

**NOTICE TO PURCHASER**

THE NOTICE TO PURCHASER FORM PROVIDED ON THE REVERSE SIDE OF THIS PAGE MAY BE COPIED BY THE SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER AND USED AS AN ADDENDUM TO THE FIRST WRITTEN OFFER OR CONTRACT TO PURCHASE TO MEET THE REQUIREMENTS OF ORS 92.497 AND 92.430.

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92.427 CANCELLATION OF AGREEMENT TO BUY INTEREST IN SUBDIVISION OR SERIES PARTITION; PROCEDURE; EFFECT; WAIVER: EXEMPTIONS.

(1) A purchaser of a lot, parcel or interest in a subdivision or series partition may cancel, for any reason, any contract, agreement or any evidence of indebtedness associated with the sale of the lot, parcel or interest in the subdivision or series partition within three business days from the date of signing by the purchaser of the first written offer or contract to purchase.

(2) Cancellation under subsection (1) of this section, occurs when the purchaser of a lot, parcel or interest gives written notice to the seller at the seller's address. The three business day cancellation period in subsection (1) of this section does not begin until the seller provides the purchaser with seller's address for cancellation purposes.

(3) A notice of cancellation given by a purchaser of a lot, parcel or interest in a subdivision or series partition need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the purchaser not to be bound by the contract or evidence of indebtedness.

(4) Notice of cancellation, if given by mail, shall be given by certified mail, return receipt requested, and is effective on the date that such notice is deposited with the United States Postal Service, properly addressed and postage prepaid.

(5) Upon receipt of a timely notice of cancellation, the seller shall immediately return to the purchaser all payments received from the purchaser. In case of payments made by check, the seller shall not be required to return the payment to a purchaser until the check is finally paid as provided in ORS 74.2130. Upon return of all such payments the purchaser shall immediately transfer the purchaser's rights in the lot, parcel or interest to the seller, not subject to any encumbrance created or suffered by the purchaser. In the case of cancellation by a purchaser of any evidence of indebtedness, the purchaser shall return the purchaser's copy of the executed evidence of indebtedness to the seller, and the seller shall cancel the evidence of indebtedness. Any encumbrances against the purchaser's interest in the lot, parcel or interest arising by operation of law from an obligation of the purchaser existing prior to transfer of the lot, parcel or interest to the purchaser shall be extinguished by the reconveyance.

(6) No act of a purchaser shall be effective to waive the right of cancellation granted by subsection (1) of this section. A subdivider, series partitioner or developer may require that a purchaser of a lot, parcel or interest in a subdivision or series partition execute and deliver to the subdivider, series partitioner or developer, after the expiration of the three-day cancellation period, a signed statement disclaiming any notice of cancellation that may have been made by the purchaser prior to expiration of the three-day cancellation period for the offer under subsection (1) of this section, that may have been timely and properly done under this section and that has not been received by the subdivider, series partitioner or developer. In case of execution of any such statement by the purchaser, the statement shall be sufficient to rescind the notice of cancellation.

(7) This section shall not apply to:

(a) The sale of a lot in a subdivision or a parcel in a series partition that has a residential dwelling upon it at the time of sale;

(b) The sale of a lot in a subdivision or a parcel in a series partition when, at the time of sale, the seller has contracted with the purchaser to build a residential dwelling upon the lot or parcel; or

(c) The sale of a lot in a subdivision or a parcel in a series partition to a person who derives a substantial portion of income from the development or purchase and sale of real property.

92.430 Notice to purchaser of cancellation rights; form. (1) subject to ORS 92.427 (7), the first written real property sales contract signed by the purchaser for the sale of a lot, parcel or interest in a subdivision or series partition shall contain, either upon the first page of such contract or upon a separate sheet attached to such first page, the following notice in at least 8-point type:

NOTICE TO PURCHASER

BY SIGNING THIS AGREEMENT YOU ARE INCURRING A CONTRACTUAL OBLIGATION TO PURCHASE AN INTEREST IN LAND. HOWEVER, YOU HAVE THREE BUSINESS DAYS AFTER SIGNING THIS AGREEMENT TO CANCEL THE AGREEMENT BY WRITTEN NOTICE TO THE SELLER OR HIS AGENT AT THE FOLLOWING ADDRESS:

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BEFORE EXECUTING THIS AGREEMENT, OR BEFORE THE THREE-DAY CANCELLATION PERIOD ENDS, YOU SHOULD DO THE FOLLOWING:

- (1) CAREFULLY EXAMINE THE PUBLIC REPORT, IF ANY, ON THE SUBDIVISION AND ANY ACCOMPANYING INFORMATION DELIVERED BY THE SELLER.
- (2) INQUIRE OF YOUR LENDER AS TO WHETHER YOU CAN GET ADEQUATE FINANCING AT AN ACCEPTABLE INTEREST RATE.
- (3) INQUIRE OF THE SELLER AND THE LENDER WHAT THE AMOUNT OF THE CLOSING COSTS WILL BE.

(2) A copy of the notice set forth in subsection (1) of this section shall be given to each purchaser under a contract described in subsection (1) of this section at the time of or immediately following the purchaser's signing of such contract, for the use of the purchaser.