



1 After Recording Return To:
2 _____
3 _____
4 _____

5 **DEED OF TRUST**

6 *This Deed of Trust is intended to be a legal and binding agreement.*
7 *If it is not understood, seek competent legal advice before signing.*

8 BETWEEN: _____ (“Seller/Beneficiary”)
9 _____
10 _____

11 AND: _____ (“Buyer/Grantor”)
12 _____
13 _____

14 AND: _____ (“Trustee”)
15 _____
16 _____

17 Seller/Beneficiary has agreed to sell to Buyer/Grantor that certain real property generally described as (*insert*
18 *address*) _____, and legally
19 described on **Exhibit A**, attached hereto (“the Property”). The following provisions represent the terms and
20 condition of Seller/Beneficiary’s security interest in the Property for repayment of Buyer/Grantor’s Promissory Note,
21 which accompanies this Deed of Trust:

22 **CONVEYANCE AND GRANT.** For valuable consideration, Buyer/Grantor conveys to Trustee for the benefit of
23 Seller/Beneficiary, all Buyer/Grantor’s right, title, and interest in and to the Property, together with all existing or
24 subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and
25 appurtenances; all water, water rights, irrigation rights; and all other rights, royalties, and profits relating to the
26 Property, including without limitation all minerals, oil, gas, geothermal and similar matters.

27 **DEFINITIONS.** The following words shall have the following meanings when used in this Deed of Trust. Terms
28 not otherwise defined in this Deed of Trust shall have the meanings attributed to them in Oregon’s trust deed law
29 and the Uniform Commercial Code.

30 **Deed of Trust.** The words “Deed of Trust” means this Deed of Trust among Buyer/Grantor, Seller/Beneficiary,
31 and Trustee, and includes, without limitation, all assignment and security interest provisions relating to all rents
32 and profits therefrom.

33 **Indebtedness.** The word “Indebtedness” means all amounts owing under the Promissory Note (including but
34 not limited to principal, interest, costs, charges, late fees and attorney fees), and any amounts expended or
35 advanced by Seller/Beneficiary to discharge obligations of Buyer/Grantor, or expenses incurred by Trustee or
36 Seller/Beneficiary to enforce obligations of Buyer/Grantor under this Deed of Trust, together with interest on such
37 amounts as provided in this Deed of Trust.

38 **Property.** The word “Property” shall, where applicable, collectively mean the above identified Property
39 together with all associated fixtures and, where applicable, all personal property.

40 **Promissory Note (Maturity Date).** Means that certain agreement dated _____
41 (hereinafter “the Note” or “the Promissory Note”) between Buyer/Grantor and Seller/Beneficiary in the principal
42 amount of \$ _____. The maturity date of the Promissory Note shall be

Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



43 _____, at which time, unless fully amortized, the entire unpaid principal balance,
44 including accrued interest, and all costs, charges and expenses due thereunder shall be paid in full.

45 **Trustee.** The word "Trustee" means the above-identified title insurance company, and any substitute or
46 successor trustee.

47 **THIS DEED OF TRUST IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS IDENTIFIED IN THE**
48 **PROMISSORY NOTE; AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BUYER/GRANTOR**
49 **UNDER SAID NOTE; AND (3) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BUYER/GRANTOR**
50 **UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING**
51 **TERMS:**

52 **Section 1. Taxes; Liens; HOA/UA Assessments.**

53 **1.1 Payment of Taxes and Assessments.** All real property taxes and assessments levied
54 against the Property for the current tax year shall be prorated between Seller/Beneficiary and Buyer/Grantor as of
55 the Closing Date identified in the Real Estate Sale Agreement ("Sale Agreement"). Buyer/Grantor shall pay when
56 due all taxes and assessments that are levied against the Property after the Closing Date. Buyer/Grantor may elect
57 to pay assessments in accordance with any available installment method. For property taxes, all payments shall
58 be made no less frequently than one-third each on November 15, February 15 and May 15 (or the following business
59 day) of each fiscal tax year. Buyer/Grantor shall provide Seller/Beneficiary with written evidence that all taxes and
60 assessments have been paid within ten (10) days after each required payment. If applicable, until the current fiscal
61 year's property taxes are known, Buyer/Grantor's tax payments shall be calculated upon the prior fiscal year's taxes,
62 with the parties reconciling and paying/reimbursing any shortfall or overage prior to November 1 of the then-current
63 fiscal year.

64 **1.2 Right to Contest.** If Buyer/Grantor objects in good faith to the validity or amount of any
65 tax or assessment, Buyer/Grantor, at Buyer/Grantor's sole expense, may contest the validity or amount thereof,
66 provided that Seller/Beneficiary's security interest in the Property is not jeopardized.

67 **1.3 Tax Statements.** Buyer/Grantor shall provide Seller/Beneficiary with a copy of the annual
68 property tax statement promptly upon receipt, but in no event later than November 1, of each fiscal tax year.

69 **1.4 Prohibition Against Encumbering Property.** Excepting only unpaid property taxes or
70 assessments not yet due, Buyer/Grantor shall not allow the Property to be encumbered by any liens as long as any
71 sums remain due to Seller/Beneficiary under this Deed of Trust or accompanying Promissory Note. In the event a
72 contractor's lien is filed against the Property, if Buyer/Grantor executes a bond or deposits cash pursuant to ORS
73 86.076, Buyer/Grantor shall have the right to contest the same without it constituting an Event of Default as more
74 fully described in Section 9, below.

75 **1.5 Association Dues/Assessments.** If applicable, Buyer/Grantor shall pay when due all
76 dues, assessments, and other charges levied by the Homeowners' or Unit Owners' Association and provide
77 Seller/Beneficiary with written evidence of such payment within ten (10) days after each required payment.

78 **Section 2. Possession.** Buyer/Grantor shall be entitled to possession of the Property from and after the
79 Closing Date and Possession as identified in the Sale Agreement between the parties.

80 **Section 3. Maintenance; Alterations.**

81 **3.1 Maintenance.** Buyer/Grantor shall keep all buildings, other improvements, and
82 landscape now existing, or that shall be placed on the Property, in good condition and repair as of the date
83 Buyer/Grantor is entitled to possession, and shall not permit any waste, damage, or removal of improvements, nor
84 make any substantial improvements or alterations to the Property that would reduce the value of Seller/Beneficiary's
85 security interest therein.

86 **3.2 Prohibited Activities.** Buyer/Grantor shall not use or permit the use of all or any of the
87 Property for conduct or activity that constitutes a violation of any federal, state or local laws or ordinances.
88 Buyer/Grantor's use of the Property for any purpose that is legal under Oregon law but prohibited under federal law

Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



89 shall not constitute a violation of this Deed of Trust or accompanying Promissory Note, unless there is clear and
90 convincing evidence that such use, or intended use, would reduce the value of Seller's security interest in the
91 Property.

92 **3.3 Hazardous Substances.** Buyer/Grantor shall comply fully with all laws pertaining to the
93 protection of human health and the environment, and shall not store, handle or dispose of any hazardous
94 substances at the Property. Buyer/Grantor shall indemnify, defend and hold harmless Seller/Beneficiary from and
95 against all claims, causes of action, losses, damages, costs, response costs and expenses, liabilities, and other
96 expenses caused by, arising out of, or in connection with the generation, release, handling, storage, discharge,
97 transportation, deposit or disposal in, on, under or about the Property by Buyer/Grantor or any agents,
98 representatives or contractors of Buyer/Grantor of the following: Hazardous materials, hazardous substances,
99 ultrahazardous materials, toxic wastes, toxic substances, pollutants, radioactive materials, petroleum products,
100 underground tanks, oils, pollution, asbestos, PCBs, materials, or contaminants, as those terms are commonly
101 used or as defined by any present or future federal, state, and/or local law or regulation related to protection of
102 health or the environment.

103 **Section 4. Insurance.**

104 **4.1 Property Damage/Flood Insurance.** Buyer/Grantor shall procure and maintain a policy
105 of fire and casualty insurance with standard extended coverage endorsements on a replacement cost basis covering
106 all improvements on the Property in an amount not less than the full replacement value of the residence and any
107 structures located upon the Property. Additionally, if the Property is located in a designated flood plain, Buyer shall
108 secure a policy of flood insurance reasonably satisfactory to Seller. The policies shall be primary with respect to all
109 covered risks, shall identify Seller as a named insured and shall be written in such form with such terms and by
110 such insurance companies reasonably acceptable to Seller. Buyer shall deliver to Seller a certificate of coverage
111 from the insurers containing a stipulation that coverage will not be cancelled or diminished without a minimum of
112 30-day written notice to Seller. In the event of any insured loss that would be covered by insurance, Buyer shall
113 give immediate notice to Seller. Seller may make proof of loss if Buyer fails to do so within 15 days of the casualty
114 event.

115 **4.2 Application of Proceeds.** All proceeds of any insurance on the Property shall be paid
116 to and held by Seller/Beneficiary. If Buyer/Grantor elects to restore the Property, Buyer/Grantor shall, through an
117 Oregon licensed and bonded contractor, repair or replace the damaged or destroyed improvements in a
118 workmanlike manner that is reasonably satisfactory to Seller/Beneficiary. Seller/Beneficiary shall timely release
119 such funds to any contractor to whom payment is due upon satisfactory proof of completion of their labor and
120 materials and the appropriate lien release. If there are any insurance funds remaining after completion of all
121 necessary restoration consistent with this Section 4.2, the balance shall be applied to principal reduction under the
122 Promissory Note accompanying this Deed of Trust. If Buyer/Grantor elects not to restore the Property, at the election
123 of Seller/Beneficiary, Seller/Beneficiary shall retain a sufficient amount of the proceeds to pay all amounts owed
124 Seller/Beneficiary under this Deed of Trust and accompanying Promissory Note, and shall pay the balance, if any,
125 to Buyer/Grantor.

126 **Section 5. Indemnification.**

127 **5.1 Buyer/Grantor.** Buyer/Grantor shall indemnify and hold Seller/Beneficiary harmless and,
128 at Seller/Beneficiary's election, defend Seller/Beneficiary from and against any and all claims, losses, damages,
129 fines, charges, actions, or other liabilities of any description arising out of or in any way connected with
130 Buyer/Grantor's possession or use of the Property after the Closing Date.

131 **5.2 Seller/Beneficiary.** Seller/Beneficiary shall indemnify and hold Buyer/Grantor harmless
132 and, at Buyer/Grantor's election, defend Buyer/Grantor from and against any and all claims, losses, damages, fines,
133 charges, actions, or other liabilities of any description arising out of or in any way connected with
134 Seller/Beneficiary's possession or use of the Property on or before the Closing Date.

Buyer Initials ____ / ____ Date ____

Seller Initials ____ / ____ Date ____



135 **Section 6. Representations, Warranties, and Covenants of Seller/Beneficiary.**

136 **6.1 Covenants of Title.** Buyer/Grantor warrants that Buyer/Grantor is the owner of insurable
137 title to the Property, and that the same is free of all liens and encumbrances excepting only those Exceptions Nos.
138 _____, contained in the latest Preliminary Title Report ("Report") issued by
139 _____, dated _____, Order No.
140 _____ ("Report").

141 **6.2 Authority.** Seller/Beneficiary and Buyer/Grantor mutually represent to the other that they
142 have obtained all requisite authorizations for the execution and delivery of this Deed of Trust and accompanying
143 Promissory Note.

144 **6.3 Nonforeign Status.** Seller/Beneficiary is not a "foreign person" as defined in 26 U.S.
145 Code § 1445 (Withholding of tax on dispositions of United States real property interests).

146 **6.4 No Warranties; As Is.** Subject only to those representations made by Seller/Beneficiary
147 in the Seller Property Disclosure Statement, if applicable, the Sale Agreement with Buyer/Grantor, and those
148 warranties of title contained in the Deed transferred upon Closing, as defined in the Sale Agreement,
149 Seller/Beneficiary makes no other representations or warranties, express or implied, as to the Property, its condition,
150 or state of repair, it being understood by all parties that the Property is transferred to Buyer in its AS-IS condition as
151 of the Closing Date.

152 **6.5 Survival of Representations.** Those representations in the Seller's Property Disclosure
153 Statement, if applicable, and Sale Agreement between Seller/Beneficiary and Buyer/Grantor shall survive Closing,
154 and become a part of this Deed of Trust and accompanying Promissory Note.

155 **Section 7. Title Insurance.** Upon Closing, Seller/Beneficiary, at Seller/Beneficiary's cost, shall furnish
156 Buyer/Grantor with an owner's policy of title insurance in the amount of the Purchase Price set forth in the Sale
157 Agreement with those exceptions contained in the Report identified in Section 6.1, above.

158 **Section 8. Deed of Recoveyance.** If Buyer/Grantor pays all sums due under this Deed of Trust and
159 accompanying Promissory Note when due, and performs all other obligations imposed thereunder,
160 Seller/Beneficiary shall execute and deliver to Trustee a request for full reconveyance, which shall execute and
161 record a Deed of Reconveyance in the public records of the county in which the Property is located. Any
162 reconveyance fee required by the Trustee shall be paid by Buyer/Grantor.

163 **Section 9. Events of Default.** Time is of the essence of this Deed of Trust and accompanying Promissory
164 Note. A default shall occur under any of the following circumstances:

165 **9.1 Ten-Day Grace Period.** If Buyer/Grantor fails to pay any sums due under this Deed of
166 Trust or accompanying Promissory Note following ten (10) days' written demand from Seller/Beneficiary issued
167 after its due date.

168 **9.2 Thirty-Day Grace Period.** If Buyer/Grantor fails to perform any other obligation
169 contained in this Deed of Trust or accompanying Promissory Note within thirty (30) days after written notice from
170 Seller/Beneficiary specifying the nature of the default and what is necessary to cure. If the cure cannot
171 reasonably be completed by Buyer/Grantor within such 30-day period through the exercise of reasonable
172 diligence, the failure by Buyer/Grantor to commence the required cure within such 30-day period and thereafter
173 to continue the cure with diligence and to complete the cure within ninety (90) days following said written notice
174 from Seller/Beneficiary shall constitute a default.

175 **9.3 Bankruptcy; Insolvency.** The commencement by Buyer/Grantor of a voluntary case
176 under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the
177 entry of a decree or order for relief against Buyer/Grantor in an involuntary case under the federal bankruptcy laws
178 or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the
179 consent by Buyer/Grantor to the appointment of a receiver, trustee, or custodian of Buyer/Grantor or of any of
180 Buyer/Grantor's property; an assignment for the benefit of creditors by Buyer/Grantor or Buyer/Grantor's failure
181 generally to pay debts as such debts become due.

Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



182 **9.4 Prohibited Transfer.** Buyer/Grantor's breach of Section 12, below, shall constitute an
183 immediate event of default hereunder, and Seller/Beneficiary may pursue all available remedies under Section 10,
184 below, without first issuing a 30-day notice to Buyer/Grantor under Section 9.2 above.

185 **Section 10. Remedies of Default.** In the event of a default, Seller/Beneficiary may take any one or more of
186 the following steps:

187 **10.1 Acceleration.** Declare the entire balance of the principal and accrued interest, together
188 with all other remaining sums under this Deed of Trust and accompanying Promissory Note, immediately due and
189 payable.

190 **10.2 Foreclosure.** With respect to all or any part of the Property, the Trustee shall have the
191 right to foreclose by notice and sale, or by judicial foreclosure; in either case in accordance with and to the full
192 extent provided by Oregon law.

193 **10.3 Other Remedies.** Notwithstanding the preceding, Seller/Beneficiary may exercise any
194 and all remedies available under Oregon law.

195 **Section 11. Waiver.** Failure of either party at any time to require performance of any provision of this Deed
196 of Trust or accompanying Promissory Note shall not limit the party's right to enforce the provision, nor shall any
197 waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of
198 this provision itself.

199 **Section 12. Successor Interests.** This Deed of Trust and accompanying Promissory Note shall be binding
200 upon and inure to the benefit of the parties, their permitted successors, and assigns. However, no interest of
201 Buyer/Grantor in this Deed of Trust, Promissory Note, or the Property, shall be assigned, subcontracted, or
202 otherwise transferred (whether for security purposes or otherwise), voluntarily or involuntarily, without the prior
203 written consent of Seller/Beneficiary, which may be granted or withheld at Seller/Beneficiary's sole discretion.
204 Consent by Seller/Beneficiary to one transfer shall not constitute consent to subsequent transfers or a waiver of this
205 section. Any attempted assignment, sale, or transfer by Buyer/Grantor, in violation of this Section 12, shall be void
206 and of no effect with respect to Seller/Beneficiary and shall constitute an immediate default under this Deed of Trust
207 and accompanying Promissory Note.

208 **Section 13. Prior Agreements.** Except as otherwise provided herein, this Deed of Trust and accompanying
209 Promissory Note is/are the entire, final, and complete agreement(s) of the parties pertaining to the sale and
210 purchase of the Property, and supersede and replace all prior or existing written and oral agreements between the
211 parties relating to the Property.

212 **Section 14. Notice.** Any notice under this Deed of Trust or accompanying Promissory Note shall be in writing
213 and transmitted to the party at the address stated herein, or such other address as either party may designate by
214 written notice to the other.

215 **Section 15. Applicable Law.** This Deed of Trust and accompanying Promissory Note has/have been
216 entered into in the state of Oregon, and the parties agree that the laws of Oregon shall be applied in construing and
217 enforcing them.

218 **Section 16. Costs and Attorney Fees.** Subject to Buyer/Grantor's rights under Oregon trust deed law, if
219 any litigation or arbitration is brought to enforce or interpret any of the terms of this Deed of Trust or accompanying
220 Promissory Note, or if suit or action is instituted in a Bankruptcy Court for a United States District Court to seek relief
221 from an automatic stay, to obtain adequate protection, or to otherwise assert the interest of Seller/Beneficiary in a
222 bankruptcy proceeding, the party not prevailing shall pay the prevailing party's attorney fees, costs and
223 disbursements upon hearing, trial and any appeal therefrom.

224 **Section 17. Survival of Covenants.** Any covenants, the full performance of which are not required before
225 Closing, shall survive the Closing, and shall be fully enforceable thereafter in accordance with their terms.

Buyer Initials ____/____ Date ____

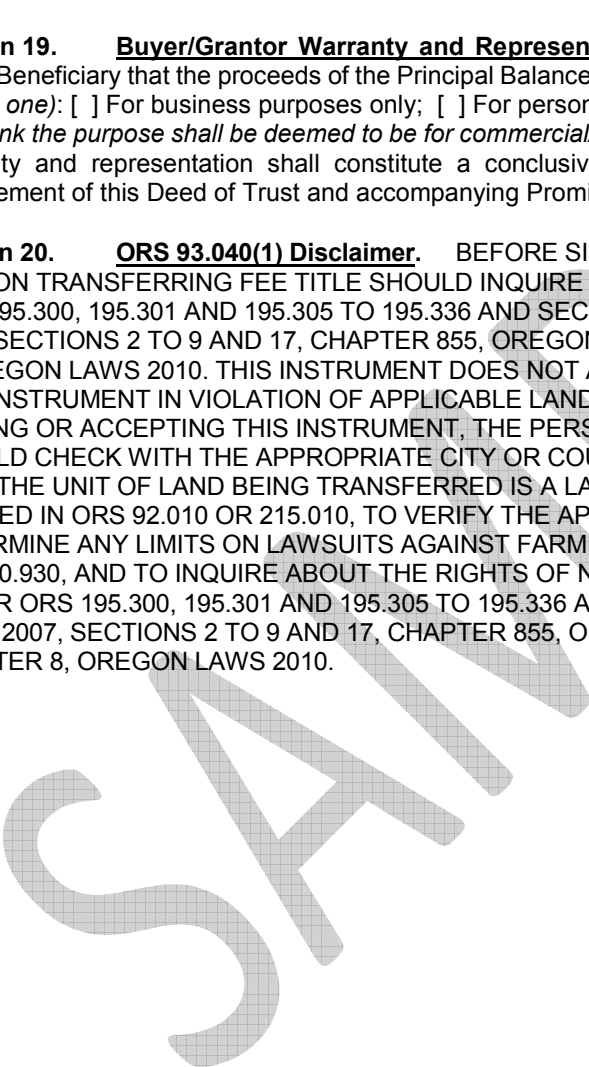
Seller Initials ____/____ Date ____



226 **Section 18. Acknowledgment.** Seller/Beneficiary and Buyer/Grantor hereby acknowledge that: (a) They
 227 were given an opportunity to either use this Deed of Trust and accompanying Promissory Note forms provided
 228 by their respective real estate licensees, or have the forms prepared by one or more attorneys of their choice;
 229 (b) That by providing these forms, neither the licensees nor the forms provider, Oregon Real Estate Forms, LLC,
 230 are engaging in the practice of law; (c) They have elected to use these forms and have had a reasonable
 231 opportunity to have them reviewed by attorneys of their choice; (d) Their respective real estate licensees have
 232 not rendered any advice or recommendations regarding the specific financial or credit terms of this
 233 transaction; (e) They are satisfied with, and understand, the terms contained these forms; and (f) This Deed of
 234 Trust and accompanying Promissory Note shall not be construed more strictly against any one party. ***This Deed***
 235 ***of Trust and accompanying Promissory Note are intended to be a legal and binding agreements. If they***
 236 ***are not understood, seek competent legal advice before signing.***

237 **Section 19. Buyer/Grantor Warranty and Representation.** Buyer/Grantor warrants and represents to
 238 Seller/Beneficiary that the proceeds of the Principal Balance identified in the accompanying Promissory Note are
 239 (select one): [] For business purposes only; [] For personal, consumer, residential or household purposes. (If
 240 left blank the purpose shall be deemed to be for commercial/investment/business purposes only.) The preceding
 241 warranty and representation shall constitute a conclusive presumption for purposes of interpretation and
 242 enforcement of this Deed of Trust and accompanying Promissory Note.

243 **Section 20. ORS 93.040(1) Disclaimer.** BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE
 244 PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER
 245 ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS
 246 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER
 247 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN
 248 THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE
 249 SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY
 250 SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY
 251 THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS
 252 DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO
 253 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN
 254 ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY,
 255 UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON
 256 LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7,
 257 CHAPTER 8, OREGON LAWS 2010.



Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



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

BUYER/GRANTOR:

BUYER/GRANTOR:

STATE OF OREGON)
) ss.
County of _____)

BE IT REMEMBERED, That on this ____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named _____ (Buyer/Grantor(s)) and acknowledged that he/she/they executed the foregoing instrument freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public for Oregon
My Commission Expires: _____

SELLER/BENEFICIARY:

SELLER/BENEFICIARY:

STATE OF OREGON)
) ss.
County of _____)

BE IT REMEMBERED, That on this ____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named _____ (Seller/Beneficiary(ies)) and acknowledged that he/she/they executed the foregoing instrument freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public for Oregon
My Commission Expires: _____

EXHIBIT A
(Attach Legal Description)

SAMPLE