

TO: Honorable Board of Supervisors DATE: February 9, 2021

FROM: Steve Pedretti, Community Development Resource Agency Director

BY: Shawna Purvines, Principal Planner, Community Development Resource Agency  
Emily Setzer, Senior Management Analyst, Community Development Resource Agency

SUBJECT: Workforce Housing Preservation Program Description and Guidelines

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### **ACTIONS REQUESTED**

1. Find the proposed Workforce Housing Preservation Program Guidelines to be exempt in accordance with CEQA Guidelines Sections 15303 (a) and (b), 15061(b)(3), and 15378(b)(4).
2. Receive a presentation and adopt a resolution approving the Workforce Housing Preservation Program Guidelines.
3. Approve a Budget Amendment of \$250,000 from the General Fund to the FY 2020-21 Housing Program Work Plan budget for the housing accelerator program.
4. Approve \$250,000 of TOT funds dedicated to housing and transportation for the housing accelerator program.

### **BACKGROUND**

Much like the rest of California, Placer County is facing challenges of housing affordability as well as housing availability for the workforce. There is a shortage of housing, especially for low- to middle-income residents. This has resulted in high housing costs for the local workforce and limited opportunities for home ownership. A study done by the California Housing Partnership estimated that nearly half (48%) of moderate income (120% or below area median income) households in Placer County pay more than 30% of their monthly income towards housing.

While the lack of available affordable and workforce housing is significant throughout the County, it is heightened in the East Placer region – the unincorporated areas between Donner Summit and North Lake Tahoe. East Placer has experienced declining availability in the existing housing supply alongside increasing housing costs due in large part to the purchase of housing for second home or short-term rental use. This affects the local workforce and results in negative impacts to the community, businesses, and tourism.

#### Recent County Action

On March 10, 2020, the Board received an update on the FY19-20 Housing Work Plan and directed staff to develop a Countywide deed restriction program to provide much needed housing for the County's permanent resident workforce. To assist staff with developing this new housing program, the County retained the services of BAE Urban Economics, Inc. (BAE) to assess the value of the deed restrictions and the economic benefits of program implementation.

On July 27, 2020, staff presented the Board with a proposed Workforce Housing Preservation Program which seeks to preserve and utilize the existing housing stock for the local workforce throughout the unincorporated area of the County. The staff report provided information on a model workforce housing preservation program (InDEED program) created by the Town of Vail in

Colorado to incentivize homeowners and real estate buyers/sellers to deed restrict their properties. Vail's program was developed in response to limited housing opportunities similar to those East Placer County is experiencing. The InDEED program pays homeowners in exchange for deed restricting those properties to limit occupancy in those homes to individuals who work a minimum of 30 hours per week in Eagle County. Since its inception in 2017, Vail has secured local housing by purchasing deed restrictions on more than 140 properties. Vail's innovative non-regulatory deed restriction program has since been replicated in the towns of Frisco and Breckenridge, Colorado. A portion of Placer County's Workforce Housing Preservation Program has been modeled after Vail's InDEED program. Staff incorporated Board feedback from the July 27, 2020 Board meeting.

In August 2020, staff received a final economic analysis report entitled "Analysis of Proposed Eastern and Western Placer County Voluntary Deed Restriction Programs" from BAE.

On October 6, 2020, the Board approved an Affordable Housing and Employee Accommodation Ordinance, inclusive of an inclusionary housing requirement of 10% as well as an affordable housing fee and an employee accommodation fee, expanding the capacity of the County to fund affordable housing projects and programs.

On October 27, 2020, staff presented an update to the Workforce Housing Preservation Program Draft Guidelines to the Board and shared BAE's Analysis of Proposed Eastern and Western Placer County Voluntary Deed Restriction Programs. BAE's economic analysis provided research that will help staff determine the fair market value of deed restrictions throughout the County. The analysis also estimated community and economic benefits from the program to Placer County, including increasing economic multipliers as more housing is secured and more fulltime residents participate in the program, providing benefits in worker recruitment and training costs as well as workforce retention, and reducing commute-related VMT by 45% to 88%. Board feedback from that presentation has been incorporated into the guidelines.

On January 28, 2021, the Board approved a multi-year agreement with the North Lake Tahoe Resort Association for the formation of the Tourism Business Improvement District in East Placer. It is estimated that nearly \$4.1 million in TOT funds will be freed up and dedicated to housing and transportation projects and programs in the region. Staff anticipates a portion of that \$4.1 million would fund the Workforce Housing Preservation Program annually when those funds become available. Additionally, staff will continue to identify community partner contributions to the housing trusts to contribute towards funding the Workforce Housing Preservation Program

#### Workforce Housing Preservation Program Overview

The Workforce Housing Preservation Program is a financial incentive to secure the County's housing stock for the local workforce and to assist first time homebuyers in the low, moderate, and achievable income brackets. In exchange for deed restricting a house so that it can only be occupied by the local workforce, homebuyers receive a financial incentive that can help them afford the down payment or complete renovations.

The program has been designed to target the lack of availability of workforce housing Countywide and to add an additional option for developers to satisfy their workforce housing mitigation requirements. The County's Housing Program currently provides Countywide options for developers to satisfy their affordable and employee housing mitigation requirements through construction or acquisition of affordable housing, or by paying an in-lieu fee that goes into a housing trust fund. The attached Workforce Housing Preservation Program allows developers another mitigation option to purchase residential deed restrictions in the unincorporated areas of the County to provide homebuyers with financial assistance to buy a home while securing that

home for the local workforce for the long term. In addition to helping secure affordable and employee housing in the County, this additional option can assist small developments to quickly satisfy their affordable housing requirements rather than contributing small amounts toward a larger affordable or employee housing development and waiting for construction of new units.

Consistent with the State of California's legal framework for housing, the Program would implement a 55-year deed restriction on the property that would automatically renew another 55-year term with each point of sale/transaction. In return for payment, the deed restriction would be legally recorded, appear on the property title, and be passed to future owners for the duration of that term.

The Workforce Housing Preservation Program includes two components: 1) Countywide program and 2) East Placer program. Countywide, the program would provide an option for developers to satisfy their employee housing mitigation requirements or pay an in-lieu fee that could go into a housing trust fund to be used to pay for future deed restrictions. Because of unique housing differences in the East Placer region where the majority of existing housing is owned by second homeowners, the East Placer program includes additional components to target homebuyers, new construction, and nonresidential to residential conversions to preserve a portion of the existing and new housing stock for the local workforce. These two components are described below.

#### Countywide – Affordable Housing Mitigation Option

In addition to program elements outlined above, buyers would need to meet a total household income of no more than 120% of the area median income at the time of purchase, consistent with (and when required by) developers affordable housing requirements. The Countywide program would be available at the point of sale on a single-family home or multifamily unit. At least one occupant shall work at least 30 hours per week at an employment site in Placer County no more than 20 driving miles from the residence. This approach would support new homeownership and rental opportunities for low- to moderate- income households.

#### East Placer

The East Placer program would open housing opportunities to workers in the East Placer region to sustain viable year-round communities. The program would be available to new homebuyers, property owners converting non-residential development into long-term rental or for-sale residential units, and new construction of long-term rental or for-sale units. While the BAE economic analysis estimated the value of the deed restriction to be about 16% of the unit's fair market value, the actual value of the deed restriction may vary and will be negotiated between County staff and the program participant on a case-by-case basis. The homebuyers' total household income may not exceed 245% area median income for Placer County at the time of purchase for single-family units and 220% area median income for attached multi-family units, consistent with the Tahoe Regional Planning Agency's achievable income limits. At least one occupant shall work at least 30 hours per week for an employer with an employment site located within the Tahoe Truckee Unified School District geographical boundary. The homeowner may rent the house on a long-term basis for no more than 30 days per year. If occupants change jobs and no longer work at an employment site within this geographical boundary, those occupants would need to move and the house would need to be filled with at least one qualified occupant.

#### Regional Collaboration and Administration

The program is envisioned to be a regional collaboration with opportunities for public and private funding sources. Potential funding sources for the program may vary annually but are expected

to include County General Fund and TOT funding sources, TOT funds dedicated to housing and transportation, funding matches and/or contributions from potential regional partners, developer contributions as part of workforce housing mitigation, and grants. As such, staff has held ongoing conversations with Housing Trust Placer, as well as the Town of Truckee, The Martis Fund, the Tahoe Truckee Workforce Housing Agency, and Mountain Housing Council about potential collaboration in the future.

While the program will, at least initially, be administered by staff, the County may eventually delegate administration of the program to a separate entity, such as Housing Trust Placer, and/or an equivalent east Placer County housing trust when established as trusts have the best opportunity to match public funding with a variety of private funding sources. At that point, the County may become a funding entity through a fund management program. Housing Trust Placer received its nonprofit status last summer and is working to develop its housing programs and partnership agreements with the County.

Due to the fast-paced nature of homebuying and the desire to allow for program funds to assist homebuyers with down payment assistance, staff recommends this program be administered similar to the County's First Time Homebuyers Assistance program where the Board has delegated the approving and recording of the deed restrictions to the Community Development Resource Agency Director or their designee. This administration process would allow for the opportunity, should it arise, for an outside third party by an agreement between both parties to administer the program. The deed restriction will create an enforceable action in the county.

Staff will monitor and evaluate effectiveness of the program and report to the Board annually. The program can be updated by the Board on an as-needed basis following completion of the first annual report.

### **OUTREACH AND FEEDBACK**

Staff has presented the program and sought feedback from the following stakeholders: Building Industry Association, Housing Trust Placer, local realtors and lenders, North Lake Tahoe Regional Advisory Council, Squaw Valley Municipal Advisory Council, North Lake Tahoe Resort Association, Truckee Tahoe Workforce Housing Agency, North Tahoe Business Association, Tahoe City Downtown Association, The Martis Fund, Town of Truckee, and the Mountain Housing Council. Feedback has been overwhelmingly positive for the program. All stakeholders agreed that a program like this would help address the unmet housing needs of the County's local workforce and should be supported.

During this outreach, staff received a few East Placer-related questions, concerns, or suggestions from members of the public and community partners, as described in the July 27, 2020 staff report to the Board. By developing an initially focused launch for the East Placer component, staff has resolved and addressed these concerns.

### **ENVIRONMENTAL REVIEW**

As the proposed ordinance is a funding mechanism, it would not authorize new construction or result in other environmental impacts, would therefore not have any significant effect on the environment, and is exempt pursuant to California Environmental Quality Act Guidelines Sections 15303 (a) and (b), 15061(b)(3), and 15378(b)(4).

### **FISCAL IMPACT**

Staff proposes a soft launch of the program the first year. In subsequent years, the goal is to acquire 50 deed restrictions per year Countywide, consisting of 10 deeds to meet developer affordable housing requirements annually Countywide and 40 deeds in East Placer. The East

Placer goal is based on returning to 2010 levels when about 10% of all East Placer homes sold annually were sold to primary residents. This is estimated to equate to up to \$600,000 in deed restrictions (largely funded with developer obligations) for the Countywide component and up to \$2.4 million in deed restrictions annually for East Placer, totaling a \$3 million annual budget for this program.

As part of the FY 2019-20 County Annual Housing Program Work Plan presented to the Board in August 2019, the Board approved up to \$500,000 from the General Fund for use in accelerating development of affordable housing by funding one or more of the following: 1) WHPP, 2) ADU construction loans and/or 3) a private housing trust which at the time had not been established. Staff request an additional General Fund contribution of \$250,000 (AM-00433) be allocated specifically for this deed restriction program and continue to hold the initial General Fund contribution of \$500,000 for the authorized use of the two other options. Additionally, the North Lake Tahoe Resort Association voted at its October 7, 2020 Board meeting to recommend that the County allocate \$250,000 from the \$2.1 million remaining TOT funds dedicated to housing and transportation to this program. Together, those two allocations would provide half of the \$1 million first year goal to create a soft launch for the program while staff continues to identify the remaining funding sources.

#### **NEXT STEPS**

Staff will develop a program webpage and marketing materials to market the program following Board approval. With Board approval of the program and initial funding sources, staff will launch the program and will begin accepting applications from potential program participants. Staff have already been in communication with a developer from a newly converted residential property in East Placer who has expressed interest in participating in this program to secure up to 17 units for long-term rentals for local workers. Program applications would be brought to future Board hearings for approval.

#### **ATTACHMENT**

Attachment A: Resolution Adopting the Workforce Housing Preservation Program Guidelines

# ATTACHMENT A

## Before the Board of Supervisors County of Placer, State of California

In the matter of:

**A RESOLUTION ADOPTING THE WORKFORCE HOUSING  
PRESERVATION PROGRAM GUIDELINES**

Resolution No.: \_\_\_\_\_

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on, \_\_\_\_\_ by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:

\_\_\_\_\_  
Clerk of said Board

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WHEREAS, Placer County's General Plan Housing Element sets forth goals to encourage construction and maintenance of safe, decent, and sound affordable housing in the county; and

WHEREAS, Placer County's General Plan Housing Element sets forth goals to promote housing opportunities that meet the specific needs of residents and workers in the Tahoe Basin; and

WHEREAS, Placer County's General Plan Housing Element includes policies to facilitate expanded housing opportunities that are affordable to the workforce of Placer County; and

WHEREAS, the Workforce Housing Preservation Program Guidelines set forth an incentive program to preserve housing for the local workforce; and

WHEREAS, the Board has reviewed the Workforce Housing Preservation Program Guidelines, and received and considered the written and oral comments submitted by the public; and

WHEREAS, the Board finds the Workforce Housing Preservation Program Guidelines will serve to preserve existing housing for the benefit of the County's workforce; and

WHEREAS, the Board further finds that the Workforce Housing Preservation Program Guidelines are consistent with the provisions of the General Plan and in compliance with applicable requirements of State and Federal law; and

WHEREAS, the County will determine program eligibility, approve applications, and perform actions related to the program (collectively, program administration) as well as execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Workforce Housing Preservation Program (collectively, the required documents); and

WHEREAS, the County authorizes the Community Development Resource Agency Director, or his or her designee(s), to execute, in the name of the County, program administration and the required documents, and minor modifications to the guidelines and related documents as needed; and

NOW, THEREFORE, BE IT RESOLVED, that the proposed Workforce Housing Preservation Program Guidelines, as set forth in Exhibit A, attached hereto and incorporated herein by reference, are hereby adopted.

BE IT FURTHER RESOLVED that this Resolution shall take force and become effective immediately.

# **Workforce Housing Preservation Program**

## **Program Description and Guidelines February 2021**

## **1. PROGRAM DESCRIPTION**

### **Introduction**

In 2017, the Placer County Board of Supervisors approved a series of tasks that comprise the County's Housing Work Plan. This work plan is aimed at identifying ways the County can improve local controls to address the housing crisis and state requirements. The work plan approaches the problem by targeting four main focus areas:

- Creating more incentives to build affordable and workforce housing
- Changing regulations to make building easier
- Advocating for state and federal assistance
- Furthering partnerships for meeting regional housing needs.

As one of many tools to facilitate housing, the Placer County Board of Supervisors directed staff on March 10, 2020 to implement a workforce housing deed restriction Program. The Workforce Housing Preservation Program is designed to help implement the County's Housing Work Plan by preserving and utilizing existing single family and multifamily housing stock as one means of supporting the county's permanent local resident workforce.

The Workforce Housing Preservation Program (WHPP) facilitates the purchase of residential deed restrictions in the unincorporated area of the County. The deed restrictions limit the occupancy of the home to the local resident workforce. Due to unique housing differences in the East Placer region, the Program includes an additional component specific to the eastern region, as described below in the Program Overview.

### **Program Overview**

The WHPP is an incentive-based Program that facilitates housing for the local resident workforce in low, moderate, and achievable income brackets depending upon location. The Program would be available at the point of sale or construction of a single family or multifamily unit. Consistent with the State of California's legal framework for deed - restricted affordable housing, the WHPP implements a 55-year deed restriction on the property that automatically renews with each point of sale or transaction. In return for payment, the deed restriction is legally recorded, appears on the property title and is passed to future owners for a renewed 55 - year term. The Program is broken out into two components: 1) countywide component, and 2) East Placer region component. The countywide Program component is designed to provide developers with the ability to facilitate home ownership for low- to moderate-income households that are part of the local resident workforce. Developers can buy a deed restriction on a home to satisfy their affordable or employee housing mitigation requirement through this program. The County does not subsidize developer obligations; however, developers can work with the County to purchase deed restrictions that support the local resident workforce population consistent with the County's Program parameters. The East Placer Program may be implemented anytime funds are available and is designed to preserve regional housing stock for the local resident workforce in the East Placer region. This component is initially available for only new residential construction, and conversions of non-residential to residential purchases. The Workforce Housing Preservation Program will be monitored on an annual basis to determine effectiveness. Based on the Program's success, the Program may be extended or refined with Board approval.

Program Guidelines and participant criteria is described below.

## **2. PROGRAM GUIDELINES**

### **A. Definitions**

- I. "Achievable Income Limits" shall mean income limits defined as "Achievable" by the Tahoe Regional Planning Agency
- II. "Administrative Variance to Work Site" shall mean an exception to the 20-mile distance between the employment site and the Property, granted by the Program Administrator
- III. "Approving Agent" is the Board of Supervisors for Placer County or its designee
- IV. "Board" means the Board of Supervisors of Placer County
- V. "Date of Implementation" is the date the Program opened to the public
- VI. "Deed Documents" means the documents necessary to enter into a deed restriction agreement
- VII. "Deed Restriction Disbursement" is the value of the deed restriction paid by the Program Administrator to the Program Participant
- VIII. "Fair Market Value" means the value of the Property as determined by the appraiser
- IX. "Occupant" applies to all occupants in the Property
- X. "Potential Avalanche Hazard Area" means a location that is in a potential avalanche path as defined by a County planning document
- XI. "Program" or "WHPP" means the Workforce Housing Preservation Program
- XII. "Program Administrator" is the administrative group or agent designated by the Placer County Board of Supervisors who oversees the qualification, processing, and operation of the Program
- XIII. "Program Participant" is the applicant to the Program who is buying or constructing a residential property
- XIV. "Property" is the property on record receiving the deed restriction

## **B. Countywide Program**

- I. Eligibility Criteria for Occupant and/or Program Participant
  - a. Gross annual household income must be equal to or less than 120 percent (120%) of Placer County's median income, adjusted for household size as set forth by the California Department of Housing and Community Development.
  - b. A household must have at least one member who is currently employed 30 or more hours per week at an employment site in Placer County.
  - c. A household must have at least one member whose work site is less than or equal to 20 driving miles from the Property.
    - i. Administrative Variance to Work Site. A twenty percent (20%) variance may be granted by the Program Administrator.
  - d. Program Participant must not have owned a home in the last 12 months and must not have participated in this Program for the last three years.
- II. Property:
  - a. The Program Administrator will determine eligible homes for participation in this Program based on sale price and what is considered affordable for a household meeting 120% area median income limits.
  - b. The Property shall be located in unincorporated Placer County.
  - c. The Property shall not be located in a Potential Avalanche Hazard Area.
- III. Conditions
  - d. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.
  - e. The Program Participant 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. The Property

shall pass a homebuyer's inspection/and or final building permit inspection prior to the completion of a disbursement.

- f. Program Participant 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.
- g. Program Participants may not rent their Property on a short-term basis.
- h. Program Participants may rent their Property to a qualified Occupant who meets local employment and income criteria described in Section C.I.

### **C. East Placer Program**

#### **I. Eligibility Criteria for Occupant and/or Program Participant**

- a. Gross annual household income shall not exceed the Tahoe Basin Regional Planning Agency Achievable Income limit of 245 percent (245 %) of the area median income for Placer County for single-family dwellings or 220 percent (220%) for multifamily dwellings at the time of purchase or rental.
- b. A household must have at least one member who is currently employed 30 or more hours per week at an employment site within the Tahoe Truckee Unified School District geographical boundary.
- c. A household must have at least one member whose work site is less than or equal to 20 driving miles from the Property.
  - i. Administrative Variance to Work Site. A twenty percent (20%) variance may be granted by the Program Administrator.
- d. Program Participant must not have owned a home in the last 12 months and must not have participated in this Program for the last three years.

#### **II. Property:**

- a. The Program Administrator will determine eligible homes for participation in this Program based on sale price and what is considered affordable for a household meeting the TRPA Achievable Income limits.
- b. The Property shall be located in unincorporated Placer County within the Tahoe Truckee Unified School District geographical boundary.
- c. The Property shall not be located in a Potential Avalanche Hazard Area.

#### **III. Conditions**

- a. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.
- b. The Program Participant 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. The Property shall pass a homebuyer's inspection/and or final building permit inspection prior to the completion of a disbursement.
- c. Program Participant 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.
- d. Program Participants may rent their Property on a short-term basis for no more than 30 days each calendar year.
- e. Program Participants may rent their Property to a qualified Occupant who meets local employment and income criteria described in Section C.I.
- f. Program Participants must work within the Tahoe Truckee Unified School District geographical boundary for at least seven years after initial Program participation before retiring.

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

- I. The County will use the following methods to determine the deed restriction value, based off the fair value of the property:
  - a. County Assessor recent sale price (within last three months, if possible) information for similar properties
  - b. Appraisal, paid by Program Participant, completed by a certified Member Appraisal Institute (MAI) or other qualified real estate appraiser approved in advance by the County
  - c. Program Participant and the County may establish the Fair Market Value of the Property by mutual agreement in lieu of an appraisal
- II. The County will consider the following criteria and findings to determine the Deed Restriction Disbursement:
  - a. The Property provides housing to a permanent year-round resident participating in the local workforce
  - b. 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
  - c. Most cost effective and efficient use of the County's limited supply of financial resources
  - d. Fair market value is paid for the deed restriction relative to current market conditions
  - e. The amount contributed by the Program Participant to the down payment

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

- I. The Program Administrator reviews applications and determines eligibility based on the initial Program interest applications.
- II. Program Participants who qualify will be sent an eligibility packet with the necessary forms, disclosures, information, and contact information. They should submit a complete packet to the Program Administrator within 15 days of receipt of packet. The completed packet should include all completed forms and documents verifying eligibility.
- III. All Program Participants 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.
- IV. The Program Administrator shall review the packet for completion and compliance with the terms listed for the particular Program for which the Program Participant is applying. Once the Program Administrator verifies the packet is complete and eligible, the Program Administrator will prepare the Packet for presentation to the Approving Agent.
- V. Upon the approval of the Approving Agent, the Program Administrator shall prepare the Deed Documents for signature, execution, and recording. The Deed Documents shall include, but not be limited to, a Deed Restriction Purchase Agreement, Restricted Deed (recordable), Lien (recordable), and Subordination Agreement. Once the Deed Documents are recorded, funds will be transferred to the Program Participant. The Program Administrator and Program Participant will work together to transfer the funds.

#### **F. Monitoring and Compliance**

- I. Program Participants are required to certify that the Property are occupied on a full-time basis by Occupants meeting the income and employment criteria. The Program Administrator will monitor the deed restrictions annually. By March 1st

of each year, each Program Participant and Occupant, if applicable, shall provide the following certifications and information as proof of occupancy requirements.

- a. Occupant's W-2 or most recent pay stubs.
  - b. Occupant's tax returns.
  - c. Occupant's lease agreement, if applicable.
- II. If any of the required information is not available, the Program Participant 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.
  - III. The Program Administrator may inspect the participating property with prior notice to Program Participant.
  - IV. 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.

#### **G. Future Sale of the Residence and Release from the Deed Restriction**

- I. Future Sales:
  - a. The deed restriction will auto-renew the 55-year term with each future sale of the Property.
  - b. Occupancy requirements for the Program will apply to all future Program Participants and Occupants.
  - c. In the event a Program Participant wishes to sell the property, the Program Participant shall notify the Program Administrator for purposes of monitoring the transaction (or sale).
- II. Program Termination:
  - a. In the event a Program Participant decides to terminate the deed restriction, the Program Participant shall notify the Program Administrator.
  - b. The Program Administrator will present the Program Participant with a termination fee of whichever is greater: 1) the original Deed Restriction Disbursement plus interest calculated at three percent (3%) per year from date of deed restriction recordation compounded annually or 2) the original Deed Restriction Disbursement plus interest calculated at the rate of appreciation on the fair market value of the house since the date of deed restriction recordation.
  - c. Upon Program Participant's repayment of all monies owed, a release of lien will be recorded in favor of the Program Participant.

#### **H. Noncompliance with Conditions of the Deed Restriction Program**

- I. In the event a Program Participant participating in the Program fails to comply with the Program requirements, the Residence shall be terminated from the Program and the Program Participant shall owe the County a termination fee of:
  - a. 1) the original Deed Restriction Disbursement plus interest calculated at three percent (3%) per year from date of deed restriction recordation compounded annually or 2) the original Deed Restriction Disbursement plus interest calculated at the rate of appreciation on the fair market value of the house since the date of deed restriction recordation, whichever is greater
  - b. Appraisal, title and escrow fees.

#### **I. Monitoring and Adaptive Management**

- I. 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
  - e. Changes to workforce population in East Placer
  - f. Changes to percentage of owner-occupied properties in East Placer
- II. The Program Administrator will also present Program updates to the Board of Supervisors on an annual basis. The Program Administrator will evaluate that data to gauge effectiveness of the Program and adapt and update the Program on an as-needed basis, with Board of Supervisors approval.

Exhibit B

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

**County of Placer  
Community Development Resources Agency  
3091 County Center Drive  
Auburn, CA, 95603**

No Fee to Record Per G.C. §27383

\_\_\_\_\_  
\_\_\_\_\_  
(Space Above for Recorder's Use)

**USE DEED RESTRICTION**

**APN:** \_\_\_\_\_

The County of Placer, a political subdivision of the State of California ("County") and \_\_\_\_\_ an individual, or ("Declarant") enter into the following use deed restriction ("Deed Restriction") concerning the property described as APN: \_\_\_\_\_ with an address of: \_\_\_\_\_ ("Property" or "Premises"), as more particularly described in Attachment 1. County and Declarant are sometimes hereinafter each singularly referred to as "Party" and collectively referred to as the "Parties."

**RECITALS**

**A.** WHEREAS, Declarant and the County entered into an agreement to restrict the occupancy of the Property to those persons meeting specific residency and employment criteria as set forth below.

**B.** WHEREAS, Declarant has agreed to place the restrictions set forth below for a term of 55 years and which term renews with each conveyance of title.

**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:

1. **Covenant Running With the Land.** In consideration of monies received, Declarant 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 55 years, renewed upon conveyance and as set forth below, by the establishment of this covenant running with the land. The County shall cause to be recorded this Deed Restriction against the Property in the Official Records of the Placer County at Declarant's expense.

2. **Restrictive Covenants.** The following restrictive covenants shall apply to the Property:

**Definitions.** The following definitions shall apply to terms used in this Declaration:

- a. **Program Participant** shall mean the applicant to the Program who is buying or constructing a residence in the County of Placer.
- b. **Qualified Resident** shall mean the occupant of the residence who meets the eligibility criteria outlined in the Workforce Housing Preservation Program Guidelines.
- c. **Owner** shall mean any person who acquires an ownership interest in the Property, subject to the conditions contained herein, and may include either a Qualified Owner or Non-Qualified Owner, as the context requires.

- d. **Qualified Owner** shall mean the owner of the residence who meets the criteria outlined in the Workforce Housing Preservation Program Guidelines.
- e. **Non-Qualified Owner** shall mean any person who does not meet the definition of Qualified Owner including persons who originally qualified as a Qualified Owner but whose circumstances change and who no longer meet the definition of Qualified Owner.
- f. **Primary Residence** shall mean the occupation and use of a residence as the primary residence, which shall be determined by the County taking into account the following circumstances:
  - i. Voter Registration in Placer County (or signing an affidavit stating that the applicant is not registered to vote in any other jurisdiction);
  - ii. Stated address on California Driver's License or California Identification Card;
  - iii. Stated address on motor vehicle registration;
  - iv. Stated residence for income and tax purposes;
  - v. Such other circumstances as well as such processes for verification and investigation deemed appropriate by the County in determining the applicant is continuously occupying and using the residence as a primary residence; and
  - vi. Primary residence status may be maintained if unforeseen circumstances arise that requires the Qualified Resident to temporarily leave the residence for a period not to exceed \_\_\_\_\_ with the intent to return, and the residence is leased to another Qualified Resident after receiving approval from the Program Administrator.
- g. **Second Home** shall mean the status of the Property when used by any person who has a primary residence other than the Property.
- h. **Short Term Rental** shall mean the rental or lease of the Property for a period of time that is fewer than thirty (30) days; and
- i. **County** shall include employees of County, its agents, contractors and vendors retained by County who are tasked with enforcing the restrictive covenants contained herein.

3. **Ownership and Use of the Property.**

- a. **Notice.** Prior to acquiring the Property, Program Participant acknowledges Participant is required to notify any lender, appraiser and title company assisting the Program Participant in acquiring the Property, of Participant's intent to enter into this Deed Restriction and cause such Deed Restriction to be recorded against the Property. The Program Participant shall provide notice to and obtain a Subordination Agreement from their Lender subordinating the Lender's interest to this Deed Restriction.
- b. **Ownership.** Ownership of the Property shall be limited to a Qualified Owner who may take title with such Qualified Owner's spouse or civil union partner [if the Qualified Owner is a natural person who is a Program Participant].
- c. **Occupancy and Use.** The Owner or Program Participant shall occupy and use the Property as their Primary Residence. Program Participants may rent their Property to a qualified Occupant who meets local employment and income criteria described in Section C.I of the Workforce Housing Preservation Program Guidelines. In the East Placer Program, Program Participants may rent their Property on a short-term basis for no more than 30 days each calendar year; Program Participants may rent their Property to a qualified Occupant who meets local employment and income criteria described in Section C.I; and Program Participants must work within the Tahoe Truckee Unified School District geographical boundary for at least seven years after initial Program participation before retiring. Use for lease of the Property which is not allowed or is prohibited by this Deed Restriction shall constitute a default and shall be subject to the enforcement provisions and remedies contained in this Deed Restriction.
- d. It shall not be deemed a violation of Sections 3(a) or (b) above if:

- i. The resident Program Participant becomes disabled and is no longer able to work as determined by Placer County in its sole exclusive discretion; or
  - ii. The resident Program Participant has lost full-time employment and is actively seeking reemployment, not to exceed ninety (90) days after loss of employment; or
  - ii. The Property is unoccupied and the Owner of the Property is actively seeking to sell or lease the Property to a Program Participant, provided that the period of vacancy of the Property shall not exceed three (3) months.
- e. Owner covenants that the Owner shall not permit any occupancy, use or lease of the Property in violation of this Section 3.
- f. Owner covenants that any 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 documentation for verification of Program Participant and Primary residence status.
- g. No later than March 31 of each year, the Owner of the Property shall submit to the County a certification setting forth evidence establishing that the Property's occupancy and use complies with this Deed Restriction on a form provided by the County, which form shall be sent to the address of record of the Owner according to the Placer County Assessor's office.
- h. The Program Participant shall be required to make all repairs and replacements necessary to keep the home in good condition and repair.

4. **Resale Controls.** The Property may not be sold or otherwise transferred to any person other than a Qualified Owner in accordance with the procedures for prior verification contained in this Section 4.

- a. Owner shall deliver to the County a written notice of intent to sell the Property which notice shall include the name(s) of the Buyer(s) and all information required to determine whether the Buyer(s) meets the definition of Qualified Owner.
- b. Reserved.
- c. 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 Owner, within a reasonable time and not to exceed 14 days.
- d. 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 Owner, including but not limited to legal costs, title review costs, and investigation costs if reasonably required by the County to complete its investigation.
- e. The Owner may sell and convey the Property to the Buyer(s) that is determined in writing by the County to be a Qualified Owner.
- f. Upon sale and conveyance of the Property by Owner to a Buyer, the Buyer shall be subject to the same occupancy and use restrictions set forth in this Deed Restriction.

5. **Default by Owner.** If the County has reasonable cause to believe that the occupancy or use of the Property is in violation of any provision of this Deed Restriction, the County may

inspect the Property between the hours of 8:00a.m. and 5:00p.m., Monday through Friday, after providing the Owner and occupants with at least twenty four (24) hours written notice. Notice to the occupants may be given by posting notice on the door to the Property. This Deed Restriction shall constitute permission to enter the Property during such times upon such notice without further consent. A default by Owner shall include breach of the covenants set forth in this Deed Restriction, including without limitation any of the following:

- a. Transfer or conveyance of the Property to a person or entity that is not a Qualified Owner.
- b. Acceptance of the Property by a person or entity that is not a Qualified Owner.
- c. Transfer or conveyance of the Property to a person who is a Qualified Owner prior to obtaining certification from the County that such person is a Qualified Owner.
- d. Any ownership, use or occupancy of the Property in violation of Section 3 above.
- e. Failure to submit an annual certification of occupancy and use as described in Section 3(g) above.
- f. Failure to make payments and comply with the terms of any deed of trust placed on the Property.
- g. 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.
- h. Refusal to make all repairs and replacements necessary to keep the home in good condition and repair.

6. **Notice and Cure.** In the event a violation of this Deed Restriction is discovered, the County shall send a written Notice of Default to the Owner detailing the nature of the default and providing sixty-five (65) days for the Owner to cure such default. Notwithstanding the foregoing or any other term of this Deed Restriction, a default for lease or use of the Property as a Short Term Rental or a Second Home shall be cured by the Owner immediately. The notice shall state that the Owner may request an appeal of the violation finding in writing within \_\_\_\_\_ ( \_\_ ) days of such notice, in which event the County shall administratively review the finding and, if the violation finding is upheld, the Owner may request in writing within \_\_\_\_\_ ( \_\_ ) days of such administrative decision a hearing before the Placer County Board of Supervisors. A decision by the Placer County Board of Supervisors may only be judicially appealed in the \_\_\_\_\_ Court.

If no administrative or County appeal is timely requested in writing and the violation is not cured within sixty-five (65) days of mailing the notice of default, the Owner shall be deemed to be in violation of this Deed Restriction. If an administrative or County appeal is requested, the decision of the County shall be final for the purpose of determining if a violation has occurred and, if such violation is not cured within sixty-five (65) days of such final determination, the Owner shall be deemed to be in violation of this Deed Restriction. If a decision of the County is judicially appealed, an order of the Court confirming the violation shall be final for the purpose of determining if a violation has occurred and, if such violation is not cured within sixty-five (65) days of such final determination, the Owner shall be deemed to be in violation of this Deed Restriction.

In the event of any lease to a person who is not a Program Participant, or use of the Property as a Short Term Rental or Second Home, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the County as a material requirement of curing the default.

7. **Remedies.** In the event of violation, non-performance, default or breach of any term of this Deed Restriction by the Owner, County shall have the right to enforce Owner's obligations herein by an action for any equitable remedy, including injunction or specific performance, as well as pursue an action to recover damages. In addition, any amount due and owing to the County shall bear interest at the rate of \_\_\_\_\_ ( \_\_ %) per month, compounded annually until paid in full. The County shall be entitled to recover any costs related to the enforcement of this Deed Restriction, including but not limited to, attorney's fees, court filing costs, and county recording costs. In addition to any other remedy provided by law or equity, the County may attach a lien for

any amount due to County upon the Property. The Owner expressly waives any objection to the attachment of a lien for amounts due to the County. In the event of a transfer or conveyance of the Property which violates the terms of this Deed Restriction and constitutes a violation of this Deed Restriction, both the grantor and grantee shall be jointly and severally liable for any damages and costs due under this Deed Restriction.

8. **Consensual Lien.** For the purpose of securing each Owner's compliance with and performance of this Deed Restriction, Owner hereby grants to the County a lien against the Property in an amount equal to the cost reasonably incurred by the County in enforcing the servitudes and burdens imposed by this Deed Restriction upon the Property in the prosecution of legal action against any owner or former owner who violates the covenants and restrictions set forth herein and against any person or entity who occupies the burdened Property in violation of this Deed Restriction or who fails to file the annual reports required by Section 3(g). Each person or entity who accepts or claims ownership of, or a right to occupy the Property, hereby consents to the foregoing lien.

9. **Liquidated Damages.** In the event of a violation of the Deed Restriction by the Owner, the determination of actual monetary damages would be difficult to ascertain. Therefore the County and Owner hereby agree that liquidated damages shall be calculated and applied in the amount of THREE HUNDRED DOLLARS (\$300.00) per day for each day that the Owner is in violation of this Deed Restriction and has failed to timely cure the violation. Liquidated Damages shall be in addition to the County's ability to recover costs as set forth in Section \_\_\_\_ above. Liquidated Damages shall be in addition to the County's right to seek equitable remedies of injunction and/or specific performance. In the event of any unauthorized lease or use of the Property as a Second Home or Short Term Rental, any amounts collected or receipt of other things of value by the Owner or assigns under such leases shall be paid to the County as liquidated damages as demanded by the County (in lieu of the \$300 daily liquidated damages), including such amounts collected or received by the Owner prior to receipt of a Notice of Default and prior to expiration of a sixty-five (65) day period to cure, and such amounts shall be in addition to the right of the County to recover costs and seek equitable remedies.

10. **Release of Deed Restriction in Event of Foreclosure or Deed in Lieu**

- a. 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.
- b. An Owner shall immediately notify the County, in writing, of any notice of foreclosure under the first 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 first deed of trust or other subordinate security interest in the Property.
- c. Within sixty (60) 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.
- d. Notwithstanding any other provision of this Deed Restriction, (but subject to Section 11(g), 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, including without limitation Section 4 hereof, restricting Transfer of the Property.
- e. 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 \_\_\_\_\_ (\_\_\_\_) percent 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 Town's purchase.
- f. Notwithstanding Section 10(d) above, in the event that the Property is encumbered by a mortgage or deed of trust insured by the U.S. Department of Housing and Urban Development ("HUD") and representing a purchase money first priority mortgage or deed of trust, this Deed Restriction shall automatically and permanently terminate upon foreclosure of such mortgage or deed of trust, upon acceptance of a deed in

lieu of foreclosure of such mortgage or deed of trust or upon assignment of such mortgage or deed of trust to HUD.

11. **Option to Purchase.** In the event of default by the Owner which is not cured, or upon receipt of a notice of foreclosure or other notice of default provided by the holder of a deed of trust, lien or other encumbrance as provided in Section 10 above (whichever is earlier), the County shall have the option to purchase ("**Option to Purchase**") the Property in accordance with the procedures and terms set forth as follows:

- a. The County shall have an Option to Purchase for sixty-five (65) days ("**Option Period**").
- b. The County shall have a right of entry onto and into the Property during the Option Period to inspect the Property.
- c. 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 Owner.
- d. The County shall have the right to assign the County's right to purchase the Property to any Qualified Owner provided that this Deed Restriction shall remain in effect and burden the Property.
- e. Reserved
- f. Escrow closing costs shall be shared equally between the Owner and County. Taxes shall be prorated through escrow.
- g. 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 as provided in Section 10(d) above, subject however, to Section 10(f) above. In the event that the County's Option to Purchase arises from a default by Owner 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.

12. **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.

13. **Declarant's Reserved Rights.** Declarant reserves to itself, and to its representatives, heirs, successors, assigns, transferees, agents, and lessees, all rights inuring from ownership of the Property not otherwise restricted or prohibited by virtue of this Deed Restriction, including, but not limited to, the right to engage in or permit others to engage in all uses of the Property that are not expressly prohibited by this Deed Restriction, and are not inconsistent with the purposes of this Deed Restriction.

14. **Successors and Assigns Bound.** Declarant hereby agrees and acknowledges that the Property shall be held, sold, conveyed, owned, and used subject to the applicable terms, conditions and obligations imposed by this Deed Restriction relating to the use of the Property, and matters incidental thereto. Such terms, conditions, and obligations are a burden and restriction on the use of the Property, as applicable.

The provisions of this Deed Restriction shall (subject to the limitations contained herein and without modifying the provisions of this Deed Restriction) be enforceable as equitable servitudes and conditions, restrictions and covenants running with the land, and shall be binding on the Declarant and upon each and all of its respective heirs, devisees, successors, and assigns, grantees, mortgagees, lienors, officers, directors, employees, agents, representatives, executors, trustees, successor trustees, beneficiaries, administrators, any person who claims an interest in the Property, and upon future owners of the Property and each of them.

15. **No Other Restrictions.** This Deed Restriction imposes no other obligations or restrictions on Declarant, and neither its successors, nor any other person or entity claiming under them, shall be in any way restricted from using the Property except as provided herein or as otherwise provided in the Placer County Code.

16. **General Provisions.**

a. Controlling Law. The interpretation and performance of this Deed Restriction shall be governed by the laws of the State of California and applicable federal law.

b. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Deed Restriction shall be liberally construed to effect the purposes of this Deed Restriction. If any provision in this Deed Restriction is found to be ambiguous, an interpretation consistent with the purposes of this Deed Restriction that would render the provision valid shall be favored over any interpretation that would render it invalid.

c. Severability. If any provision of this Deed Restriction or the application thereof is found to be invalid, the remaining provisions of this Deed Restriction or the application of such provisions other than that found to be invalid shall not be affected thereby.

d. Termination of Rights and Obligations. A party's rights and obligations under this Deed Restriction terminate upon transfer of the party's interest in the Deed Restriction or Property, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

e. Captions. The captions in this Deed Restriction have been inserted solely for convenience of reference and are not a part of this Deed Restriction and shall have no effect upon its construction or interpretation.

17. **Modification.** This Deed Restriction shall not be amended, released, terminated, or removed from the Property without the prior written consent of the County.

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

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Steve Pedretti

Its: Director, Community Development  
Resource Agency

DATED: \_\_\_\_\_

By: \_\_\_\_\_

**Approved as to Form:**

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

**ATTACHMENT 1  
LEGAL DESCRIPTION**

**(Intentionally blank, to be attached upon sale/transaction of property)**

**SUBORDINATION AGREEMENT**

THIS SUBORDINATION AGREEMENT (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date") by and between the County of Placer, California and \_\_\_\_\_ a financial institution with an address of \_\_\_\_\_ ("Lender"), each referred to as "Party" or collectively as "Parties".

WHEREAS, the Deed Restriction Agreement dated \_\_\_\_\_, recorded on \_\_\_\_\_, as Document No. \_\_\_\_\_ of Placer County Official Records burdens the real property more particularly described as \_\_\_\_\_ (the "Property") with a deed restriction limiting the use of the Property (the "Deed Restriction");

WHEREAS, the owner of the Property has requested Lender to issue a loan secured by a deed of trust encumbering the Property; and

WHEREAS, Lender is willing to subordinate the loan to the Deed Restriction under the terms of the 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:

1. Subordination. Lender unconditionally subordinates its lien under the deed of trust on the Property issued by Lender on \_\_\_\_\_, 20\_\_ (the "Deed of Trust") to the Deed Restriction. Lender agrees that its lien on and all other rights and interests in the title to the Property resulting from the Deed of Trust will remain subordinate to all rights and interest in the title to the Property resulting from the Deed Restriction, regardless of any renewal, extension or further modification of the Deed of Trust.
  
2. Notice. If Lender accepts a deed in lieu of foreclosure of the Deed of Trust, Lender shall give the County written notice within 20 days after the deed is recorded with the Clerk Recorder of Placer County, California.
  
3. Miscellaneous.
  - a. Modification. This Agreement may only be modified by mutual, written agreement of the Parties.
  - b. Integration. This Agreement and any attached exhibits constitute the entire agreement between the Parties, superseding all prior oral and written communications.
  - c. Severability. If any provision of this Agreement is determined to be void by a court of competent jurisdiction, such determination shall not affect any other provision hereof, and all remaining provisions shall remain in full force and effect.
  - d. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California, County of Placer, and any legal action concerning the provisions hereof shall be brought in Placer County.
  - e. Agreement Binding; Assignment. This Agreement and the terms, covenants and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the Parties.
  - f. Third Parties. There are no intended third-party beneficiaries to this Agreement.
  - g. No Joint Venture. Notwithstanding any provision hereof, the County shall never be a joint venture in any private entity or activity which participates in this Agreement and the County shall never be liable or responsible for any debt or obligation of any participant in this Agreement.
  - h. Notice. Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first class United States mail to the Party at the address set forth on the first page of this Agreement.
  - i. Recording. This Agreement shall be recorded with the Placer County Recorder's Office.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

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

**COUNTY OF PLACER**

\_\_\_\_\_  
[Print name and title]

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

**LENDERS SIGNATURE**

\_\_\_\_\_  
[Print name and title]