

PROMISSORY NOTE SECURED BY FIRST DEED OF TRUST

This Promissory Note is intended to be a legal and binding contract.
If it is not understood, seek competent legal advice before signing.

1 **FOR VALUE RECEIVED**, _____ (“Maker”)
2 promise(s) to pay to the order of _____, (“Holder”), at such place designated
3 herein, at the time and in the manner provided herein, the sum of
4 _____ (\$ _____) (“Principal Balance”), together with interest as
5 provided herein.

6 **Section 1. Payment of Principal Balance.** The Principal Balance shall be paid in monthly installments of
7 principal and interest, based on a (*Select one*): 30-year amortization; 25-year amortization; 20-year
8 amortization; Other (specify) _____.

9 **Section 2. Interest Rate; Scheduled Payment Dates.** Interest on the Principal Balance shall accrue at
10 the rate of _____% per annum from the Closing Date identified in the Real Estate Sale Agreement (“Sale
11 Agreement”) between the parties and shall be paid in monthly installments of not less than
12 \$ _____ principal including interest (“Installment” or “Installments”), with the first Installment
13 due on the first day of _____, 20____, and subsequent Installments due on the first day of each
14 month thereafter until paid in full. All payments shall be applied first toward interest to the date of payment
15 and the remainder to principal.

16 **Section 3. Late Charge. (Check here if applicable. If box left blank, no charge will be assessed on**
17 **any late installments.)**: A late charge of 5.00% of the unpaid Installment will be automatically
18 assessed for any Installment not received by Holder or Holder’s designee by the 15th day of the month;
19 said late charge shall be promptly paid to Holder, or Holder’s designee, with no further notice, but in no
20 event later than the first day of the following month. Acceptance of payment of a late charge shall not
21 constitute a waiver of any past, present or future events of default as described in Section 8, below.

22 **Section 4. Maturity Date.** The unpaid Principal Balance, accrued unpaid interest, and all other sums due
23 under this Promissory Note and accompanying _____ Deed of Trust shall be paid in full, on or before
24 _____.

25 **Section 5. Prepayment.** Maker may prepay some or all of the Principal Balance at any time without
26 penalty. However, any such prepayments shall not excuse Maker from paying the regular monthly
27 Installments or other sums due under this Promissory Note and accompanying Deed of Trust, until the
28 Principal Balance has been paid in full.

29 **Section 6. Place of Payments.** All Installments and other sums specified in the accompanying Deed of
30 Trust shall be paid to (*select one*):

31 Holder at: _____

32 Collection Escrow (*identify*): _____ at _____
33 _____, Holder and Maker covenant to timely execute
34 all instructions necessary or convenient for the Collection Escrow to perform its services. In the event that
35 the terms of payment, application of principal, interest, late fees, or other provisions relating to any
36 payments made pursuant to this Note or the accompanying Deed of Trust materially differ from the
37 instructions signed by the parties with the Collection Escrow, the latter shall prevail over this Promissory
38 Note or accompanying Deed of Trust.

39 Other (*identify*): _____ at _____
40 _____.

41 All Payments are deemed received when received at the above address/account or such other
42 address/account as provided by one party to the other.

Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



43 **Section 7. Other Payment Provisions.**
44 _____
45 _____
46 _____
47 _____ (Use Addendum if necessary)

48 **Section 8. Events of Default.** Time is of the essence of this Promissory Note and accompanying Deed of
49 Trust. A default shall occur under any of the following circumstances:

50 **8.1 Ten-Day Grace Period.** If Maker fails to pay any Installment or other payment due
51 under this Promissory Note or accompanying Deed of Trust following ten (10) days' written demand from
52 Holder issued after its due date.

53 **8.2 Thirty-Day Grace Period.** If Maker fails to perform any other obligation contained in
54 this Promissory Note or accompanying Deed of Trust within thirty (30) days after written notice from
55 Holder specifying the nature of the default and what is necessary to cure. If the cure cannot reasonably
56 be completed by Maker within such 30-day period through the exercise of reasonable diligence, the
57 failure by Maker to commence the required cure within such 30-day period and thereafter to continue the
58 cure with diligence and to complete the cure within ninety (90) days following said written notice from
59 Holder shall constitute a default.

60 **8.3 Bankruptcy; Insolvency.** The commencement by Maker of a voluntary case under the
61 federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry
62 of a decree or order for relief against Maker in an involuntary case under the federal bankruptcy laws or
63 under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment of,
64 or consent by Maker, to the appointment of a receiver, trustee, or custodian of Maker or of any of Maker's
65 property; an assignment for the benefit of creditors by Maker, or Maker's failure generally to pay debts as
66 such debts become due.

67 **8.4 Breach of Deed of Trust.** Violation of terms, covenants or conditions of the
68 accompanying Deed of Trust.

69 **Section 9. Remedies on Default.** In the event of a default, Holder may take any one or more of the
70 following steps:

71 **9.1 Acceleration.** Declare the entire balance of the principal and accrued interest, together
72 with all other remaining sums under this Promissory Note and accompanying Deed of Trust, immediately
73 due and payable.

74 **9.2 Foreclosure.** With respect to all or any part of the Property identified in the
75 accompanying Deed of Trust, the Trustee shall have the right to foreclose by notice and sale or to
76 foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by
77 Oregon law.

78 **9.3 Other Remedies.** Notwithstanding the preceding, Holder may exercise any and all
79 other remedies available under Oregon law.

80 **Section 10. Attorneys' Fees.** Subject to Maker's rights under Oregon trust deed law, if any litigation or
81 arbitration is brought to enforce or interpret any of the terms of this Promissory Note or accompanying Deed
82 of Trust, or if suit or action is instituted in a Bankruptcy Court for a United States District Court to seek relief
83 from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of Holder in a
84 bankruptcy proceeding, the party not prevailing shall pay the prevailing party's attorney fees, costs and
85 disbursements upon hearing, trial and any appeal therefrom.

86 **Section 11. Severability.** If any provision of this Promissory Note is found by a court of competent
87 jurisdiction to be invalid or unenforceable as written, then the parties

Buyer Initials: ___/___ Date: ___

Seller Initials: ___/___ Date: ___

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88 agree that such provision shall not affect the validity and enforceability of the remainder of this Note.

89 **Section 12. Maker Warranty and Representation.** Maker warrants and represents to Holder that this
90 transaction is (*select one*): [] For business purposes only; [] For personal, consumer, residential or
91 household purposes. (*If left blank the purpose shall be deemed to be for business purposes only.*) The
92 preceding warranty and representation shall constitute a conclusive presumption for purposes of
93 interpretation and enforcement of this Promissory Note and accompanying Deed of Trust.

94 **Section 13. Acknowledgment.** Seller and Buyer hereby acknowledge that: (a) They were given an
95 opportunity to either use this Promissory Note and accompanying Deed of Trust forms provided by their
96 respective real estate licensees, or have the forms prepared by one or more attorneys of their choice; (b)
97 That by providing these forms, neither the licensees nor the forms provider, Oregon Real Estate Forms,
98 LLC, are engaging in the practice of law; (c) They have elected to use these forms and have had a
99 reasonable opportunity to have them reviewed by attorneys of their choice; (d) Their respective real
100 estate licensees have not rendered any advice or recommendations regarding the specific financial or
101 credit terms of this transaction; (e) They are satisfied with, and understand, the terms contained in these
102 forms; and (f) This Promissory Note and accompanying Deed of Trust shall not be construed more strictly
103 against any one party. ***This Promissory Note and accompanying Deed of Trust are intended to be
104 legal and binding agreements. If they are not understood, seek competent legal advice before
105 signing.***

106 IN WITNESS WHEREOF, the parties have caused this Promissory Note to be executed below, and it shall
107 become effective as of the date and time of the last party to sign.

108 **MAKER:**
109 _____ Date: _____

110 **MAKER:**
111 _____ Date: _____

112 **HOLDER:**
113 _____ Date: _____

114 **HOLDER:**
115 _____ Date: _____

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