



8.2 PROMISSORY NOTE

1 Maker/Buyer:
2 Name: _____
3 _____
4 Address: _____
5 _____

Holder/Seller:
6 Name: _____
7 _____
8 Address: _____
9 _____

10
11
12 Effective Date: _____
13

 14 FOR VALUE RECEIVED

15 I individually, We jointly and severally, _____ (“Maker” or “Buyer”)
16 promise to pay to the order of _____ (“Holder” or “Seller”), the principal sum of
17 \$ _____ with interest accruing on the unpaid principal balance from time to time remaining unpaid prior to
18 maturity, pursuant to the terms of this Note, Sale Agreement # _____ and the **Form 8.2 Deed of Trust** (“Deed of Trust”) of
19 even date encumbering that certain real property in the County of _____ State of Oregon, and more particularly described in
20 the Deed of Trust.
21

22 Real estate agents are not qualified to provide opinions on the validity or advantage in selecting any provisions within this Note. If
23 Buyer or Seller desire more information regarding meaning of terms, they are advised to seek out independent counsel. The terms of
24 this Note shall be as follows:

 25 **1. Note Timeframes.**

26 a. **Term of Note.** This entire Note, principal, interest and fees, shall be paid in full on or before:

- 27 1 year from First Payment. 2 years from First Payment. 3 years from First Payment.
28 5 years from First Payment. 10 years from First Payment. 15 years from First Payment.
29 20 years from First Payment. 25 years from First Payment. 30 years from First Payment.

30 b. **First Payment.** The first payment on this Note shall occur:

- 31 upon the first day of the month following Effective Date of this Note.
32 upon the first day of _____ [month] following the Effective Date of this Note.

33 **Balloon Payment.** By checking this box, Parties agree that all outstanding balances on this Note shall be due on _____
34 _____ [Date] in one balloon payment. This box should not be checked if the Parties have not consulted a licensed
35 mortgage loan originator.

 36 **2. Interest on Note.**

37 a. **Interest.** Interest on this note shall accrue annually at a rate equal to (select one):

- 38 3% 4% 5%
39 6% 7% 8%

40 b. **Amortization.** The loan shall be amortized over the Term of the Note, pursuant to an amortization schedule provided by
41 Holder and reviewed by Maker prior to Mutual Acceptance.

 42 **3. Payments of Principal and Interest.**

43 The principal, interest and all unpaid sums due under this note shall be payable as follows:

- 44 a. **Payment Frequency.** Payments shall be made payable monthly Every six months yearly (“Installments”).
45 b. **Payment Amount.** Payments of \$ _____ shall be due for each Installment. In no event shall this
46 payment be less than the sum of interest accrued over a year divided by the number of installments in that year.
47 c. **Payment Due Date.** Installments shall be paid or mailed by the **first Business Day** of each month (“Due Date”).
48 d. **Failure to Make Payment.** If Maker fails to make an Installment payment by the Due Date, Holder may demand payment
49 from Maker in writing. Maker shall have **5 Business Days** after receiving this written demand to pay such Installment payment
50 and any applicable late fees (“Cure Period”). Failure to pay within the Cure Period shall be considered a Default. Holder’s
51 failure to send a written demand shall not be construed as a waiver of Holder’s right to recover unpaid sums.

Buyer Initials _____

Seller Initials _____



- 52 e. **Application of Payments.** All payments shall be first applied to any outstanding fees or charges due, second to interest on
53 the Note, and any remaining sums to be applied to the principal balance of the Note.
- 54 f. **Currency.** All payments shall be made in lawful money of the United States.
- 55 g. **Receiving Payments.** Payments from Maker shall be paid to:
56 **Holder** at [address] _____
57 **Collection Escrow.**
58 [Escrow Company] _____ at [address] _____
59 (“Collection Escrow”) shall be responsible for Collection Escrow services. Upon the Effective Date of this
60 Note, Maker and Holder shall provide to Collection Escrow all instructions required by Collection Escrow to
61 perform its services (“Escrow Instructions”). In the event that terms of payment, application of payments,
62 interest rates, or other provisions in this Note, the Sale Agreement or Trust Deed are materially different
63 from Escrow Instructions, the terms from this Note shall prevail.
- 64 **Other.** See attachment, signed and agreed to in writing by Maker and Holder, identifying receiving Party, location,
65 and procedure for receiving payments.
- 66 h. **Late Fee.** If an Installment is not paid in full within **15 Calendar Days** after the Due Date, a Late Fee of equal to 5% of the
67 amount due shall be added to the principal sum of this Note.

68 **4. Due on Sale.**

- 69 The Property secured by Deed of Trust may not be sold or transferred without Holder’s consent. Upon breach of this
70 provision, Holder may immediately declare all sums due and payable under this Note unless prohibited by applicable law.

71 **5. Prepayment Terms.**

- 72 a. **Prepayment.** Maker may may not prepay this Note in whole or in part without penalty.
73 Application of Prepayment. All prepayments will be first applied to outstanding fees or charges, then to accrued interest on
74 this Note, if any, and then to the principal balance of this Note. Partial prepayments will not affect other obligations of
75 Maker under this Note.

76 **6. Default.**

- 77 a. **Time is of the Essence.** All terms and provisions in this Note, the Sale Agreement, or the Trust Deed that provide a timeframe
78 to complete an obligation or action shall be considered material terms.
- 79 b. **Events of Default.** The occurrence of any of the following shall be considered a default by Maker (“Default”):
80 i. Failure to pay an Installment by the end of the Cure Period.
81 ii. Failure to cure or show reasonable progress towards curing Maker’s failure on an obligation in this Note within **5**
82 **Business Days** after receiving written notice from Holder explaining the nature of Maker’s failure.
83 iii. Maker declaring or filing a petition of insolvency or bankruptcy, or admitting in writing to an inability to pay debts as
84 they mature, or the appointment of a custodian or receiver to take possession of Maker’s assets.
85 iv. Breach of terms, covenants, conditions or provisions of the Trust Deed or Sale Agreement.

86 **7. Remedies on Default.**

- 87 a. In the event of a Default, Holder may take any of the following actions:
88 i. **Acceleration.** Holder may declare the entire balance of the principal and accrued interest immediately due and
89 payable, together with any other sums incurred under the Note or Trust Deed.
90 ii. **Foreclosure.** Holder may direct the Trustee of the Trust Deed (“Trustee”) to initiate a foreclosure pursuant to the terms
91 of the Trust Deed or initiate a judicial foreclosure pursuant to Oregon law.
92 iii. **Application of Funds.** Holder may apply any funds received from Maker at Holder’s discretion towards the principal
93 balance of the Note, any interest incurred on the Note, repayment of subsequent advances made by Maker or Trustee
94 to Maker, and/or any taxes, fees, or other costs incurred due to Maker’s nonpayment.
95 iv. **Other Remedies.** Holder is permitted to take any other actions permitted under Oregon law.

96 **8. Miscellaneous.**

- 97 a. **Non-waiver.** No failure or delay by Holder in exercising Holder’s rights under this Note shall be a waiver of such rights.
98 b. **Inconsistencies.** In the event of any inconsistencies between the terms of this Note and the terms of the Trust Deed or the Sale
99 Agreement, the terms of this Note shall prevail.
100 c. **Attorney Fees.** If any litigation or arbitration is brought to enforce or interpret any of the terms of this Promissory Note or Trust
101 Deed, or if suit or action is instituted in Bankruptcy Court for a United States District Court to seek relief from an automatic
102 stay, or otherwise protect the interest of Holder in subsequent proceedings, the prevailing Party shall be entitled to recover
103 attorney fees and costs from the non-prevailing Party for any hearings, trials, or appeals therefrom.

Buyer Initials _____ **Seller Initials** _____



d. Governing Law. This Note shall be governed by the laws of the State of Oregon. If any provision or clause of the Note is declared to be unconstitutional or illegal, invalid or unenforceable, it shall be deemed to be separate and severable from the rest of the provisions, and the intent is that the remaining portions of the document will remain in full force and effect. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the Party against whom enforcement of any wavier, change, discharge or termination is sought.

e. Successors and Assigns. This Note shall be binding and inures to the benefit of the Parties hereto, their legal representative, heirs, devisees, successors, and assigns. Subject to written agreement, signed by both Parties, either Party may transfer such Party's interest in this Note, provided that the transferee assumes all of such Party's obligations in the Agreement Documents.

f. Entire Agreement. The Agreement Documents constitute the entire agreement between the Parties with respect to the subject matter contained in this Note and supersedes all prior agreements, understandings and negotiations between the Parties.

g. Modification. Any modifications to this Note must be agreed to in writing by Maker and Holder.

h. Counterparts. This Note may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Note has been executed as of the above day and year.

Maker/Buyer

Maker/Buyer

Print Name

Print Name

Maker/Buyer

Maker/Buyer

Print Name

Print Name

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on this _____ day of _____, 20____, by _____

[Buyer].

Notary Public

My Commission Expires: _____

