

## SELLER-CARRIED PROMISSORY NOTE SECURED BY 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.

FOR VALUE RECEIVED, (*insert names*) \_\_\_\_\_  
 (“Maker”) promise(s) to pay to the order of (*insert names*) \_\_\_\_\_  
 \_\_\_\_\_, (“Holder”), at such place designated in Section 6 (Place of  
 Payments), at the time and in the manner provided in this Promissory Note, the  
 sum of (*insert written dollar amount*) \_\_\_\_\_ (\$ \_\_\_\_\_)  
 (“Principal Balance”), together with interest as provided in this Promissory Note.

**1. PAYMENT OF PRINCIPAL BALANCE:** The Principal Balance will be paid in  
 monthly installments of principal and interest, based on a: (*select one*)

- (a)  30-year amortization;
- (b)  25-year amortization;
- (c)  20-year amortization; or
- (d)  Other (*specify*) \_\_\_\_\_.

**2. INTEREST RATE; SCHEDULED PAYMENT DATES:** Interest on the  
 Principal Balance will accrue at the rate of \_\_\_\_\_% per annum from the Closing  
 Date identified in the Real Estate Sale Agreement (“Sale Agreement”) between the  
 parties and will be paid in monthly installments of not less than (*insert amount*)  
 \$ \_\_\_\_\_ principal including interest (“Installment” or “Installments”), with the  
 first Installment due on the first day of (*insert month*) \_\_\_\_\_ and  
 subsequent Installments due on the first day of each subsequent month until paid  
 in full. All payments will be applied first toward interest to the date of payment and  
 the remainder to principal.

**3. LATE CHARGE:** (*Check here if applicable. If box left blank, no charge will be  
 assessed on any late Installments.*)  A late charge of five percent (5.00%) of the  
 unpaid Installment will be automatically assessed for any Installment not received  
 by Holder or Holder’s designee by the fifteenth (15<sup>th</sup>) day of the month; that late  
 charge will be promptly paid to Holder, or Holder’s designee, without further  
 notice, but in no event later than the first (1<sup>st</sup>) day of the following month.

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Acceptance of payment of a late charge will not constitute a waiver of any past, present, or future events of default as described in Section 8 (Events of Default).

**4. MATURITY DATE:** The unpaid Principal Balance, accrued unpaid interest, and all other sums due under this Promissory Note and accompanying Deed of Trust will be paid in full, on or before (*insert date*) \_\_\_\_\_.

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

**6. PLACE OF PAYMENTS:** All Installments and other sums specified in the accompanying Deed of Trust will be paid to: (*select only one*)

(a)  Holder at: (*insert address*) \_\_\_\_\_  
\_\_\_\_\_.

(b)  Collection Escrow: (*identify*) \_\_\_\_\_ at  
(*insert address*) \_\_\_\_\_  
\_\_\_\_\_.

Holder and Maker promise to timely execute all instructions necessary or convenient for the Collection Escrow to perform its services. If the terms of payment, application of principal, interest, late fees, or other provisions relating to any payments made pursuant to this Note or the accompanying Deed of Trust materially differ from the instructions signed by the parties with the Collection Escrow, the latter will prevail over this Promissory Note or accompanying Deed of Trust.

(c)  Other: (*identify*) \_\_\_\_\_ at (*insert address*) \_\_\_\_\_  
\_\_\_\_\_.

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

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7. OTHER PAYMENT PROVISIONS: (describe) \_\_\_\_\_  
\_\_\_\_\_  
(Use Addendum if necessary)

8. EVENTS OF DEFAULT: Time is of the essence of this Promissory Note and accompanying Deed of Trust. A default will occur under any of the following circumstances:

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

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

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

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

9. REMEDIES ON DEFAULT: In the event of a default, Holder may take any one or more of the following steps:

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

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

**9.3. Other Remedies.** Holder may also exercise any and all other remedies available under Oregon law.

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

**11. SEVERABILITY:** If any provision of this Promissory Note is found by a court of competent jurisdiction to be invalid or unenforceable as written, the parties agree such provision will not affect the validity and enforceability of the remainder of this Note.

**12. MAKER WARRANTY AND REPRESENTATION:** Maker warrants and represents to Holder this transaction is: (*select one*)

(a)  for business purposes only; or

(b)  for personal, consumer, residential or household purposes.

("for personal, consumer, residential or household purposes" if left blank.) The preceding warranty and representation will constitute a conclusive presumption for purposes of interpretation and enforcement of this Promissory Note and accompanying Deed of Trust.

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**13. WAIVERS; JOINT AND SEVERAL LIABILITY:** Maker and all sureties, without affecting their liability under this Promissory Note, hereby:

- (a) waive diligence, presentment, protest, and demand; and
- (b) waive notice of protest of demand, of nonpayment, of dishonor, and of maturity.

If more than one Maker, each agree they each will be jointly and severally liable for full payment of this Note, and will pay the full amount of the principal and interest of the indebtedness evidenced by this Note.

**14. ACKNOWLEDGMENT:** Maker and Holder hereby acknowledge:

- (a) they were given an opportunity to either use this Promissory Note and accompanying Deed of Trust forms provided by their respective real estate agents, or have the forms prepared by one or more attorneys of their choice;
- (b) by providing these forms, neither the real estate agents nor the forms provider, Oregon Real Estate Forms, LLC, are engaging in the practice of law;
- (c) they have elected to use these forms and have had a reasonable opportunity to have them reviewed by attorneys of their choice;
- (d) their respective real estate agents have not rendered any advice or recommendations regarding the specific financial or credit terms of this transaction;
- (e) they are satisfied with, and understand, the terms contained in these forms;
- (f) they have been provided with a copy of this form for their own files; and
- (g) this Promissory Note and accompanying Deed of Trust will not be construed more strictly against any one party.

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## SELLER-CARRIED PROMISSORY NOTE SECURED BY DEED OF TRUST

Maker's and Holder's real estate agents are not licensed to practice law in Oregon. Accordingly, they may not complete this legal form, and may not advise on its legal effect. Maker and Holder should secure their own separate legal counsel when filling out this form.

The parties have caused this Promissory Note to be executed below, and it will become effective as of the date and time of the last party to sign.

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Maker \_\_\_\_\_ Date \_\_\_\_\_  a.m.  p.m. ←  
Print Name \_\_\_\_\_

Maker \_\_\_\_\_ Date \_\_\_\_\_  a.m.  p.m. ←  
Print Name \_\_\_\_\_

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Holder \_\_\_\_\_ Date \_\_\_\_\_  a.m.  p.m. ←  
Print Name \_\_\_\_\_

Holder \_\_\_\_\_ Date \_\_\_\_\_  a.m.  p.m. ←  
Print Name \_\_\_\_\_