

[SELLER] VACATION OWNERSHIP PROGRAM
ESCROW AGREEMENT

THIS AGREEMENT made this ____ day of _____, _____ by and between ESCROW AGENT, a _____ corporation, with its principal place of business located at _____ (hereinafter called "Escrow Agent"), and SELLER, a _____ corporation, with its principal place of business located at _____ (hereinafter called "Seller");

WHEREAS:

- A. Seller proposes to develop a vacation ownership program, known as [RESORT] Vacation Ownership Program (the "Program"), in the condominium project known as _____ located at _____;
- B. Upon obtaining the necessary approvals from _____, Seller intends to solicit and accept sales contracts (the "Sales Contracts" or, individually, "Sales Contract") to purchase vacation ownership interests in the Program (the "Ownership Interests");
- C. The _____ Act (*legislation governing real estate transactions*) require(s) that all funds, negotiable instruments and purchase money contracts (collectively, "Purchasers' Funds" or individually, "Purchaser's Funds") paid or made by purchasers and prospective purchasers prior to the closing of a purchase of an Ownership Interest shall be placed in an escrow account under an escrow agreement;
- D. The _____ Act (*legislation governing sale of condo units*) sets forth certain disclosure, receipt and notice requirements in connection with the sale of condominium units, interests in which comprise a part of each Ownership Interest; and
- E. Escrow Agent agrees to hold and disburse all Purchasers' Funds, and to hold all instruments, including Sales Contracts, executed by purchasers or prospective purchasers, in accordance with the provisions of the aforementioned Acts;

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereby agree as follows:

1. **Payment of Funds to Escrow Agent.** At such time as Seller shall enter into a Sales Contract with a purchaser or prospective purchaser for the sale of an Ownership Interest, it shall promptly deposit with Escrow Agent all Purchasers' Funds received before closing in connection with such sale of an Ownership Interest, and shall deliver an executed copy of the Sales Contract to Escrow Agent together with the address and other pertinent information of the purchaser. Notwithstanding the foregoing, Seller or Seller's sales agent may hold, until the expiration of the ____-day mutual rescission period provided for pursuant to _____ (*applicable legislation*), or any longer cancellation period provided in the Sales Contract, any negotiable instrument or purchase money contract made by a purchaser: (a) for which subsequent holders cannot claim holder-in-due course status within the meaning of _____; or (b) where the payee is Escrow Agent or the trustee of a lien payment trust established pursuant to _____.
2. **Receipt of Funds by Escrow Agent.** Escrow Agent shall receive, deposit and hold in separate escrow accounts and disburse as herein set forth all Purchasers' Funds received by it before closing. Escrow Agent shall not at any time commingle or permit the commingling of any one Purchaser's Funds with funds belonging to or held for the benefit of Seller or any other purchaser. All Purchasers' Funds and instruments received from purchasers or prospective purchasers shall be held by Escrow Agent in accordance with the provisions contained in the _____ Act.
3. **Deposit of Funds by Escrow Agent.** All monies received by Escrow Agent hereunder shall forthwith be deposited in a trust fund with a bank, savings and loan or trust company authorized to do business in _____ under an escrow arrangement, and shall be held in immediately available

funds in accordance with the terms hereof. Upon the direction of Seller, said funds shall be deposited in an interest-bearing account in a federally-insured bank or savings and loan in _____, and all income therefrom and interest paid thereon shall be credited to the account of Seller.

4. **Receipt of Purchaser's Financing Documents.** If required by Seller, Escrow Agent shall receive evidence satisfactory to Seller of each purchaser's ability to pay in cash the purchase price stated in the Sales Contract either (a) from the purchaser's own funds, or (b) partially from the purchaser's own funds and the balance from the proceeds of a loan (the "Purchaser's Loan") to the purchaser by Seller or a responsible lending institution (the "Purchaser's Lender") which has issued a written commitment to make a loan to the purchaser in the amount of such balance. Escrow Agent shall receive from the Purchaser's Lender a note and a mortgage for execution by, or theretofore executed by, the purchaser and shall receive funds representing the Purchaser's Loan for the purchase of the Ownership Interest, such funds to be held for disbursement in accordance with the instructions of the Purchaser's Lender and in conformity with the Sales Contract and this Agreement. If the purchase price is to be paid with the purchaser's own funds, Escrow Agent shall receive from purchaser any security required by Seller, it being understood that any such security required by Seller is independently enforceable by Seller if the purchaser is or becomes obligated to purchase.

5. **Requirements Prior to Disbursement of Purchasers' Funds.** Notwithstanding anything contained herein to the contrary, Escrow Agent shall make no disbursements of Purchasers' Funds to or for the benefit of the Seller or a sales agent or for construction, except by way of refunds thereof as provided hereinbelow, until:

- (a) *(list statutory and contractual obligations to be met prior to release of funds by Escrow Agent)*

THIS IS A 6-PAGE DOCUMENT.