removed from the Property, including garages, outbuildings and shops. Woodstove retailers, chimney sweeps, or others may perform the removal and destruction. Sellers removing a device may take it directly to a metal scrap recycler or DEQ-approved landfill. Sellers must obtain a receipt from the contractor or business verifying that the device has been destroyed, and then notify DEQ. DEQ will provide such notification on its website. The form should then be mailed or delivered to Oregon DEQ, Heat Smart Notification, 811 SW Sixth Ave, Portland, OR 97204 or faxed to Heat Smart Notification, 503-229-5675. Failure to remove or destroy an uncertified woodstove or insert at the time of closing does not invalidate the sale. However, it *may* constitute a Class A misdemeanor and/or result in a civil fine. See, ORS 468A.990.

Although the seller is primarily responsible for removal and destruction, a buyer may accept written responsibility to do so, in which case the task is to be performed within 30 days following closing.

Comment: It is recommended that *both* listing and selling agents make sure the woodstove/insert issue is addressed with their respective clients ahead of time. This can best be done by providing them with the form OREF-046 for review.

Caveat: The fireplace/insert issue is not addressed in the OREF commercial form (OREF-007) and it should not be used for residential sales. As discussed below, OREF has developed a condominium residential resale form. It does address the woodstove/insert removal law.

SECTION 12 (SELLER REPRESENTATIONS – Carbon Monoxide Alarms Added) As will be noticed elsewhere in the forms, OREF has re-formatted some of the provisions that contain a series of choices, representations, or other clauses within a specific section. This is apparent in the Seller Representations section.

However, in addition, a new representation has been added. This is the result of 2009 law requiring that upon sale, all homes have - in addition to operating smoke alarms or detectors - working carbon monoxide detectors, where applicable. The state fire marshal's website is set out in the form.

The law became effective for rental units on July 1, 2010 and for the sale by deed or land sale contract on April 1, 2011. It is set out in ORS 105.838 - 105.844. Specifically, it provides that a person may not convey fee title (by deed or land sale contract) to a one and two family dwelling or multifamily housing that contains a "carbon monoxide source," which is defined as: "(a) A heater, fireplace, appliance or cooking source that uses coal, kerosene, petroleum products, wood or other fuels that emit carbon monoxide as a by-product of combustion; or (b) An attached garage with an opening that communicates directly with a living space." The alarms must be installed in the dwelling at locations that provide carbon monoxide detection for all sleeping areas of the dwelling. Installation must be in conformance with applicable rules of the State Fire Marshal and state building codes. Violation of law does not invalidate any sale or transfer of possession

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Comment: This law is easy to meet and should be taken quite seriously. The law is entitled the "The Lofgren and Zander Memorial Act," so named for the entire Lofgren family of Denver, who died over the 2008 Thanksgiving Holidays due to carbon monoxide poisoning.

ORS 105.840 provides for a cause of action by a purchaser for failure of seller to install carbon monoxide alarms. Damages are *the greater* of actual damages or \$250 per residential unit, plus attorney fees. Such actions must be commenced within one year after the date of sale or transfer. Needless to say, "actual damages" could be catastrophic should death or injury result from the failure to have such a simple and inexpensive device. Realtors® for sellers and buyers are encouraged to discuss the need for these alarms in all transactions in which the property contains a carbon monoxide source.

Section 5.D. of the Seller's Property Disclosure Form has also been amended to ask whether the dwelling contains carbon monoxide alarms.

SECTION 29. (APPROVED USES) As the Oregon Legislature has seen fit to do over the last several Sessions, in 2009 it once again changed ORS 93.040, this time dealing with income and excise tax credits, more particularly described in ORS Chapter 315. Also, as discussed below regarding historic properties, 93.040 mandates that sale agreements dealing with historic properties under ORS 358.505 contain the following warning: "THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505."

Accordingly, all statewide forms producers must once again change their deeds, contracts and sale agreements to include this newly prescribed language that few, if any, parties ever read.

It is important to remind Realtors® what happens if the sale or transfer document fails to include the most recent version of the 93.040(1) and (2) language:

(4) An action may not be maintained against the county recording officer for recording an instrument that does not contain the statement required in subsection (1) or (2) of this section.

(5) An action may not be maintained against any person for failure to include in the instrument the statement required in subsection (1) or (2) of this section, or for recording an instrument that does not contain the statement required in subsection (1) or (2) of this section, *unless the person acquiring or agreeing to acquire fee title to the real property would not have executed or accepted the instrument but for the absence in the instrument of the statement required by subsection (1) or (2) of this section.* An action may not be maintained by the person acquiring or agreeing to acquire fee title to the real property against any person other than the person transferring or contracting to transfer fee title to the real property. (Emphasis added.)

What is important to note in the above provisions is the fact that most, if not all, of the required warnings appearing in ORS 90.040 are also addressed in the Seller's Property Disclosure Form. Thus, it would be difficult for a buyer to rely upon the *absence* of any statutorily mandated language as the basis for purchasing, since the missing topic is addressed in the statutory form given them by the seller.

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SECTION 31.2. (HISTORIC PROPERTY) This new section provides: "If the Property described in this instrument is subject to special assessment under ORS 358.505, Seller to provide OREF-045 Historic Property Addendum."

Comment: The new OREF Addendum (OREF-045) is primarily informational, particularly for buyers. The statutorily required clause is only one line long: "THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505." The remainder of the form sets out the text of ORS 358.505. The reason for doing so is threefold: (1) It was nonsensical to develop a form to accommodate a disclosure consisting of a single sentence; (2) However, since the disclosure, if applicable, is extremely important to buyers, the OREF Forms Committee felt it was helpful for them to be able to review the applicable law; (3) Given the liability to Realtors® who forget to discuss (in general terms) the impact of the law with their clients, OREF felt that the new Historic Property Addendum was a good risk management tool.

FORMATTING REVISION. The primary formatting change was the following: In Section 12 (Seller Representations) we vertically listed the items for easier reading.

Remaining Real Estate Sale Agreements ***(Commercial, New Construction, Vacant Land, Farms and Ranches)***

Most, but not all of the changes to the Residential Real Estate Sale Agreement have, where applicable, been continued over into the remaining sale agreement forms. Obviously, where the form deals with a type of property that does not warrant the change (e.g. the carbon monoxide alarm provisions are not found in the commercial or vacant land forms) they will be absent. Conversely, however, there are no material changes to the remaining non-residential forms that are not contained in the Residential Real Estate Sale Agreement.