



**MEMORANDUM  
COUNTY EXECUTIVE OFFICE  
ECONOMIC DEVELOPMENT AND HOUSING  
County of Placer**

**TO:** Honorable Board of Supervisors **DATE:** May 12, 2026  
**FROM:** Gloria Stearns, Economic Development Manager  
**BY:** Timothy Cussen, Housing Specialist  
**SUBJECT:** Workforce Housing Preservation Program Annual Update and Request to Amend Program Guidelines

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**ACTION REQUESTED**

1. Receive a presentation and annual update on the Workforce Housing Preservation Program.
2. Approve the amended Workforce Housing Preservation Program Guidelines and Deed Documents, which expand participant and property eligibility, enhance transparency regarding impacts of the deed restriction to subsequent buyers, revise the voluntary termination fee to reflect the public benefit received over time, and align with similar deed restriction programs within the region.
3. Determine that the proposed actions are each not a project pursuant to California Environmental Quality Act Guidelines Section 15378.

**BACKGROUND**

On February 16, 2021, the Board of Supervisors (Board) approved the Workforce Housing Preservation Program (WHPP) and the WHPP Guidelines. WHPP provides incentives to homebuyers in eastern Placer County (County) who meet local employment requirements in exchange for a recorded deed restriction on the property for occupancy by qualified residents. The objectives of WHPP are to deed restrict homes for the local workforce, create a secondary housing market for local workers, and provide homeownership opportunities for the local workforce.

On June 24, 2025, the Board approved updated WHPP Guidelines and deed documents, and to date, WHPP has been allocated \$4,100,000 in total funding since program inception. This consists of funding previously approved by the Board: \$250,000 in General Fund and \$250,000 in Transient Occupancy Tax (TOT) revenue on February 9, 2021; \$600,000 in TOT revenue on February 14, 2023; and \$3,000,000 in TOT revenue on April 23, 2024. The most recent \$3,000,000 allocation of TOT revenue was recommended through the three-year sponsorship grant cycle by the North Tahoe Community Alliance (NTCA) TOT-TBID Dollars at Work Program, which runs through Fiscal Year (FY) 2025-26.

## **ANNUAL UPDATE**

Since its inception, WHPP has secured seventeen (17) deed restrictions for a total of \$1,852,400. To date, properties that have participated in WHPP include two condominiums, two duplexes, and fourteen single-family homes. The original sale prices of participating properties ranged from \$340,000 to \$980,000 and the average deed restriction disbursement per property is \$108,965. The deed restriction disbursements of \$120,000 and \$132,000 for the two duplex properties that have participated yielded per-unit disbursements (total disbursement divided by number of units) of \$60,000 and \$66,000 respectively.

During FY 2025-26, three (3) new deed restrictions were purchased from homeowners for a total of \$329,600, with an average deed restriction disbursement of \$109,867 per property. Sale prices for the three properties that entered WHPP ranged from \$575,000 to \$750,000 and included one duplex and two single family homes.

To date, none of the seventeen properties in WHPP have been sold or listed for sale. As of the 2025 Annual Monitoring Cycle, 100% of the properties are owner occupied and are all in compliance with the requirements of the deed restriction.

There is currently \$2,247,500 in remaining funds through FY 2025-26. Staff are currently working with NTCA staff to extend the term of these funds through FY 2026-27.

Recent trends indicate a shift in multifamily housing properties being marketed as redevelopment opportunities, which increases the risk of losing existing long-term rental stock to higher-cost development. Preserving existing housing stock is recognized under Policy HE-D-1 of the County's 2021-2029 Housing Element and Goal 2 of the 2025-2029 Housing Action Plan. Staff are proposing amendments to the WHPP guidelines and deed documents to advance preservation strategies for multifamily properties, increase available housing stock for the local workforce, and increase transparency for participants of the potential impact of a deed restriction on a participating property. Staff is also proposing to revise the voluntary termination fee to reflect the public benefit received during the time period the deed restriction is in place and more closely align WHPP with the similar deed restriction program offered by the Town of Truckee.

## **GUIDELINE UPDATES**

A summary of the proposed amendments to WHPP Guidelines are as follows:

- Update eligible participants to include local businesses who operate at a location within the Tahoe-Truckee Unified School District (TTUSD) geographical boundaries, or for/as a business whose principal coverage area is within the TTUSD geographical boundary.
- Update eligible property types to include multi-family properties greater than four units and to clarify what is considered a single-family home including, but not limited to, condominiums, townhomes, duplexes, single-family homes with accessory dwelling units (ADU) and/or junior accessory dwelling units (JADU) and mobile homes (if the land is also purchased). Currently, the program only allows single family homes consisting of

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one to four units.

- For multi-family properties only, the maximum aggregate deed restriction disbursement is 16% of the property's fair market value and will not include a \$150,000 cap but instead will be subject to a Per-Unit-Disbursement cap (single family properties have a \$150,000 disbursement maximum). The Per-Unit Disbursement for a multi-family property is calculated by dividing the total disbursement by the number of units within a multifamily property with a cap of \$75,000 per unit. For illustrative purposes, assuming a 4-unit property has a fair market value of \$2,000,000, the maximum aggregate deed restriction disbursement is \$320,000 (16% of the property's fair market value). However, the Per-Unit-Disbursement maximum is \$75,000. As a result, if all four units were restricted, the owner would be eligible for \$300,000 (\$75,000 x 4) rather than \$320,000.
- Update the voluntary program termination fee to a model that gradually reduces the fee over the term of the restriction to reflect the public benefit (i.e., preservation of the unit for the local workforce) received during the period it is in place. Notably, there is no change to the termination fee charged in the event of a default.
- Increase disclosure in the guidelines to clarify that subsequent buyers of a WHPP deed-restricted property will not receive WHPP funds, and that the property may resell at less than market value due to the restriction.

The Use Deed Restriction and Option to Purchase and associated exhibits (Attachment B) were updated to effectuate the changes made to the WHPP Guidelines noted above.

#### **ENVIRONMENTAL IMPACT**

The proposed actions are each not a project pursuant to CEQA Guidelines Section 15378 because they are administrative actions that will not result in any direct or indirect physical changes in the environment.

#### **FISCAL IMPACT**

There is no fiscal impact associated with this item.

#### **ATTACHMENTS**

Attachment A – Amended Workforce Housing Preservation Program Guidelines

Attachment B – Amended Workforce Housing Preservation Program Use Deed Restriction and Option to Purchase with associated exhibits

**Attachment A**

**Workforce Housing Preservation Program**

**East Placer Program Description and Guidelines  
May 2026**

## **Section 1 – PROGRAM OVERVIEW**

In 2020, the Board of Supervisors approved implementation of the Workforce Housing Preservation Program (WHPP), which was designed to work towards the goals identified in the County’s 2021-2029 Housing Element. The goals in these documents aim to expand housing opportunities that are affordable, convert and preserve the existing housing stock and encourage a variety of housing types. The East Placer Workforce Housing Preservation Program objectives are to deed restrict homes for the local workforce, create a secondary housing market for local workers, and provide homeownership opportunities for the local workforce. Ensuring adequate and affordable housing for the local workforce will help the County’s employers retain skilled workers, ensure businesses can provide economic stability for our communities, and provide housing in proximity to places of employment.

The Program helps to carry out these goals by purchasing deed restrictions during new home purchase transactions that require occupancy by full-time (or equivalent) workers employed within the Tahoe Truckee Unified School District (TTUSD) boundaries. The deed restrictions preserve the existing single-family and two-four-unit multi-family housing stock and facilitate the creation of owner-occupied units for local workers. The deed restrictions run for 55 years and are renewed with each conveyance of the property to help preserve a mix of existing housing types for the local workforce long-term. As the program matures and more deed restrictions are acquired, the program will create a secondary, below-market-rate housing market for the local workforce to ensure availability and affordability of housing opportunities for years to come.

The WHPP will be monitored annually to determine effectiveness, contemplate program amendments, and consider funding availability. An update will be presented to the Board of Supervisors on an annual basis. Updates and adaptations will be implemented with Board of Supervisors’ approval.

## **Section 2 – PROGRAM GUIDELINES**

### **A. Definitions**

1. “Board” means the Board of Supervisors of Placer County.
2. “Deed Documents” means the documents necessary to enter into a deed restriction agreement, including Deed Restriction Agreement, and Performance Deed of Trust.
3. “Deed Restriction Disbursement” is the value of the deed restriction grant paid by to the Owner.
4. “Fair Market Value” means the value of the Property as determined by the appraiser.
5. “Local Business” means a corporation, LLC, sole proprietorship, governmental entity, mutual benefit corporation or non-profit business legally permitted to conduct business within the Tahoe Truckee Unified School District (TTUSD) geographical boundary with a physical place of business located within the TTUSD geographical boundary, or for/as a business whose principal coverage area is within the TTUSD geographical boundary.
6. Long-Term Lease – A lease with an initial term of twelve (12) months or greater
7. “Occupant” applies to all occupants in the Property.
8. “Owner” is an individual with at least one member of their household who is a Qualified Resident or Local Business that owns the Property, as reflected on title to the Property; or is purchasing the property as reflected on the signed purchase agreement.

9. "Per-Unit Disbursement" means the amount calculated by dividing the total Deed Restriction Disbursement by the number of housing units within a multifamily Property.
10. "Potential Avalanche Hazard Area" means a location that is in a potential avalanche path as defined by a County planning document.
11. "Program" or "WHPP" means the Workforce Housing Preservation Program.
12. "Program Administrator" is the administrative group or agent designated by the County Executive Officer who oversees the qualification, processing, and operation of the Program.
13. "Property" is the property that is or will be subject to the deed restriction.
14. "Qualified Resident" means an adult 18 years of age or older who is currently employed an average of 30 or more hours per week over the course of a calendar year, or meets fulltime employment equivalency (as demonstrated through an employer verification or yearly revenue for self-employed individuals), at a location within the Tahoe Truckee Unified School District (TTUSD) geographical boundary, or for/as a business whose principal coverage area is within the TTUSD geographical boundary. Workers who work remotely within the TTUSD geographical boundary must also work the required hours per week for an employer whose principal coverage area is within the TTUSD geographical-boundary.
15. "Short-Term Rental" means any unit, or portion thereof, permitted for residential use and rented for occupancy, dwelling, lodging, or sleeping purposes for a period of not less than one night and not more than thirty (30) days.
16. "Transfer" is the process of legally conveying the ownership or title of a property from one party to another.

## **B. Eligibility Requirements**

1. Any purchaser of a property must be an Owner as defined in these Guidelines.
2. Property
  - a. The Property must be in unincorporated Placer County within the Tahoe Truckee Unified School District geographical boundary.
  - b. The Property must be a single-family home including, but limited to, condominiums, townhomes, single-family homes with accessory dwelling units (ADU) and/or junior accessory dwelling units (JADU) and mobile homes (if the land is also purchased) and multifamily properties.
  - c. The Property shall not be in a Potential Avalanche Hazard Area.
  - d. The Property shall not be subject to an existing deed restriction with the County of Placer at the time of purchase.
  - e. The Property must meet basic health and safety criteria per California Health and Safety Code, Division 13, Housing Part 1.5, Chapter 2.

## **C. Conditions**

1. Owner shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.

2. Owner shall comply with all applicable laws, rules, ordinances, orders, and regulations of all federal, state, county, municipal, and other governmental agencies, and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials. If new construction, the Property shall pass a final building permit inspection prior to the completion of a disbursement.
3. Owner shall consent to recordation of a lien against the Property in the amount of the funds disbursed plus a reasonable estimation of interest and fees.
4. Owner must submit annual certifications verifying compliance with the terms of the deed restriction.
5. Violations of the Deed Restriction may provide the County with an option to purchase the property and/or may require the Owner repay the Deed Restriction Disbursement subject to the requirements in the Guidelines.
6. WHPP funds may only be used in conjunction with other County Programs, funding and/or agreements at the approval of the County Executive Officer or designee.

#### **D. Renting**

1. The Property may be rented long-term to a household with at least one Qualified Resident who occupies the property as their Primary Home. Any proposed lease must be approved in advance by the Program Administrator to ensure lessee meets Qualified Resident criteria. Qualified Resident is subject to eligibility and monitoring requirements.
2. Each and all non-owner-occupied units within a Property must be rented under the criteria described in Section D. of these guidelines.
3. An owner who wishes to rent the property long-term to a Qualified Resident must do the following:
  - a. Owner must notify the county and/or the program administrator in writing prior to entering into a signed lease agreement.
  - b. Submit a copy of the proposed lease to the program administrator for approval.
  - c. Submit name and contact information of the proposed lessee to the program administrator.
  - d. Upon approval of the lessee as Qualified Resident, owner and lessee may execute the lease.
4. The Property may be rented on a short-term basis as a Short-Term Rental for no more than 30 days total each calendar year, as defined in Article 9.42 Short-Term Vacation Rentals and subject to the rental verification process outlined in the County code.

#### **E. Determining the Deed Restriction value**

The County conducted the Analysis of Proposed Eastern and Western Placer County Voluntary Deed Restriction Programs in August of 2020 to determine the fair market value of the deed restriction and estimate the community and economic benefits from the Program. The review included a case study analysis of similar programs, evaluation of other deed restricted housing units in Placer County, evaluation of the ability of households to pay for housing compared to current market rate pricing, and stakeholder interviews. As of 2026, the County applies a value of 16% of the fair market value to a maximum of \$150,000 per deed restriction for single-family homes. For multifamily properties consisting of two or more units, the County applies a value of 16% of fair market value for the entire property with the Per-Unit Disbursement not to exceed

\$75,000. For properties consisting of two or more units, the maximum aggregate Deed Restriction Disbursement is 16% of property's fair market value, regardless of how many units are restricted. For illustrative purposes, assuming a 4-unit property has a fair market value of \$2,000,000, the maximum aggregate deed restriction disbursement is \$320,000 (16% of the property's fair market value). However, the Per-Unit-Disbursement maximum is \$75,000. As a result, if all 4 units were deed restricted, the owner would be eligible for \$300,000 (\$75,000 X 4) rather than \$320,000. Staff are responsible for a periodic review of the value of the deed restriction and changes to this calculation may be considered from time to time based on fluctuating market conditions.

The County will use the following methods, criteria and findings to determine the Deed Restriction Disbursement for the Property:

1. Fair Market Value as determined by an appraisal, paid by Owner, completed by a certified Member Appraisal Institute (MAI) or other qualified real estate appraiser approved in advance by the County.
  - a. In the event an appraisal is not required by the first mortgage lender, the purchase price will be used as the fair market value.
  - b. In the event the Fair Market Value and purchase price are not equal, the lower of these values will be used to calculate the Deed Restriction Disbursement.
2. The Property provides permanent year-round housing to a household with at least one Qualified Resident.
3. The market value of the deed restriction is comparable in value to other existing deed restrictions in the community as demonstrated by a licensed real estate appraiser.
4. Most cost effective and efficient use of the County's limited supply of financial resources.
5. Fair market value is paid for the deed restriction relative to current market conditions.
6. The amount contributed by the Owner to the down payment.
7. When a property subject to a WHPP deed restriction is resold, the subsequent buyer will not receive WHPP funds.

#### **F. Deed Restriction Processing and Approval**

1. Owners must first submit a Buyer Application using the form provided by the County. Personal and financial information and a pre-approval letter from the mortgage lender is required as part of the Buyer Application process. Upon approval of the Buyer Application, a pre-approval letter will be issued certifying eligibility for funding through WHPP.
2. Within 48 hours of having an offer accepted on a property, Owners must submit the WHPP Property Application using a form provided by the County.
3. The Program Administrator will review complete applications on a first come first serve basis and determine eligibility based on the supporting documentation provided by the applicant.
4. Owners will be provided with the necessary program forms, disclosures, information, and contact information, to ensure understanding of the program.
5. All Owners shall verify on their application that all information provided is true and accurate. If any of the information is determined by the County to be inaccurate or non-

verifiable, the applicant may be subject to disqualification by the County from the application and/or approval process.

6. The Program Administrator shall review the packet for completeness with the terms of the Program. Once the Program Administrator verifies the packet is complete and eligible, the Program Administrator will prepare the Packet for presentation to the Housing Manager for recommendation for approval and funding.
7. Upon the Housing Manager's recommendation for approval and funding of a Program application, the Program Administrator shall prepare the Deed Documents for signature, execution, and recordation and provide the same to the County Executive Officer, or its designee, for signature and approval of the application for funding. If the Property is approved and receives a Deed Restriction Disbursements, the Owner must consent to recordation of a deed restriction in substantially the same form as Attachment 1 and shall include but not be limited to a Restricted Deed (recordable), and Performance Deed of Trust (recordable). The recording order of documents shall always require the WHPP Deed Restriction in first-priority position. Once the Deed Documents are recorded or upon request from the title company, funds will be transferred to the Owner or an escrow account in the event of down payment assistance. The Program Administrator and Owner will work together to transfer the funds.
8. Non-occupant co-borrowers are allowed provided the co-borrowers also sign the deed restriction.

#### **G. Monitoring and Compliance**

1. Owners are required to certify that the Property, and each and all non-owner-occupied units within a Property are occupied on a full-time basis by a Qualified Resident. The Program Administrator will monitor the deed restrictions annually. By March 31st of each year, each Owner or Qualified Resident leasee, if applicable, shall provide the following certifications at a minimum, and information as proof of occupancy requirements<sup>1</sup>.
  - a. Owner and/or Qualified Resident leasee W-2, most recent pay stubs or most recent Federal Tax Returns.
  - b. Owner and/or Qualified Resident leasee's lease agreement, if applicable.
2. If any of the required information is not available, the Owner or Qualified Resident leasee shall provide other documentation as requested by the Program Administrator. The sufficiency of any such alternative documentation will be determined by the Program Administrator at its sole discretion.
3. The Program Administrator may inspect the participating property with prior notice to Owner.
4. Failure to comply with the annual verification will result in notification of violation with a deadline for compliance, followed by additional enforcement as laid out in the Noncompliance Section (H) of this document.

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<sup>1</sup> Previous versions of the Guidelines included a requirement for Qualified Resident tax returns to ensure minimum AMI was being met for implementation in East County. On June 28, 2022 the Placer County Board of Supervisors eliminated the requirement for minimum AMI in East County only.

## H. Future Transfer of the Residence and Termination from the Deed Restriction

### 1. Future Transfer

- a. The deed restriction will restart the 55-year term with each future transfer of the Property.
- b. Occupancy requirements for the Program will apply to future Owners and Qualified Residents, as required by the Program.
- c. In the event an Owner wishes to sell the Property, the Owner shall notify the Program Administrator no less than 60 days prior to listing and/or entering contract on Property for purposes of monitoring the transaction (or sale). Owners are required to complete a Notice of Intent to Transfer (Exhibit D) and include the following: Participant Name(s), Parcel Number, Property Address and Owner contact information.
- d. Owner will be required to inform real estate brokerages about program participation and will ensure that all advertisements include the following language: This home is a part of Placer County's Workforce Housing Preservation Program (WHPP) and buyers must meet Owner requirements as set forth in the Placer County Workforce Housing Preservation Program Guidelines and must be approved applicants prior to closing escrow on the home.
- e. Owner is responsible to notify Program Administrator of an accepted purchase contract for the sale of the home and will be required to provide Program Administrator with the following: A copy of the purchase agreement, Preliminary title report, title and escrow contact information, and any other pertinent information to allow the Program Administrator the necessary time to ensure the selected buyer meets the program guidelines.
- f. There is no price limit or appreciation cap at time of resale, however participants should anticipate that a WHPP unit may sell at less than market value because the buyer must meet employment qualifications and agree to sign the deed restriction without the benefit of receiving WHPP funds.

### 2. Voluntary Program Termination:

- a. In the event an Owner decides to terminate the deed restriction, the Owner shall notify the Program Administrator.
- b. The Voluntary Termination Fee is designed to recapture the County's initial investment and the proportional value of the public benefit lost. The fee is calculated based on a declining scale relative to the age of the restriction.
  - (i) Maximum Fee Basis – The initial Maximum Voluntary Termination Fee is established as 150% of the original Deed Restriction Disbursement ("Maximum Amount")
  - (ii) Annual Depreciation – For each full year that has elapsed since the Effective Date of the Deed Restriction, the Maximum Amount shall be reduced by 1/55<sup>th</sup> of the Maximum Amount.
  - (iii) Calculation Formula – The Voluntary Termination Fee due shall be determined by the following formula:

$$F = M - ((M/55) * Y)$$

1. F= Final Voluntary Termination Fee

2. M= Maximum Amount (150% of the Original Disbursement)
  3. Y = Number of full years elapsed since the Effective Date. In the event of a partial year, it will be rounded down to the last full year.
  4. The Final Voluntary Termination Fee will be rounded up to next whole cent.
- c. Upon Owner's repayment of the Final Voluntary Termination Fee a release of the Deed Restriction and Performance Deed of Trust will be recorded in favor of the Owner.

**I. Noncompliance with Conditions of the Deed Restriction Program**

1. In the event of default under the deed restriction, the Residence shall be terminated from the Program and the Owner shall owe the County a termination fee of:
  - a. The greater of: 1) the original Deed Restriction Disbursement plus interest calculated at ten percent (10%) per year from date of deed restriction recordation compounded annually; 2) the original Deed Restriction Disbursement plus interest calculated as twenty five percent (25%) of the equity gained since the date of Deed Restriction Disbursement. Equity gained will be calculated as current Fair Market Value minus Original Purchase price; or 3) 150% of the original Deed Restriction Disbursement; and
  - b. Appraisal, title, and escrow fees.

**J. Monitoring and Adaptive Management**

1. To ensure Program effectiveness, the Program Administrator will monitor the Program annually and evaluate data and trends such as but not limited to:
  - a. Types of housing Residences & prices of housing Residences in Program
  - b. Frequency of how often Residences in Program sell.
  - c. Sale prices of Residences in Program
  - d. Owner or renter occupancy, including use as primary residence.
  - e. Changes to workforce population in East Placer
  - f. Changes to percentage of owner-occupied properties in East Placer
  - g. Changes to deed restriction value
2. The Program Administrator will also present Program updates to the Board of Supervisors on an annual basis. The Program Administrator will evaluate data to gauge effectiveness of the Program and adapt and update the Program on an as-needed basis, with Board of Supervisor approval.

**Section 3 – TEMPLATE DOCUMENTS**

Attachment 1: Use Deed Restriction and Option to Purchase – East Placer Program

Exhibit A: Legal Description

Exhibit B-1: Form of Disclosure Statement & Acknowledgment [Initial Owner]

Exhibit B-2: Form of Disclosure Statement & Acknowledgement [Subsequent Owners]

Exhibit C-1: Form of Grant Deed [Initial Owner]

Exhibit C-2: Form of Grant Deed [Subsequent Owners]

Exhibit D: Performance Deed of Trust  
Exhibit E: Notice of Intent to Transfer  
Exhibit F: Annual Occupancy Certification

Attachment B

Recording requested by and when recorded  
mail to:

Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

(Space above this line for Recorder's use only)

**APN: [Property APN Number]**

**USE DEED RESTRICTION AND OPTION TO PURCHASE**

**NOTICE: THIS DOCUMENT CONTAINS RESTRICTIONS ON THE USE,  
SALE, AND REFINANCING OF THIS PROPERTY**

This USE DEED RESTRICTION AND OPTION TO PURCHASE ("Agreement") is entered into by and between the County of Placer, a political subdivision of the State of California, ("County") and **[Name(s) of Owner(s) as they appear on title]**, ("Owner") regarding certain improved real property which is more particularly described in Exhibit A attached hereto and incorporated herein and commonly known as **[Address]** (the "Property") effective as of **[Date]** (the "Effective Date"). County and Owner are hereinafter collectively referred to as the "Parties."

**RECITALS**

WHEREAS, on May 12, 2026, the Placer County Board of Supervisors approved amendments to the Workforce Housing Preservation Program Guidelines (Guidelines) to their current form; and

WHEREAS, County contributed **[Spelled Out Dollar Amount \$[Total Deed Restriction Disbursement]]** ("County Funds") towards the Owner's purchase of the Property through the East Placer Workforce Housing Preservation Program; and

WHEREAS, to maintain and preserve the Property as local workforce housing, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth herein. These restrictions are intended to prevent uses of the Property for purposes that are incompatible with this goal. The Owner's obligations set forth in this Agreement as secured by the Performance Deed of Trust and the Option granted to the County hereby are intended to provide the necessary occupancy and resale restrictions to ensure the Property is used, maintained, and preserved as local workforce housing; and

WHEREAS, the Property constitutes a valuable community resource by providing local workforce housing. To protect and preserve this resource, it is necessary, proper, and in the public interest for the County to administer occupancy and resale controls consistent with applicable law by means of this Agreement; And

WHEREAS, notwithstanding the foregoing, the County has provided a mechanism to allow for the release of the resale restrictions for properties whose owners are unable to sell them under certain limited circumstances and at the sole discretion and approval of the County, pursuant to the criteria herein.

NOW THEREFORE, in consideration of the substantial economic benefits received by the Owner and the public purposes served under the Agreement, Owner and County agree as follows:

## **AGREEMENT**

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is mutually acknowledged, the Parties agree as follows:

### **SECTION 1. Definitions**

As used in this Agreement, the following terms have the meanings set forth below. Other additional terms may be defined as necessary throughout this Agreement.

**“Event of Default”** is any breach by Owner of the covenants and conditions of this Agreement, including without limitations those specified in Section 7, or other event described herein which gives rise to the County’s right to exercise the Option.

**“Local Business”** means a corporation, LLC, sole proprietorship, governmental entity, mutual benefit corporation or non-profit business legally permitted to conduct business within the Tahoe Truckee Unified School District (TTUSD) geographical boundary with a physical place of business located within the TTUSD geographical boundary, or for/as a business whose principal coverage area is within the TTUSD geographical boundary, as those boundaries may be amended from time to time.

**“Long-Term Lease / Long-Term Rental Unit”** means a lease with a minimum term of one (1) year, or a 1-year lease that has converted into a month-to-month lease.

**“Multifamily Property”** means a property consisting of two or more housing units.

**“Occupant”** means the Qualified Household that is currently using the Property as a Primary Residence.

**“Option”** means the County’s right to purchase the Property upon the occurrence of an Option Event, as defined in Section 9.

**“Permitted Transfer”** or **“Permitted Transferee”** shall mean an authorized conveyance or transfer of interest in the Property as specifically provided in Section 4, or the person(s) to whom the Property interest is conveyed, which shall not trigger exercise of the Option or be considered an Option Event.

**“Permitted Exceptions”** means any exceptions to title, liens, or other encumbrances expressly permitted in writing by a duly-authorized representative of the County to be recorded against the Property.

**“Primary Residence”** means the place where a person resides on a substantially full-time basis for not less than ten (10) months per year. In determining a person’s Primary Residence, the County may consider, without limitation: (1) a person’s residence for income tax purposes; (2) a person’s motor vehicle registration address; (3) a person’s driver’s license address; and (4) a person’s voter registration address.

Primary residence status may be maintained if unforeseen circumstances arise that requires the Qualified Resident to temporarily leave the residence with the intent to return, with written prior approval from the County.

**“Qualified Household”** means a household that contains at least one (1) Qualified Resident.

**“Qualified Resident”** means an adult 18 years of age or older who works 30 or more hours per week or meets fulltime employment equivalency (as demonstrated through an employer

verification or yearly revenue for self-employed individuals), at a location within the Tahoe Truckee Unified School District (TTUSD) geographical boundary. Workers who work remotely within the TTUSD boundaries must also work for an employer whose principal place of business is within the TTUSD Boundaries.

“**Retire**” refers to an individual who has withdrawn from active employment.

“**Short-Term Rental Unit**” or “**STR Unit**” has the same definition as those terms are used in Placer County Code article 9.42, which is any unit, or portion thereof, permitted for residential use and rented for occupancy, dwelling, lodging, or sleeping purposes for a period of not less than one night and not more than thirty (30) days.

“**Term of the Restrictions and Option**” means a period of 55 years, commencing upon the Effective Date. Subsequent transfers of the Property shall restart new 55-year terms. Upon expiration of this term, the County will release the Property from restrictions in this Agreement and cause the deed of trust to be reconveyed to the Owner.

“**Transfer**” means any sale, conveyance, assignment, or transfer of any interest in the Property, whether voluntary or involuntary.

## **SECTION 2. Covenant Running With The Land**

2.1 In consideration of monies received from County, Owner does hereby covenant and agree to restrict, and does by this instrument intend to restrict, the future use of the Property for a term of fifty-five (55) years, which term shall restart upon each transfer of the Property and as set forth below, by the establishment of this covenant running with the land. These covenants shall pass to and be binding upon all parties having any interest in the Property. Each and every contract, deed, lease, or other instrument covering, conveying, or otherwise transferring the Property or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered, and accepted subject to this Agreement regardless of whether the other party or parties to such contract have actual knowledge of this Agreement.

2.2 The Owner and the County hereby declare their further understanding and intent that: (i) the covenants and restrictions contained in this Agreement shall be construed as covenants running with the land pursuant to California Civil Code section 1468 and not as conditions which might result in forfeiture of title by Owner; (ii) the burden of the covenants and restrictions set forth in this Agreement touch and concern the Property in that the Owner's legal interest in the Property may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Agreement touch and concern the land by enhancing and increasing the enjoyment and use of the Property by Qualified Households who may purchase the Property, the intended beneficiaries of such covenants and restrictions.

2.3 All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of the County and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the County is an owner of any land or interest therein to which such covenants and restrictions relate.

## **SECTION 3. Use Restrictions**

3.1. Recordation of Restrictions. Owner shall cause this document to be recorded simultaneously with or immediately after recordation of the grant deed conveying the Property to Owner, which grant deed shall be in a form that substantially conforms with Exhibit C-1;. This document shall be recorded in first priority. Owner shall also cause the performance deed of trust attached as Exhibit D to be recorded.

3.1.1. If Owner owns the Property throughout the entire 55-year Term of the Restrictions and Option, County shall reconvey the deed of trust and cause the restrictions to be removed upon expiration of such term. Such reconveyance and removal of restrictions shall require express approval by the Placer County Board of Supervisors.

3.1.2. If Owner (and subsequent owners) Transfer the Property during the Term of the Restrictions and Option, the Term of the Restrictions and Option shall restart, and the Transfer shall utilize a grant deed that substantially conforms to Exhibit C-2 and the performance deed of trust in Exhibit D. The subsequent owner shall record the disclosure statement and acknowledgement in Exhibit B-2 simultaneously or immediately after the grant deed and performance deed of trust.

3.1.3. This Agreement shall remain on title unless or until released by the Placer County Board of Supervisors.

3.2. The Property must be a Primary Residence for Qualified Household. At all times during the Term of the Restrictions and Option, a Qualified Household shall occupy and use the Property as their Primary Residence. In the event the Property is a Multifamily Property, each unit of the Property must be occupied by a Qualified Household as their Primary Residence and each unit of the Property is subject to the restrictions and obligations set forth in this Agreement.

3.3. Annual Occupancy Certification. No later than March 31st of each year, the Owner shall submit to the County a certification verifying that the Property's occupancy and use complies with this Agreement on the form provided in Exhibit F.

3.4. Exempt Events. The following events ("Exempt Events") shall not be deemed a Default or Option Event. Owner is required to notify the County in writing within thirty (30) days of an Exempt Event. County will review and provide written confirmation within sixty (60) days, assuming the Exempt Event meets the terms below. If the circumstances do not qualify for an Exempt Event pursuant to the terms below, in the County's sole discretion, the County will notify Owner of such. Failure of the County to respond to Owner's notice within the timeframes under this provision will constitute confirmation of the Exempt Event.

3.4.1. The Owner and/or Occupant is on temporary or permanent disability or medical leave from qualifying employment; or

3.4.2. The Owner and/or Occupant loses qualifying employment and is actively seeking reemployment, not to exceed ninety (90) days after loss of employment, which period may be extended by the County in its sole discretion; or

3.4.3. The Property is unoccupied, and Owner is actively seeking to sell or lease the Property to a Qualified Household, provided that the period of vacancy of the Property does not exceed three (3) months, which period may be extended by the County in its sole discretion; or

3.4.4. The Owner and/or Occupant retires after working at least seven (7) years after acquiring the Property.

3.5. Lease of Property.

3.5.1. \_\_\_\_\_ a mark of "X" in this box indicates this Property is considered a Multifamily Property. All housing units within a Multifamily Property are subject to the Lease of Property terms outlined in Section 3.5 of this Use Deed Restriction and Option to Purchase.

3.5.2. Owner may lease the Property as a Short-Term Rental Unit. Lease as a Short-Term Rental Unit is limited to a total of 30 days per calendar year. Tenants renting the

Property on a short-term basis under this provision are not required to be Qualified Households. Owner shall comply with all requirements of Placer County Code Article 9.42 pertaining to Short-Term Rentals.

3.5.3. Owner may lease the Property as a Long-Term Rental Unit. Tenants renting the Property on a long-term basis under this provision are required to be Qualified Households.

3.5.4. Owner covenants that any long-term lease of the Property shall include a reference that such lease is subject to the terms and conditions of this Deed Restriction, including but not limited to restrictions on the use and occupancy of the property and cooperation in providing required Annual Occupancy Certification.

3.5.5. Owner shall comply with all laws and regulations relating to the rental of property, including landlord/tenant laws.

3.6. Maintenance & Repair. Owner shall maintain the Property in good condition.

#### **SECTION 4. Transfer Restrictions**

4.1. Owner hereby covenants and agrees that during the term of this Agreement, the Property shall be sold or transferred only to: (i) Qualified Households as described in Section 4.4; (ii) Local Business; (iii) Permitted Transferees as described in Section 4.4; or (iv) the County, pursuant to exercise of the Option.

4.2. Any sale or other transfer of the Property in violation of any Resale Restriction set forth herein is prohibited and shall constitute an Event of Default and/or an Option Event entitling County to exercise its Option to purchase the Property.

4.3. Resale to Qualified Household.

4.3.1. Owner will provide any prospective buyer with the following documents at least two (2) weeks prior to the close of escrow:

4.3.1.1. A copy of this Agreement, including all attachments hereto; and

4.3.1.2. A separate copy of Exhibit B, Disclosure Statement.

4.3.2. Owner must notify County in writing within forty-eight hours (48 hours) of a fully executed purchase agreement, including the following information: the name(s) of the buyer(s) and all information required to determine whether the buyer(s) meets the definition of Qualified Household, as well as all requested documents related to the sale of the home.

4.3.3. Once the County has received complete information concerning the prospective buyer(s), County shall review the information and make a written determination as to whether the buyer(s) meets the definition of a Qualified Household, within a reasonable time and not to exceed fourteen (14) days.

4.3.4. County may require the buyer to reimburse the County for any additional costs that are incurred in the review and determination of whether a Buyer(s) meets the definition of a Qualified Household, including but not limited to legal costs, title review costs, and investigation costs if reasonably required by the County to complete its investigation.

4.3.5. The Owner may sell and convey the Property to a buyer(s) that is determined in writing by the County to be a Qualified Household.

4.4. Permitted Transfers. As provided under this section, transfers of title to the Property, or of any estate or interest therein, shall not be considered Option Events, provided that:

Prior to the title transfer, Owner requests County approval of the title transfer in writing and provides all documentation to support the request.

Within 30 days of the County's providing documents for execution, the Permitted Transferee assumes all of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement or execution of an agreement substantially similar to this Agreement, in form(s) acceptable to the County. Notwithstanding any Permitted Transfer, the Option shall remain effective with respect to the Property for the duration of the Term of the Restrictions and Option.

Permitted Transfers that do not trigger a 55-year deed restriction include. Unless expressly identified below, any subsequent transfer of the Property will trigger a new 55-year deed restriction term:

Change in Marital Status. The Owner may transfer title to their spouse or registered domestic partner due a legal change in marital status, such as a marriage, registered domestic partnership, dissolution, divorce, or death. The County may require documentation of the Owner's official marital status. In the event the Owner's surviving spouse or partner requests a title transfer due to the Owner's death, the County must be notified and receive documentation within sixty (60) days of the Owner's date of death.

Transfer to Trust. The Owner may transfer title into a trust where the Owner is the sole trustee.

Inheritance. Except as it may apply to a spouse or a registered domestic partner as provided above, if a Transfer occurs by devise or inheritance due to death of the Owner, the administrator of the Owner's estate or the person inheriting the Property shall provide written notice to the County of the Owner's death within thirty (30) days of the date of death, and the following procedures shall apply:

The person inheriting the Property (the "Inheriting Owner") shall provide the County with documentation that they lawfully inherited the Property, along with income information, to be verified by the County, so that the County may determine if the Inheriting Owner is a Qualified Household.

If the Inheriting Owner is a Qualified Household, they shall succeed to the Owner's interest and obligations under this Agreement and the County Performance Deed of Trust, and new documents shall be executed between the Inheriting Owner and the County and recorded against the Property.

If the Inheriting Owner fails to provide required documentation, they shall be deemed not to qualify as an Inheriting Owner and/or Qualified Household. If the Inheriting Owner fails to qualify as an Qualified Household, they shall be required to Transfer the Property to an Qualified Household, pursuant to the procedures set forth in this Agreement, and the County may exercise its Option; provided however, the Inheriting Owner may occupy the Property for up to six (6) months provided that the Inheriting Owner remains in compliance with the requirements of this Agreement and the Performance Deed of Trust.

If the Inheriting Owner does not wish to own the Property, they shall Transfer the Property to a Qualified Household, pursuant to the procedures set forth in this Agreement, and the County may exercise its Option. In this event, the Inheriting Owner shall provide the County with a Notice of Intent to Transfer within sixty (60) days of the date of death of the Owner.

Failure of an Inheriting Owner to follow the procedures and provide the notices as required under this section shall constitute an Event of Default under this Agreement, and the County may then exercise any of the remedies set forth in this Agreement or available to the County under law or equity, including, without limitation, exercise of the Option.

Changes to Title. Notwithstanding any other provision of this section and subsections thereto, Owner shall obtain County's written approval prior to making any changes to the title of the Property, including but not limited to, the addition or deletion of the names of any person to or from title to the Property.

#### **SECTION 5. Owner's Notice of Intent to Transfer**

5.1. If Owner desires to sell, convey, lease, encumber, or otherwise transfer the Property or any estate or interest therein, Owner shall deliver written notice to County of such intent ("Notice of Intent to Transfer") by certified mail not less than sixty (60) days prior to the date of such proposed sale, conveyance, transfer, lease, encumbrance, or disposition—and at not less than sixty (60) days prior to listing the Property on any multiple listing service ("MLS").

#### **SECTION 6. Involuntary Transfers**

6.1. Tax Sale. In the event of a tax sale, this Deed Restriction shall remain in full force and effect, shall run with and burden the land and shall constitute a condition of the subdivision and land use approval which shall survive any sale of the Property through a tax lien sale process.

##### 6.2. Foreclosure or Deed-in-Lieu of Foreclosure.

6.2.1. An Owner shall notify the County, in writing, of any notification received from a lender of past due payments or defaults in payments or other obligations within five (5) days of receipt of such notification.

6.2.2. An Owner shall immediately notify the County, in writing, of any notice of foreclosure under the lender deed of trust or any other subordinate security interest in the Property, or when any payment on any indebtedness encumbering the Property is required to avoid foreclosure of the lender deed of trust or other subordinate security interest in the Property.

6.2.3. Within sixty-five (65) days after receipt of any notice described herein, the County may (but shall not be obligated) to proceed to make any payment required to avoid foreclosure. Upon making any such payment, the County shall place a lien on the Property in the amount paid to cure the default and avoid foreclosure, including all fees and costs resulting from such foreclosure.

6.2.4. Notwithstanding any other provision of this Deed Restriction, in the event of a foreclosure, acceptance of a deed-in-lieu of foreclosure, or assignment, this Deed Restriction shall remain in full force and effect.

6.2.5. The County shall have thirty (30) days after issuance of the public trustee's deed or the acceptance of a deed-in-lieu of foreclosure by the holder in which to purchase by tendering to the holder, in cash or certified funds, an amount equal to the bid price or the redemption price paid by the holder, interest in the amount of three percent (3%) per annum from the date of the issuance of the public trustee's deed or the recording of a deed-in-lieu of foreclosure through the date of the County's purchase.

#### **SECTION 7. Default**

The following shall constitute the occurrence of an Event of Default hereunder, and shall entitle County to exercise the Option or to pursue any other remedy provided herein or at law or in equity:

The sale, conveyance, or other Transfer of the Property (including a foreclosure sale), except as permitted under Section 4.

A default occurs under the terms of a deed of trust secured by the Property and such default is not cured prior to the expiration of any applicable cure period.

Owner fails to observe or perform any other covenant, condition, or agreement to be observed or performed by Owner pursuant to this Agreement, and such breach remains uncured beyond the expiration of any applicable cure period.

## **SECTION 8. County Remedies upon Owner Default**

8.1. Specific Performance. Owner acknowledges that any breach in the performance of its obligations under this Agreement shall cause irreparable harm to the County. Owner agrees that the County is entitled to equitable relief in the form of specific performance upon its exercise of the Option, and that an award of damages shall not be adequate to compensate the County for Owner's failure to perform according to the terms of this Agreement.

8.2. Costs. County is entitled to seek its costs from Owner in enforcing this Agreement, including but not limited to attorney's fees court filing costs, and county recording costs.

8.3. Other Remedies. County shall have all remedies provided for at law or equity, all of which shall be cumulative.

8.4. Repayment of County Funding. Upon an Event of Default, the County Funds shall immediately become due and payable by the Owner to County plus those additional amounts set for in Section 2. Of the Guidelines, upon County's election. County shall exercise such election by providing written notice to Owner. Delay in exercising its repayment election shall not waive or release the County's rights and Owner's obligations under this provision. In addition, the Owner acknowledges the County's right to record a lien against the Property for any amount due pursuant to this provision. Owner expressly waives any objection to County recording a lien against the Property to secure repayment of County Funds.

## **SECTION 9. County's Option to Purchase Property**

9.1 Grant of Option to Purchase. Owner hereby grants to the County an Option to purchase the Property upon the occurrence of an Option Event, in accordance with the terms and conditions contained herein.

9.2 Assignment of the Option. The County may assign the Option to another government entity, a non-profit affordable housing provider, or a person or family that qualifies as a Qualified Household. The County's assignment of the Option shall not extend any time limits contained herein with respect to the exercise period of the Option or the period within which the Property must be purchased.

9.3 Option Events. The following constitute Option Events:

- 9.3.1 An Event of Default that remains uncured after any applicable cure period;
- 9.3.2 Any use or occupancy of the Property in violation the restrictions herein;
- 9.3.3 Abandonment of the Property;
- 9.3.4 Any actual, attempted, or pending sale, conveyance, transfer, lease or other attempted disposition of the Property or any estate or interest therein, except as permitted under this Agreement;

9.3.5 Any actual, attempted, or pending encumbrance of the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanics' lien, tax lien, or other lien, except as may be permitted by this Agreement;

9.3.6 Failure to submit an Annual Occupancy Certification;

9.3.7 Recordation of a notice of default and/or notice of sale pursuant to California Civil Code Section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Property;

9.3.8 Commencement of a judicial foreclosure proceeding, also known as a trustee's sale, regarding the Property;

9.3.9 Execution by Owner of any deed in lieu of foreclosure transferring ownership of the Property, except as otherwise provided in this Agreement;

9.3.10 Failure to make mortgage payments and comply with the terms of any deed of trust placed on the Property;

9.3.11 Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner;

9.3.12 Any action by the Owner to encumber the Property in a manner that conflicts with the terms of this Deed Restriction or renders compliance with the terms of this Deed Restriction impossible or impractical; or

9.3.13 Refusal to make all repairs and replacements necessary to keep the home in good condition and repair.

9.4 Option Process. Upon an Option Event, the following process will apply:

9.4.1 The County shall have an Option to Purchase for sixty-five (65) days ("Option Period");

9.4.2 The County shall have a right of entry onto and into the Property during the Option Period to inspect the Property;

9.4.3 The County shall have the right, but not the obligation, to purchase the Property for the amount due to the holders of any deeds of trust, liens or other encumbrances (together with interest, fees and costs expressly chargeable under said encumbrances), which amounts shall be paid in order of priority of the holders of such deeds of trust, liens or other encumbrances provided that this Deed Restriction shall remain in effect and burden the Property after acquisition by the County and upon re-conveyance to a subsequent Qualified Household;

9.4.4 Escrow closing costs shall be shared equally between the Owner and County. Taxes shall be prorated through escrow; and

9.4.5 If the County does not exercise the Option to Purchase during the Option Period, then the holder of a deed of trust shall nonetheless remain subject to the provisions of this Deed Restriction. In the event that the County's Option to Purchase arises from an Event of Default and not a notice of foreclosure or notice of default submitted by the holder of a deed of trust, then the County may unilaterally extend the Option Period until such time as the County exercises the Option to Purchase or the Owner cures any and all defaults.

9.5 Right of Reinstatement. If the Option Event is the recordation of a notice of default, then the County shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the County shall be entitled to pay all amounts of principal, interest, taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees, and expenses required to cure the default.

9.6 Priority and Effectiveness of the Option. As provided in Section 3, this Agreement shall be recorded in first priority. The Option shall have priority over any subsequent sale, conveyance, transfer, lease, or other disposition or encumbrance of the Property, or of any estate or interest therein, and in the event of exercise of the Option by County, the County shall take the Property subject only to Permitted Exceptions. The exercise of the Option by the County at any time and from time to time shall not extinguish the Option or cause a merger of the Option into any estate or other interest in the Property.

9.6.1 Request for Notice of Default. The County shall file a Request for Notice of Default, as provided in Exhibit G, for recordation in the Office of the Recorder of the County of Placer promptly upon execution of this Agreement.

9.7 Survival of Option Upon Transfer. The County's right to exercise the Option shall survive any transfer of the Property by Owner. The Option may be exercised against the Property throughout the Term of the Use Restrictions and Option, regardless of whether the Property is owned, possessed, or occupied by Owner or any successor, transferee, assignee, heir, executor, or administrator of Owner, regardless of household income (if applicable) including a debtor-in-possession, debtor or trustee pursuant to Title 11 of the United States Code.

## **SECTION 10. Owner's Acknowledgment of Resale Restrictions**

Owner hereby acknowledges and agrees as follows:

10.1 For valuable consideration, Owner hereby subjects the Property to certain restrictions as provided herein. The use, occupancy, and transfer limitations and other provisions of this Agreement may restrict some benefits of owning the Property. Owner may not realize certain economic or other benefits from ownership of the Property that could arise from ownership of real property not otherwise subject to the restrictions of this Agreement.

10.2 Owner has read and understands all of the provisions of this Agreement. Owner accepts and agrees to the provisions of this Agreement and understands that this Agreement (including without limitation the effectiveness of the Resale Restrictions and the County's Option) will remain in full force for the term of this Agreement and will restart upon Transfer of the Property, unless and except as otherwise provided in this Agreement.

10.3 OWNER UNDERSTANDS THAT THE USE, OCCUPANCY, AND TRANSFER RESTRICTIONS IN THIS AGREEMENT MAY IMPACT THE ECONOMIC AND OTHER BENEFITS THE OWNER DERIVES FROM THE PROPERTY.

\_\_\_\_\_ OWNER INITIALS

10.4 DURING THE TERM OF THIS AGREEMENT OWNER SHALL NOT VOLUNTARILY SELL, ENCUMBER, OR OTHERWISE TRANSFER THE PROPERTY WITHOUT EXPRESS WRITTEN APPROVAL BY THE COUNTY OF SAID ENCUMBRANCE, TRANSFER, OR SALE AND THE TERMS AND CONDITIONS THEREOF PERTAINING TO PURPOSE OF ENCUMBRANCE, QUALIFIED HOUSEHOLD(S), SALE PRICE, EXCESS SALE PROCEEDS, OR OTHER REQUIREMENTS IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT. ANY

ACTUAL OR ATTEMPTED SALE OR OTHER TRANSFER OF THE PROPERTY IN VIOLATION OF THIS COVENANT SHALL BE VOIDABLE BY THE COUNTY TO THE EXTENT PERMITTED BY LAW AND SHALL ENTITLE THE COUNTY TO EXERCISE ITS OPTION TO PURCHASE THE PROPERTY.

\_\_\_\_\_ OWNER INITIALS

**SECTION 11. Review by Attorney**

All parties to this agreement had the opportunity to review this Agreement with the Attorney of their choosing and either did or voluntarily declined to do so.

\_\_\_\_\_ OWNER INITIALS

**SECTION 12. Limits on Liability**

In no event shall the County become liable or obligated in any manner to Owner by reason of the assignment of this Agreement or the Option, nor shall County be in any way liable or obligated to Owner for any failure of the County's assignee to consummate a purchase of the Property or to comply with the terms of this Agreement or the Option or any escrow instructions or agreement for the purchase of the Property.

**SECTION 13. Insurance Proceeds and Condemnation Award**

In the event the Property is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the Property, or, in the event of condemnation, if the proceeds thereof are distributed to Owner, the County Funds shall be immediately due and payable to County pursuant to Section 8.

**SECTION 14. Notices**

Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Paragraph. All such notices shall be sent by one of the following methods:

- 14.1 Personal delivery, in which case notice shall be deemed delivered upon receipt
- 14.2 Certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail; or
- 14.3 Nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier.

**To County:** Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Ave., Suite 100  
Auburn, CA 95603

**To Owner:** [Participant Name]  
[Participant Address]  
[Participant Address]

**SECTION 15. General Provisions**

15.1 Voluntary Termination of the Agreement. This Agreement may be voluntarily terminated under the terms outlined in Section 2.H.2. of the Guidelines and the Owner shall be required to pay a Final Voluntary Termination Fee as discussed in the Guidelines.

15.2 No Joint Venture; No Third-Party Beneficiary. No joint venture or other partnership exists or is created between the Parties by virtue of this Agreement. Except as expressly stated herein, this Agreement does not benefit any third party.

15.3 Successors; Assignment. This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective heirs, executors, administrators, successors, and assigns. County shall have the right to assign all its rights and obligations under this Agreement without the consent of Owner.

15.4 Entire Agreement; Amendment. This Agreement, together with the Performance Deed of Trust, constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior negotiations, correspondence, understandings, and agreements with respect thereto. There are no representations, promises, agreements, or other understandings between the Parties relating to the subject matter of this Agreement that are not expressed herein. This Agreement may be modified only by an instrument in writing executed by the Parties or their respective successors in interest.

15.5 Survival; No Merger. All of the terms, provisions, representations, warranties, and covenants of the Parties under this Agreement shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.

15.6 Authority And Execution. Each Party represents and warrants that it has full power and authority to enter into this Agreement and to undertake all its obligations hereunder, that each person executing this Agreement on its behalf is duly and validly authorized to do so.

15.7 Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.

15.8 Waiver; Modification. No waiver or modification of this Agreement or any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the Parties arising out of or affecting this Agreement or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this section may not be waived except as herein set forth. A waiver or breach of any covenant, condition or provision of this Agreement shall not be deemed a waiver of any other covenant, condition, or provision hereof.

15.9 Construction. The section headings and captions used in this Agreement are for convenience of reference only and shall not modify, define, limit, or amplify any of the terms or provisions hereof. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties have prepared it.

15.10 Governing Law; Venue. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California. Each party waives any Federal court removal and/or original jurisdiction rights it may have.

15.11 Time of the Essence. Time is of the essence in this Agreement as to each provision in which time is an element of performance.

15.12 Further Assurances. Each Party will, upon reasonable request of the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary to fulfill the purposes of this Agreement.

15.13 Compliance with Laws. In fulfilling its obligations under this Deed of Trust and in consideration of the receipt of County Funds, Owner warrants and agrees to comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.

15.14 Nondiscrimination. Trustor covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Trustor or any person claiming under or through Trustor establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property. The foregoing covenant shall run with the land.

15.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all which together shall constitute one and the same instrument.

[Signatures follow on next page]

IN WITNESS WHEREOF, the undersigned execute this agreement as of the Effective Date above.

**OWNER**

\_\_\_\_\_  
[Owner name 1]

\_\_\_\_\_  
[Owner name 2]

**COUNTY**

County of Placer, a political subdivision of the State of California

\_\_\_\_\_  
Daniel Chatigny  
County of Placer, County Executive Officer

**APPROVED AS TO FORM**

\_\_\_\_\_  
Placer County Counsel

**EXHIBITS**

- Exhibit A: Legal Description
- Exhibit B-1: Form of Disclosure Statement & Acknowledgment [Initial Owner]
- Exhibit B-2: Form of Disclosure Statement & Acknowledgement [Subsequent Owners]
- Exhibit C-1: Form of Grant Deed [Initial Owner]
- Exhibit C-2: Form of Grant Deed [Subsequent Owners]
- Exhibit D: Performance Deed of Trust or Encumber
- Exhibit E: Notice of Intent to Transfer
- Exhibit F: Annual Occupancy Certification

**EXHIBIT A: LEGAL DESCRIPTION**

**EXHIBIT B-1: FORM OF DISCLOSURE STATEMENT & ACKNOWLEDGEMENT  
[INITIAL OWNER]**

UNDER THE TERMS OF THE **USE DEED RESTRICTION AND OPTION TO PURCHASE** ("**AGREEMENT**") THAT YOU HAVE ENTERED WITH THE COUNTY OF PLACER ("COUNTY") AND WHICH WILL BE RECORDED AGAINST THE PROPERTY, THERE ARE RESTRICTIONS ON THE OCCUPANCY AND SALE OF THE PROPERTY YOU ARE BUYING. THIS PROPERTY MAY ONLY BE SOLD TO A "QUALIFIED HOUSEHOLD" AS DEFINED IN THE AGREEMENT.

**THIS MEANS THAT YOU MAY NOT SELL, RENT, OR LEASE THE PROPERTY TO WHOMEVER YOU LIKE.**

THESE RESTRICTIONS WILL BE IN EFFECT FOR **55 YEARS FROM THE DATE OF TRANSFER AND WILL RESTART A NEW 55-YEAR TERM UPON ANY SUBSEQUENT TRANSFER.** ANY SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS SHALL BE VOIDABLE AT THE ELECTION OF THE COUNTY AND SHALL ENTITLE THE COUNTY TO EXERCISE ITS OPTION TO PURCHASE THE PROPERTY.

TO DETERMINE WHO A QUALIFIED HOUSEHOLD IS YOU SHOULD CONTACT THE PLACER COUNTY EXECUTIVE OFFICE.

A QUALIFIED HOUSEHOLD IS REQUIRED TO OCCUPY THE PROPERTY AS THEIR PRINCIPAL RESIDENCE THROUGHOUT THE TERM OF THE RESTRICTION. THE COUNTY MAY CONDUCT A MONITORING OF THE OWNER-OCCUPANCY STATUS OF THE PROPERTY ON AT LEAST AN ANNUAL BASIS, AND YOU ARE REQUIRED TO PROVIDE SUCH DOCUMENTS AND OTHER EVIDENCE AS COUNTY MAY REQUEST TO VERIFY COMPLIANCE WITH THIS REQUIREMENT.

YOU SHOULD READ AND UNDERSTAND THE TERMS OF **THE AGREEMENT** THAT WILL BE RECORDED AGAINST THE PROPERTY. YOU SHOULD ALSO BE AWARE THAT A **PERFORMANCE DEED OF TRUST** WILL BE RECORDED AGAINST THE PROPERTY TO ENSURE COMPLIANCE WITH THE AGREEMENT. YOU MAY OBTAIN A COPY OF THESE DOCUMENTS FROM THE COUNTY OF PLACER OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS. I HAVE HAD THE OPPORTUNITY TO REVIEW **THE AGREEMENT** AND **PERFORMANCE DEED OF TRUST** WITH AN ATTORNEY OF MY CHOOSING AND EITHER DID OR VOLUNTARILY DECLINED TO DO SO.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**EXHIBIT B-2: FORM OF DISCLOSURE STATEMENT & ACKNOWLEDGEMENT  
[SUBSEQUENT OWNERS]**

**Recording requested by and when recorded mail to:**

Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

EXEMPT FROM RECORDING FEES  
PER GOV. CODE §§ 6102, 27383

**DEED RESTRICTION DISCLOSURE STATEMENT & ACKNOWLEDGMENT**

UNDER THE TERMS OF THE **USE DEED RESTRICTION AND OPTION TO PURCHASE** ("**AGREEMENT**") RECORDED AGAINST THE PROPERTY LOCATED AT **[ADDRESS / APN]** ("PROPERTY") AND REFLECTED IN PLACER COUNTY OFFICIAL RECORDS **[DOCUMENT NUMBER]** THERE ARE RESTRICTIONS ON THE OCCUPANCY AND SALE OF THE PROPERTY. THIS PROPERTY MAY ONLY BE SOLD TO A "QUALIFIED HOUSEHOLD" AS DEFINED IN THE AGREEMENT.

**THIS MEANS THAT YOU MAY NOT SELL, RENT, OR LEASE THE PROPERTY TO WHOMEVER YOU LIKE.**

THESE RESTRICTIONS WILL BE IN EFFECT FOR **55 YEARS FROM THE DATE OF TRANSFER AND WILL RESTART A NEW 55-YEAR TERM UPON ANY SUBSEQUENT TRANSFER**. ANY SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS SHALL BE VOIDABLE AT THE ELECTION OF THE COUNTY AND SHALL ENTITLE THE COUNTY TO EXERCISE ITS OPTION TO PURCHASE THE PROPERTY.

TO DETERMINE WHO A QUALIFIED HOUSEHOLD IS YOU SHOULD CONTACT THE PLACER COUNTY EXECUTIVE OFFICE.

A QUALIFIED HOUSEHOLD IS REQUIRED TO OCCUPY THE PROPERTY AS THEIR PRINCIPAL RESIDENCE THROUGHOUT THE TERM OF THE RESTRICTION. THE COUNTY MAY CONDUCT A MONITORING OF THE OWNER-OCCUPANCY STATUS OF THE PROPERTY ON AT LEAST AN ANNUAL BASIS, AND YOU ARE REQUIRED TO PROVIDE SUCH DOCUMENTS AND OTHER EVIDENCE AS COUNTY MAY REQUEST TO VERIFY COMPLIANCE WITH THIS REQUIREMENT.

YOU SHOULD READ AND UNDERSTAND THE TERMS OF **THE AGREEMENT** THAT HAS BEEN RECORDED AGAINST THE PROPERTY. YOU SHOULD ALSO BE AWARE THAT A **PERFORMANCE DEED OF TRUST** WILL BE RECORDED AGAINST THE PROPERTY TO ENSURE COMPLIANCE WITH THE AGREEMENT. YOU MAY OBTAIN A COPY OF THESE DOCUMENTS FROM THE COUNTY OF PLACER OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS. I HAVE HAD THE OPPORTUNITY TO REVIEW **THE AGREEMENT** AND **PERFORMANCE DEED OF TRUST** WITH AN ATTORNEY OF MY CHOOSING AND EITHER DID OR VOLUNTARILY DECLINED TO DO SO.

\_\_\_\_\_  
Owner

Owner

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**EXHIBIT C-1: FORM OF GRANT DEED  
[INITIAL OWNER]**

**Recording requested by and when recorded mail to:**

Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

EXEMPT FROM RECORDING FEES  
PER GOV. CODE §§ 6102, 27383

(Space above this line for Recorder's use only)

**APN:**

**Escrow Number:**

**GRANT DEED**

For valuable consideration, receipt of which is hereby acknowledged, \_\_\_\_\_,  
("GRANTOR") hereby grants to \_\_\_\_\_ ("GRANTEE(S)") as \_\_\_\_\_  
**[community property/joint tenants/tenants in common/etc.]** fee title to the real property  
described in **Exhibit A** hereto, (the "Property"), subject to all encumbrances of record as of the date  
this Grant Deed is signed by GRANTOR, and subject to all the restrictions on further sale, gift, or  
transfer set forth herein.

**DEED RESTRICTIONS**

Use Deed Restriction and Option to Purchase. Concurrently with the recordation of this deed,  
GRANTEE(S) has/have executed and recorded a Use Deed Restriction and Option to Purchase  
which sets forth rights, restrictions, and equitable servitudes reserved by GRANTEE(S) for the  
benefit of the County of Placer, which restrictions are enforceable by the beneficiary. These  
restrictive covenants run with the land and restrict the occupancy, use, and future transfers of the  
Property, along with the improvements now or hereafter erected on the Property.

IN WITNESS WHEREOF, GRANTOR has executed this Grant Deed on this \_\_\_\_\_ day of  
\_\_\_\_\_, 202\_\_\_\_.

\_\_\_\_\_  
Grantor's Signature

**EXHIBIT C-2: FORM OF GRANT DEED  
[SUBSEQUENT OWNERS]**

**Recording requested by and when recorded mail to:**

Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

EXEMPT FROM RECORDING FEES  
PER GOV. CODE §§ 6102, 27383

(Space above this line for Recorder's use only)

**APN:**

**Escrow Number:**

**GRANT DEED**

For valuable consideration, receipt of which is hereby acknowledged, \_\_\_\_\_,  
("GRANTOR") hereby grants to \_\_\_\_\_ ("GRANTEE(S)") as \_\_\_\_\_  
**[community property/joint tenants/tenants in common/etc.]** fee title to the real property  
described in **Exhibit A** hereto, (the "Property"), subject to all encumbrances of record as of the date  
this Grant Deed is signed by GRANTOR, and subject to all the restrictions on further sale, gift, or  
transfer set forth herein.

**DEED RESTRICTIONS**

Disclosure Statement & Acknowledgement. Concurrently with the recordation of this deed,  
GRANTEE(S) has/have executed and recorded a Disclosure Statement & Acknowledgement,  
acknowledging the restrictions recorded against this property in a Use Deed Restriction & Option to  
Purchase, for the benefit of the County of Placer, which restrictions are enforceable by the  
beneficiary. These restrictive covenants run with the land and restrict the occupancy, use, and future  
transfers of the Property, along with the improvements now or hereafter erected on the Property.

IN WITNESS WHEREOF, GRANTOR has executed this Grant Deed on this \_\_\_\_\_ day of  
\_\_\_\_\_, 202\_\_\_\_\_.

\_\_\_\_\_  
Grantor's Signature

**EXHIBIT D: PERFORMANCE DEED OF TRUST**

**Recording requested by and when recorded mail to:**

Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

EXEMPT FROM RECORDING FEES  
PER GOV. CODE §§ 6102, 27383

(Space above this line for Recorder's use only)

**APN:**

**PERFORMANCE DEED OF TRUST**

(Option to Cure and Purchase Agreement)

THERE ARE RESTRICTIONS ON THE SALE OF THE PROPERTY ENCUMBERED BY THIS DEED OF TRUST. EXCEPT FOR A TRANSFER TO THE COUNTY OF PLACER (THE "COUNTY") OR COUNTY'S ASSIGNEE FOLLOWING COUNTY'S EXERCISE OF ITS OPTION TO PURCHASE, THIS PROPERTY MAY ONLY BE SOLD TO A "QUALIFIED HOUSEHOLD."

This PERFORMANCE DEED OF TRUST ("Deed of Trust") is made as of [DATE] ("Effective Date") by [Name(s) of Owner(s) as they appear on title], ("Trustor") whose address is [ADDRESS] in favor of County of Placer ("Trustee"), for the benefit of the County of Placer (referred to variously as "County", "Trustee", or "Beneficiary") whose address is 145 Fulweiler Avenue, Suite 100, Auburn, CA 95603, as Beneficiary.

**RECITALS**

**WHEREAS**, on May 12, 2026, the Placer County Board of Supervisors approved amendments to the Workforce Housing Preservation Program Guidelines (Guidelines) to their current form; and

**WHEREAS**, Trustor is the owner of the real property located at [ADDRESS] and more particularly described in the attached Exhibit A, (the "Property").

**WHEREAS**, County contributed [Spelled Out Dollar Amount \$[Total Deed Restriction Disbursement]] ("County Funds") towards the Trustor's purchase of the Property though the East Placer Workforce Housing Preservation Program; and

**WHEREAS**, to maintain and preserve the Property as local workforce housing, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth herein. These restrictions are intended to prevent uses of the Property for purposes that are incompatible with this goal and to prevent unwarranted gains from sale of the Property at an unrestricted price.

**WHEREAS**, the Trustor's obligations set forth in the Use Deed Restriction and Option to Purchase ("Restriction Agreement"), as secured by this Performance Deed of Trust reflected in the recorded Grant Deed, are intended to provide the necessary occupancy and resale restrictions to ensure the Property is used, maintained, and preserved as local workforce housing.

**NOW THEREFORE**, in consideration of the substantial economic benefits received by the Trustor and the public purposes served under the Agreement, Trustor and County agree as follows:

## AGREEMENT

NOW, THEREFORE, to secure the full and timely performance by Trustor of the Secured Obligation, it is agreed as follows:

1. Grant in Trust. Trustor, in consideration of the promises herein recited and the trust herein created, hereby irrevocably and unconditionally grants, transfers, conveys, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale, all estate, right title and interest which Trustor now has or may later acquire in and to the Property:

1.1. all improvements now or hereafter located or constructed on the Property and all replacements and additions thereto ("Improvements");

1.2. all easements, rights of way, appurtenances, and other rights used in connection with the Property or as a means of access thereto ("Appurtenances");

1.3. all fixtures now or hereafter attached to or used in and about the Property or the improvements located thereon or hereafter located or constructed on the Property, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are, or shall be attached to the improvements in any manner ("Fixtures and Equipment"); and

1.4. all leases, subleases, licenses, and other agreements relating to use or occupancy of the Property ("Leases") and all rents or other payments which may now or hereafter accrue or otherwise become payable to or for the benefit of Trustor ("Rents") (whether or not such Leases and Rents are permitted by the Restriction Agreement).

All of the above-referenced Property, Improvements, Appurtenance, Fixtures and Equipment, Leases, and Rents are herein referred to collectively as the "Security".

2. Obligations Secured. This Deed of Trust is given for the purpose of securing payment and/or performance of the following (the "Secured Obligations"): (i) all present and future obligations of Trustor set forth in this Deed of Trust or in the Restriction Agreement (including without limitation, Trustor's obligation to convey the Property only to Eligible Purchasers); (ii) all additional present and future obligations of Trustor, to Beneficiary under any other agreement or instrument acknowledged by Trustor (whether existing now or in the future) which states that it is or such obligations are, secured by this Deed of Trust; (iii) all modifications, supplements, amendments, renewals, and extensions of any of the foregoing, whether evidenced by new or additional documents; and (iv) reimbursement of all amounts advanced by or on behalf of Beneficiary to protect Beneficiary's interests under this Deed of Trust.

3. Assignment of Rents, Issues, and Profits. Trustor hereby irrevocably, absolutely, presently, and unconditionally assigns to Beneficiary the rents, royalties, issues, profits, revenue, income, and proceeds of the Property. This is an absolute assignment and not an assignment for security only. Except to the extent that the lease or rental of the Property is prohibited by the Restriction Agreement, Beneficiary hereby confers upon Trustor a license to collect and retain such rents, royalties, issues, profits, revenue, income and proceeds as they become due and payable prior to any Event of Default hereunder. Upon the occurrence of any such Event of Default, Beneficiary may terminate such license without notice to or demand upon Trustor and without regard to the adequacy of any security for the indebtedness hereby secured, and may either in person, by agent, or by a receiver to be appointed by a court, enter upon and take possession of the Property or any part thereof, and sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, to any indebtedness secured hereby, and in such order as Beneficiary may determine. Beneficiary's right to the rents, royalties, issues, profits, revenue, income

and proceeds of the Property does not depend upon whether or not Beneficiary takes possession of the Property. The entering upon and taking possession of the Property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and/or is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land and Improvements, Beneficiary shall not be deemed to be a "mortgagee in possession," shall not be responsible for performing any obligation of the lessor under any Lease, shall not be liable in any manner for the Property, or the use, occupancy, enjoyment or operation of any part of it, and unless due solely to the willful misconduct or gross negligence of Beneficiary, shall not be responsible for any dangerous or defective condition of the Property or any negligence in the management, repair or control of the Property.

4. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the Uniform Commercial Code ("UCC") with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods, and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Placer County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC. The full name of Trustor and the mailing address of Trustor are set forth in Section 14.5 of this Deed of Trust.

5. Trustor's Representations, Warranties, and Covenants.

5.1. Trustor's Estate. Trustor represents and warrants that Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Security, that other than this Deed of Trust, the Security is encumbered only by: (a) that deed of trust executed by Trustor in connection with a loan made to Trustor by Lender (the "Lender"), securing a promissory note executed by Trustor in favor of the Lender ("Lender Note"), to assist in the purchase of the Property (the "Lender Deed of Trust") and (b) the Restriction Agreement. Trustor agrees to warrant and defend generally the title to the Security against all claims and demands, subject to any declarations, easements, or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring the County's interest in the Security. (As used in this Deed of Trust, the term "Lender" shall include all successors and assigns of the Lender.)

5.2. Repayment of Sums Owed under Restriction Agreement. Trustor will promptly pay to the County all sums due under the Restriction Agreement.

5.3. Restriction Agreement. Trustor will observe and perform all of the covenants and agreements of the Restriction Agreement.

5.4. Lender Loan. Trustor will observe and perform all of the covenants and agreements of the Lender Note, Lender Deed of Trust, and related Lender loan documents.

5.5. Charges; Liens. Trustor will pay prior to delinquency, all taxes, assessments and other charges, fines and impositions affecting the Security directly to the payee thereof. Upon request by the County, Trustor will promptly furnish to the County all notices of such

amounts due. Trustor shall pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now does or later may encumber or appear to encumber all or part of the Property or any interest in it, whether or not such lien, charge or encumbrance is or would be senior or subordinate to this Deed of Trust. Trustor shall not be required to pay any tax, levy, charge, or assessment so long as its validity is being actively contested in good faith and by appropriate actions and/or proceedings which will operate to prevent the enforcement of the lien or forfeiture of the Security or any part thereof.

5.6. Hazard Insurance.

5.6.1. Trustor will keep the Security insured by a standard all risk property insurance policy equal to the replacement value of the Security, adjusted every five (5) years by appraisal, if requested by the County. If the Security is located in a flood plain, Trustor shall also obtain flood insurance. In no event shall the amount of insurance be less than the amount necessary to prevent Trustor from becoming a co-insurer under the terms of the policy.

The insurance carrier providing this insurance shall be licensed to do business in the State of California and be chosen by Trustor subject to approval by the County.

All insurance policies and renewals thereof will be in a form acceptable to the County, and will include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the Lender Note and the County as their interests may appear and in a form acceptable to the County. The County shall have the right to hold, or cause its designated agent to hold, the policies and renewals thereof, and Trustor shall promptly furnish to the County, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Trustor will give prompt notice to the insurance carrier and the County or its designated agent. The County, or its designated agent, may make proof of loss if not made promptly by Trustor. The County shall receive thirty (30) days advance notice of cancellation of any insurance policies required under this section.

Unless otherwise permitted by the County in writing, insurance proceeds, subject to the rights of the Lender, will be applied to restoration or repair of the Security damaged. If permitted by County, and subject to the rights of the Lender, the insurance proceeds shall be used to repay any amounts due to the County pursuant to the Restriction Agreement. If the Security is abandoned by Trustor, or if Trustor fails to respond to the County, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Trustor that the insurance carrier offers to settle a claim for insurance benefits, the County, or its designated agent, is authorized to collect and apply the insurance proceeds at the County's option either to restoration or repair of the Security or to pay amounts due under the Restriction Agreement.

If the Security is acquired by the County, all right, title, and interest of Trustor in and to any insurance policy and in and to the proceeds thereof resulting from damage to the Security prior to the sale or acquisition will pass to the County to the extent of the sums secured by this Deed of Trust immediate prior to such sale or acquisition, subject to the rights of the Lender.

5.6.2. During the course of any rehabilitation of the improvements located on the Property, Trustor shall hire only licensed contractors who maintain the following forms of insurance:

- (i) Liability Insurance. Comprehensive general liability insurance against liability for bodily injury to or death of any person or property damage arising out of an

occurrence on or about the Property. The limits of such insurance shall be not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage.

(ii) Worker's Compensation Insurance. Worker's compensation insurance covering all persons employed in connection with any work on the Property.

5.7. Preservation and Maintenance of Security. Trustor will keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section, and if the Trustor has not cured such condition within thirty (30) days after receiving a County notice of such a condition, then in addition to any other rights available to the County, the County shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

5.8. Protection of the County's Security. If Trustor fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects the County's interest in the Security, including, but not limited to, default under the Lender Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the County, at the County's option, without releasing Trustor from any obligation hereunder, may make such appearances, disburse such sums, and take such action as it determines necessary to protect the County's interest, including but not limited to, disbursement of reasonable attorneys' fees and entry upon the Security to make repairs. Any amounts disbursed by the County pursuant to this paragraph, with interest thereon, will become an indebtedness of Trustor secured by this Deed of Trust. Unless Trustor and County agree to other terms of payment, such amount will be payable upon notice from the County to Trustor requesting payment thereof, and will bear interest from the date of disbursement at the lesser of (i) ten percent (10%); or (ii) the highest rate permissible under applicable law. Nothing contained in this paragraph will require the County to incur any expense or take any action hereunder.

5.9. Inspection. The County may make or cause to be made reasonable entries upon and inspections of the Security, provided that the County will give Trustor reasonable notice of inspection.

5.10. Hazardous Substances. Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances in, on, under, about, or from the Property. Trustor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property when used and disposed of in accordance with Environmental Law.

"Hazardous Substances" means any substance defined as toxic or hazardous substances or hazardous waste or regulated under any Environmental Law, and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"Environmental Law" means all federal, state, or local statutes, ordinances, regulations, orders, decrees and judgments that relate to health, safety or environmental protection

including without limitation the regulation of the use, disposal, manufacture, or release of Hazardous Substances.

Trustor shall promptly give County written notice of any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Trustor has actual knowledge. If Trustor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law.

6. Nonliability for Negligence, Loss, or Damage; No Joint Venture. Trustor acknowledges, understands, and agrees that the County does not undertake or assume any responsibility for or duty to Trustor to select, review, inspect, supervise, pass judgment on, or inform Trustor of the quality, adequacy or suitability of the Security or any other matter. The County owes no duty of care to protect Trustor against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Trustor agrees that neither Trustor, or Trustor's heirs, successors or assigns shall ever claim, have or assert any right or action against the County for any loss, damage, or other matter arising out of or resulting from any condition of the Security and will hold County harmless from any liability, loss or damage for these things. Nothing contained herein or in the Restriction Agreement shall be deemed to create or construed to create a partnership or joint venture.

7. Indemnity. Trustor agrees to defend, indemnify, and hold the County of Placer and its elected and appointed officials, officers, employees, and agents ("Indemnitees") harmless from and against all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that the Indemnitees may incur as a direct or indirect consequence of:

7.1. Trustor's failure to perform any obligations as and when required by this Deed of Trust or the Restriction Agreement; or

7.2. the failure at any time of any of Trustor's representations or warranties to be true and correct.

8. Acceleration; Remedies. Upon Trustor's breach of any covenant or agreement of Trustor in Restriction Agreement or this Deed of Trust, including, but not limited to, the covenants to pay, when due, any sums secured by this Deed of Trust, the County, prior to acceleration, will mail by express delivery with delivery receipt, notice to Trustor specifying; (i) the breach; (ii) the action required to cure such breach; (iii) a date, not less than thirty (30) days from the date the notice is received by Trustor as shown on the return receipt, by which such breach is to be cured; and (iv) if the breach is curable, that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Security. The notice will also inform Trustor of Trustor's right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of default or any other defense of Trustor to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the County, at the County's option, may:

8.1. declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by California law;

8.2. either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or

desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, the County shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any uncured breach, including the right to exercise the power of sale;

8.3. commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

8.4. deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found at California Civil Code Sections 2924 et seq., as amended from time to time; or

8.5. exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

The County shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees.

9. Trustor's Right to Reinstate. Notwithstanding the County's acceleration of the sums secured by this Deed of Trust, Trustor will have the right to have any proceedings begun by the County to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Security pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (i) Trustor pays County all sums which would be then due under this Deed of Trust if there were no acceleration under this Deed of Trust or the Restriction Agreement; (ii) Trustor cures all breaches of any other covenants or agreements of Trustor contained in the Restriction Agreement or this Deed of Trust; (iii) Trustor pays all reasonable expenses incurred by County and Trustee in enforcing the covenants and agreements of Trustor contained in the Restriction Agreement or this Deed of Trust, and in enforcing the County's and Trustee's remedies, including, but not limited to, reasonable attorney's fees; and (iv) Trustor takes such action as County may reasonably require to assure that the lien of this Deed of Trust, County's interest in the Security and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Trustor, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

10. Reconveyance. Upon the expiration of the term of the Restriction Agreement, if the Trustor owns and occupies the Property and is not in violation of any provisions of this Deed of Trust or the Restriction Agreement, the County will request Trustee to reconvey the Security and will surrender this Deed of Trust and the Restriction Agreement to Trustee. Trustee will reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons will pay all costs of recordation, if any.

11. Substitute Trustee. The County, at the County's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. The successor trustee will succeed to all the title, power, and duties conferred upon the Trustee herein and by applicable law.

12. Request for Notice. County requests that copies of any notice of default and notice of sale be sent to County at the address set forth in Section 13.5.

13. Miscellaneous.

13.1. Forbearance by the County Not a Waiver. Any forbearance by the County in exercising any right or remedy will not be a waiver of the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the County will not be a waiver of the County's right to require satisfaction of any obligations secured by this Deed of Trust.

13.2. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or any other document, or afforded by law or equity, and may be exercised concurrently, independently, or successively.

13.3. Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the County and Trustor subject to the provisions of this Deed of Trust.

13.4. Joint and Several Liability. If this Deed of Trust is executed by more than one person as Trustor, the obligations of each shall be joint and several.

13.5. Notices. Except for any notice required under applicable law to be given in another manner, any notice which either party may desire to give to the other party must be in writing and may be provided in person or by mail to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

Any written notice, demand or communication shall be deemed received: (1) immediately if delivered by hand; (2) on the third day from the date it is postmarked if delivered by first-class mail, postage prepaid; (3) and on the next business day if sent via nationally recognized overnight courier. Notices sent by a party's attorney on behalf of such party shall be deemed delivered by such party.

To TRUSTOR:                   **[Participant Name]**  
   **[Participant Address]**  
   **[Participant Address]**

To COUNTY (TRUSTEE):   Placer County  
   Office of Economic Development and Housing  
   ATTN: Housing Specialist  
   145 Fulweiler Avenue, Suite 100  
   Auburn, CA 95603

13.6. Governing Law; Venue. This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California. Each party waives any Federal court removal and/or original jurisdiction rights it may have.

13.7. Severability. In the event any provision or clause of this Deed of Trust or the Restriction Agreement conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust or the Restriction Agreement which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Restriction Agreement are declared to be severable.

13.8. Captions. The captions and headings in this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

13.9. Compliance with Laws. In fulfilling its obligations under this Deed of Trust and in consideration of the receipt of County Funds, Owner warrants and agrees to comply with all applicable federal, state, and local laws, rules, regulations, and ordinances.

13.10. Nondiscrimination. Trustor covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Trustor or any person claiming under or through Trustor establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property. The foregoing covenant shall run with the land.

13.11. Review by attorney. All parties to this agreement had the opportunity to review this Agreement with the attorney of their choosing and either did or voluntarily declined to do so.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the date first written above.

**Trustor signature(s):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

EXHIBIT A  
[TO PERFORMANCE DEED OF TRUST]  
LEGAL DESCRIPTION

**EXHIBIT E: NOTICE OF INTENT TO TRANSFER OR ENCUMBER**

**COUNTY OF PLACER  
WORKFORCE HOUSING PRESERVATION PROGRAM**

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**OWNER'S NOTICE OF INTENT TO TRANSFER OR ENCUMBER  
DEED-RESTRICTED PROPERTY**

To: Placer County  
Office of Economic Development and Housing  
ATTN: Housing Specialist  
145 Fulweiler Avenue, Suite 100  
Auburn, CA 95603

Date: \_\_\_\_\_

**Re: Notice of Intent to Transfer or Encumber**

Pursuant to the terms of the Use Deed Restriction and Option to Purchase, dated Date, the undersigned Owner(s), **[Owner Name(s)]**, hereby give(s) notice of his/her/their intent to transfer the property located at **[Address]** (the "Property"). Owner may be contacted at the Property or at the following address:

\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

If applicable: The proposed transfer of the Property is to the following person:

**The proposed transfer or encumbrance is (check one):**

Sale       Other      Specify other: \_\_\_\_\_

Next Anticipated Home Tenure (if applicable):     Rental       Ownership       Unknown

**Reason for Selling Unit (check all that apply, if applicable):**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Want to own unrestricted home | <input type="checkbox"/> Home is too small           | <input type="checkbox"/> Home is too large |
| <input type="checkbox"/> Job relocation                | <input type="checkbox"/> Want to move closer to job  | <input type="checkbox"/> Retirement        |
| <input type="checkbox"/> Change in family situation    | <input type="checkbox"/> Home expenses are too great | <input type="checkbox"/> Other             |

**Owner's signature(s):**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

**EXHIBIT F: ANNUAL OCCUPANCY CERTIFICATION**  
**COUNTY OF PLACER**  
**WORKFORCE HOUSING PRESERVATION PROGRAM**

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**ANNUAL OCCUPANCY CERTIFICATION**

The Property is subject to a Use Deed Restriction and Option to Purchase (Agreement) executed by the Owner and the County of Placer ("County") which restricts the use and transfer of the Property. The Property Owner is required to submit this annual certification to the County. **FAILURE TO SUBMIT THIS CERTIFICATION MAY CONSTITUTE A DEFAULT**

**PROPERTY & OWNER INFORMATION**

Property address: \_\_\_\_\_

Property owner (as shown on title): \_\_\_\_\_

Property purchase date: \_\_\_\_\_

Names of all occupants living at the Property: \_\_\_\_\_

Is the Property being rented to tenant(s)?       Yes    No

If yes, attach copies of all lease agreements currently in effect and list the names of all tenants: \_\_\_\_\_

**VERIFICATIONS UNDER PENALTY OF PERJURY**

The undersigned declares and certifies the following information under penalty of perjury under the laws of the State of California:

**1. Ownership:** The owner information listed above accurately reflects the information on title to the Property. Owner has not transferred or encumbered title without providing notice to the County as required under the Agreement.

**2. Compliance with local workforce housing restrictions: All housing units within the Property are** being used as a Primary Residence for a Qualified Household, as those terms are defined in the Agreement.

**A.** Attach a recent paystub or other documentation as may be requested by County that at least one member of **each housing unit within the Property** is an adult 18 years of age or older who works 30 or more hours per week or meets fulltime employment equivalency (as demonstrated through an employer verification or yearly revenue for self-employed individuals), at a location within the Tahoe Truckee Unified School District (TTUSD) geographical boundary. Workers who work remotely within the TTUSD boundaries must also work for an employer whose principal place of business is within the TTUSD Boundaries.

**3. Compliance with use and rental restrictions.** The Property has not been used for greater than 30 days as a Short-Term Rental in the past year

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

