



RESOLUTION No. 25-546

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING THE DOWN PAYMENT ASSISTANCE PROGRAM LOAN DOCUMENTS IN SUBSTANTIVE FORM, AUTHORIZING THE HOUSING AND COMMUNITY SERVICES DIRECTOR TO AMEND THE LOAN DOCUMENTS AS NEEDED TO MEET PROGRAM REQUIREMENTS FOR FUTURE FUNDING SOURCES, AUTHORIZING THE USE OF COUNTY GENERAL FUNDS FOR DOWN PAYMENT ASSISTANCE, AND AUTHORIZING AND DIRECTING THE AUDITOR-CONTROLLER TO AMEND THE HOUSING & COMMUNITY SERVICES DEPARTMENT AND OTHER SOURCES & USES BUDGETS FOR FISCAL YEAR 2025/26 AND TO RELEASE SPECIAL PROJECT CONTINUATION ASSIGNMENT IN THE GENERAL FUND (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the Board of Supervisors has a 2025 Board objective to “Coordinate with local jurisdictions, developers, and other partners to facilitate development of, and access to, affordable and workforce housing”; and

WHEREAS, home ownership is an important pathway to address affordable and workforce housing stability for families and communities; and

WHEREAS, because of high housing prices and limited supply of affordable homes, home ownership in Nevada County is difficult to access for lower, moderate, and middle-income households, particularly in high-cost areas, such as Eastern Nevada County; and

WHEREAS, home ownership programs funded by the state of California are limited for moderate and middle-income households with area median income (AMI) up to 150%; and

WHEREAS, to address this gap, the Board of Supervisors has previously assigned a portion of General Fund Balance into the Special Project Continuation Assignment to further progress towards housing accessibility for moderate and middle-income workforce households.

NOW, THEREFORE, BE IT RESOLVED that the Nevada County Board of Supervisors has determined that this use of funds provides a benefit to the public and is in the public interest, and hereby accepts the Down Payment Assistance Program presentation, approves the loan documents in substantive form, authorizes the Housing and Community Services Director to amend as needed to meet program requirements for future funding sources, and authorizes the release of Special Project Continuation Assignment in the General Fund in the amount of \$579,892 to be designated and allocated for Down Payment Assistance.

BE IT FURTHER RESOLVED that the Auditor-Controller is authorized and directed to amend the Health and Human Services Agency Housing and Community Services Department and Other Sources & Uses Budgets for Fiscal Year 2025/26 as follows:

Fiscal Year 2025/26

Revenue	1589-50601-451-7000 / 474002	\$579,892
Expenditure	1589-50601-451-7000 / 522090	\$550,897
	1589-50601-451-7000 / 538013	\$28,995
	0101-10206-272-1000 / 550702	\$579,892

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 18th day of November 2025, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Robb Tucker, Lisa Swarthout, Susan Hoek, and Hardy Bullock.

Noes: None.

Absent: None.

Abstain: None.

Recuse: None.

ATTEST:

TINE MATHIASSEN
Chief Deputy Clerk of the Board of Supervisors

By: 


Heidi Hall, Chair

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
County of Nevada
950 Maidu Ave.
Nevada City, CA 95959
Attn: Tyler Barrington
NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NEVADA COUNTY
DOWN PAYMENT ASSISTANCE PROGRAM
DEED OF TRUST
(SINGLE FAMILY OWNER-OCCUPIED RESIDENCE)**

**NOTICE TO BORROWER:
THIS DEED OF TRUST CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS**

THIS DEED OF TRUST (the "Security Instrument") is made on DATE between the Trustor(s) Homeowner name (the "Borrower(s)"), and Title Company, a California corporation, as Trustee (the "Trustee"), whose address is Address of Title Company for the benefit of **Nevada County**, a political subdivision of the State of California (the "Lender"), through its **Down Payment Assistance Program** (the "Program"), whose mailing address is 950 Maidu Avenue, Nevada City, CA 95959.

BORROWER(S), IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST HEREIN CREATED, IRREVOCABLY GRANTS, CONVEYS, AND ASSIGNS TO TRUSTEE, in trust, with power of sale and right of entry and possession, all of Borrower's right, title and interest (including any claim or demand in law or equity), and unconditionally assigns and transfers to Beneficiary all of Borrower's right, title, and interest in and to all existing and future leases and all rents, issues, and profits (collectively, the "Rents") from the property, now held or hereafter acquired in and to the following:

1. All of that certain real property ("Property") located in Nevada County, State of California and described in Exhibit A, attached hereto and made a part hereof, which has the address of Address of home.
2. All buildings, improvements and fixtures now or hereafter erected thereon, and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon or used in connection with the Property, together with all additions to, substitutions for, changes in or replacements of the whole or any part of said articles of property; all of which are hereby pledged and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared to be

part of the realty; provided, however, that furniture and other personal property of Borrower now or hereafter situated on said real property are not intended to be included as part of the Property.

3. All rents, issues, and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes drafts, letter of credit, insurance policies, insurance and condemnation award and proceeds, trade names, trademarks, and service marks arising or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

FOR THE PURPOSE OF SECURING:

1. Repayment of the indebtedness evidenced by that certain Promissory Note of the Borrower dated **DATE**, and entitled County of Nevada Down Payment Assistance Promissory Note, Loan No. **NUMBER** (the "Note"), of the Borrower in the principal amount of **AMOUNT** Dollars (\$**xxx**), together with simple interest of three percent (3%) per annum on such indebtedness according to the terms of the Note, and any and all amendments, modifications, extensions or renewals of the Note. "County Loan Documents" shall mean, collectively, the Note and this Deed of Trust of even date herewith.
2. Payment of such additional sums, with interest, thereon:
 - a. As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note; and
 - b. As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of Trust and any modification, extension, or renewal of this Deed of Trust; and
 - c. As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.
3. Performance of each obligation, covenant, and agreement of Borrower contained in this Deed of Trust, the Note, or any other document executed by Borrower in connection with the loan(s) secured by this Deed of Trust, and all amendments to these documents whether set forth in this Deed of Trust or incorporated in this Deed of Trust by reference.

BORROWER COVENANTS: Borrower hereby covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property

against all claims and demands subject to any declarations, easements, or restrictions listed in the schedule of exemptions to coverage in any title insurance policy insuring Lender's interest in the Property.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. **Payment of Principal and Interest.** That Borrower shall promptly pay, when due, the principal and interest on the Note, and such other charges as are provided in the Note, and such other amounts as are provided under this Deed of Trust.
2. **Occupancy.** Borrower and Borrower's immediate family shall occupy the Property as Borrower's principal place of residence during the term of the Note.
3. **Rent or Lease of the Property.** Only with the County's written permission, a home owner may be approved to rent their home to a Qualified Tenant household, defined as a tenant earning no more than 150% area median income as defined by the U.S. Department of Housing and Urban Development. The tenant must occupy the home as their primary residence. Maximum rent allowed to be charged cannot exceed 30% of 150% area median income, adjusted for bedroom size.
4. **Sale or Transfer of Property.** Before sale or transfer of title, the Borrower, or the Borrower's representative, shall notify the Lender of his or her intention to sell or otherwise transfer title. Except as otherwise provided in this Deed of Trust, when Borrower transfers title, the entire Loan which is evidenced by the Note shall be immediately due and payable.
5. **Resale Recapture Provisions.** The following provisions restricting resale will apply for a period of 30 years. Net proceeds shall be repaid to the County of Nevada to assist another homebuyer to obtain a home within Nevada County. The amount paid to the County, at sale, is called "net proceeds." The County's portion of net proceeds will be equal to the percentage of investment in the property. Net proceeds shall not exceed the sales price minus loan repayment and closing costs. If the net proceeds are insufficient to repay both the County investment plus the homeowner's investment, the County may forgive a prorated share of the net proceeds based on the amount of time the homeowner occupied the unit. When the net proceeds are not enough to repay the full investment by the County, the homeowner will not recover more than his or her investment.
6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any

instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Section, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section shall require Lender to incur any expense or take any action hereunder.

7. Insurance. To keep the Property insured with loss payable to the Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies on such forms and in the amount of the replacement cost of the Property, and to deliver the original of all such policies to the Lender, together with receipts satisfactory to the Lender evidencing payment of the premiums. All such policies provide that the Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the Lender, shall be delivered to the Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. All insurance proceeds for such losses must be utilized for the repair or restoration of the insured property.

8. Subordination. Borrower will observe and perform all of the covenants and agreements of the First Lender Note, First Lender Deed of Trust and related to First Lender loan documents. "First Lender" refers to the loan made to Borrower by **Insert Name of First Lender** with an original principal balance of **Insert Balance of Original First Lender Note** executed by Borrower in favor of First Lender ("First Lender Note"), to assist in the purchase of the Property. Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Borrower.

9. Payments and Discharge of Liens. Borrower will pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any

part thereof; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b) such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and Borrower shall post security for the payment of these contested claims as may be requested by the Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

10. Maintenance of the Property. (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Lender's written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of the Lender.

11. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any such inspection specifying reasonable cause for the inspection.

12. Payment of Taxes and Utility Charges. Borrower shall pay, at least ten (10) days before delinquency all taxes and assessments affecting the Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, fines and impositions attributable to the Property, leasehold payments or ground rents, if any, and any interest on the Property or any part thereof; all costs, fees and expenses of this trust. Borrower shall make such payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and Borrower shall promptly furnish to Lender receipts evidencing all such payments made.

13. Appear and Defend. Borrower shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Lender or Trustee may appear, and in any suit brought by the Lender

to foreclose this deed.

14. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Section 2.1 shall be applied by Lender first to interest payable on the Note and then to the principal due on the Note.

15. Future Advances. Upon request by Borrower, Lender, at Lender's option, may make future advances to Borrower. All such future advances, with interest thereon, shall be added to and become a part of the indebtedness secured by this Deed of Trust when evidenced by promissory note(s) reciting that such note(s) are secured by this Deed of Trust.

16. Disbursements to Protect Lender's Security. All sums disbursed by Lender to protect and preserve the Property, this Deed of Trust, or Lender's security for the performance of Borrower's obligations under the Note shall be and be deemed to be an indebtedness of Borrower secured by this Deed of Trust.

17. Awards and Damages. All judgments, awards of damages, settlements and compensation made in connection with or in lieu of (a) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (b) any damage to or destruction of the Property or any part thereof by insured casualty, and (c) any other injury or damage to all or any part of the Property, are hereby assigned to and shall be paid to the Lender. The Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Lender shall determine at its option. The Lender shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Lender may be released to Borrower upon such conditions as the Lender may impose for its disposition. Application of all or any part of the amounts collected and received by the Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

18. Prohibition on Transfers of Interest. With the exception of the transfers permitted in Section 4.11 below, if all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent,

Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Section 6.9 hereof. Such notices shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Section 5.2(a) hereof.

19. Sale or Forbearance. No sale of the Property, forbearances on the part of the Lender, or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.

20. The Lender's Rights to Release. Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) The Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness. (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

22. Events Of Default. Any one or more of the following events shall constitute a default under this Deed of Trust:

- a. Failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or
- b. Failure of Borrower to observe or to perform any covenant condition or

agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust including but not limited to the occupancy of property by Borrower provision; or

- c. The occurrence of any event which, under the terms of the Note, shall entitle the Lender to exercise the rights or remedies thereunder; or
- d. The occurrence of any event which, under the terms of the First Note and First Deed of Trust shall entitle the Lender to exercise the rights or remedies thereunder.

23. Permitted Transfers. Notwithstanding any other provision of the Note or this Deed of Trust, the following transfers shall not be deemed to be a default under the Note or this Deed of Trust, provided that the Borrower or transferee, if appropriate, shall continue to occupy the home as a principal place of residence and the Borrower shall provide written notice of such transfer to the County:

- e. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant, or child of Borrower by devise or inheritance following death of the Borrower;
- f. A transfer of the Property where the spouse becomes an owner of the property;
- g. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- h. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

24. Acceleration and Sale. Except as provided otherwise in this Deed of Trust, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, upon Borrower's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note, Lender shall mail notice to Borrower as provided in Section 6.9 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) 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 Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may 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 applicable law. Lender shall be entitled to collect from

the Borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.

25. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of the judgment enforcing this Deed of Trust if: (1) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note, had no acceleration occurred; (2) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, remedies including, but not limited to, reasonable attorneys' fees; and (3) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

26. Sale. After delivery to Trustee of a Notice of Default and Demand for Sale and after the expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provided in this Deed of Trust, the secured obligations or any other such instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or

persons legally entitled thereto.

27. Assignment of Rents; Appointment of Receiver; Lender in Possession. Upon acceleration under paragraph (a) of Section 5.2 hereof or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the Rents of the Property (if any) including those past due. All Rents collected by Lender or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be liable to account only for those Rents actually received. The provisions of this paragraph and paragraph (a) of Section 5.2 shall operate subject to the claims of prior lien holders.

28. Exercise of Remedies; Delay. No exercise of any right or remedy by the Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

29. Trustee Substitution. The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the Lender, to be exercised at any time hereafter, without specifying any reason therefore by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.

30. Remedies Cumulative. No remedy herein contained or conferred upon the Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

MISCELLANEOUS PROVISIONS

1. **Successors, Assigns, Gender, Number.** The covenants and agreements contained in this Deed or Trust shall bind, and the benefit and advantages under it shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.
2. **Headings.** The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.
 - a. **Actions on Behalf of the Lender.** Except as otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the Lender is required or permitted under this Deed of Trust, such action shall be in writing.
3. **Terms.** The words “the Lender” means the present Lender, or any future owner or holder, including pledgee of the indebtedness secured hereby.
4. **Obligations of Borrower.** If more than one person has executed this Deed of Trust as “Borrower,” the obligations of all such persons hereunder shall be joint and several.
5. **Incorporation by References.** The provisions of the Program security instruments and the documents relating to the program are incorporated by reference as though set out verbatim.
6. **Severability.** If any provision of this Deed of Trust shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.
7. **Indemnification.** Borrower will indemnify and hold the Lender, its Board, directors, commissioners, employees, officers, and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower’s expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result

of any legal action arising out of this Deed of Trust.

8. **Notice.** Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower designates by notice to Lender as provided herein; and, (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's mailing address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.
9. **Beneficiary Statement.** Lender may collect a fee for furnishing the beneficiary statement in an amount not to exceed the amount as provided by Section 2943 of the Civil Code of California.
10. **Use of Property.** Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.
11. **Governing Law.** This Deed of Trust shall be governed by the laws of the State of California

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above

Borrower:

Name

Date

Mailing Address for Notices:

Street

City

State

Zip

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

ACKNOWLEDGMENT

State of California

County of _____,

On _____ before _____ me,

(insert name and title of the officer)

personally appeared **Borrower Name**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____

Signature: _____

Exhibit A

Legal Description

PLEASE INSERT LEGAL DESCRIPTION FROM PRELIMINARY TITLE

**NEVADA COUNTY
DOWN PAYMENT ASSISTANCE PROGRAM
PROMISSORY NOTE - SECURED BY A DEED OF TRUST**

(Amount)

Date: _____ Property Address: _____

FOR VALUE RECEIVED, the undersigned, **Name of Borrower** hereinafter called "Borrower(s)", and all successors and assigns, promise(s) to pay to the order of and for the benefit of Nevada County, hereinafter called "Lender," a political subdivision of the State of California, through its Down Payment Assistance Program, hereinafter called "the Program", or order, at 950 Maidu Avenue, Nevada City, CA 95959, in lawful money of the United States, the principal sum of **Amount** with simple interest on unpaid principal from the date of recordation until paid, at the rate of **three** percent (**3%**) per annum, hereinafter called "Loan". "County Loan Documents" shall mean, collectively, the Promissory Note ("Note") and Deed of Trust ("Deed").

1. BORROWER'S OBLIGATION: This Note evidences the obligation of the Borrower(s) to the Program for the repayment of funds loaned to Borrower(s) for the purpose of assisting in the **acquisition and/or construction** of that certain real property and any improvements thereon; hereinafter called "the Property", described in that certain Deed of Trust securing this indebtedness and dated of even date herewith.

Borrower(s) acknowledge(s) that this Note is given in connection with the purchase of the Property as part of the Nevada County's Down Payment Assistance Program. This Note is not automatically assumable but is subject to Section 711.5 of the California Civil Code which allows Nevada County to accelerate all amounts due under this Note if any subsequent sale or transfer of the Property of any kind does not comply with the provisions of this Note or the Deed of Trust securing it.

2. REPAYMENT OF LOAN PRINCIPAL AND INTEREST: No periodic payments are required hereunder. Borrower(s) agree(s) to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:

- a. 30 years from the date of this Note; or
- b. Upon sale, transfer, rent or lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Paragraph 3.
- c. Upon Borrowers' failure to occupy the Property as Borrower's principal place of residence.

3. OCCUPANCY; **Borrower** and borrower's immediate family shall occupy

the Property as Borrower's principal place of residence during the term of the Note. Only with the County's written permission, a homeowner may be approved to rent their home to a Qualified Tenant household, defined as a tenant earning no more than 150% area median income as defined by the U.S. Department of Housing and Urban Development. The tenant must occupy the home as their primary residence. Maximum rent allowed to be charged cannot exceed 30% of 150% area median income, adjusted for bedroom size.

4. PERMITTED TRANSFERS: The Down Payment Assistance Loan is not assumable except under the following limited circumstances, provided that the Borrower or transferee, if appropriate, shall continue to occupy the home as a principal place of residence and the Borrower shall provide written notice of such transfer to the County:

- a. The transfer of the Property to the surviving joint tenant by devise, descent, or operation of the law, on the death of a joint tenant, or child of Borrower by devise or inheritance following death of the Borrower;
- b. A transfer of the Property where the spouse becomes an owner of the property;
- c. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation, or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- d. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. ACCELERATION OF PAYMENT: The principal amount of this loan, together with any then outstanding accrued interest thereon, shall become immediately due and payable, at the option of the holder and without demand or notice, upon the occurrence of any of the following events:

- a. In the event of a default under the terms of this Note and the Deed of Trust.
- b. In the event that the Borrower shall cease to occupy the Property as Borrower's principal place of residence; or
- c. In the event of any sale, transfer, lease, or encumbrance of the Property without Lender's prior written consent in violation of Paragraph 3 of this Note.

6. EFFECTS DUE-ON SALE CLAUSE: Failure of the holder to exercise the option to accelerate payment as provided in Paragraph 4 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration. Failure by Borrower to occupy the Property as Borrower's principal place of residence shall be considered an on-going event of default under this Note.

7. PLACE AND MANNER OF PAYMENT: All amounts due and payable under this Note are payable at the principal office of the Lender set forth above, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.

8. APPLICATION OF PAYMENTS: All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.

9. ATTORNEY'S FEES: The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.

10. DEFAULT AND ACCELERATION: All covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note. The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall, at the option of the Lender or, if so provided in this Note and Deed of Trust executed by the Borrower, shall automatically, become immediately due and payable, and thereafter until paid bear interest at the rate of % per annum, upon the failure of the Borrower to make any payment hereunder as and when due; upon the failure of the Borrower to perform or observe any other term or provision of this Note, or upon the occurrence of any event (whether termed default, event of default or similar term) which under the terms of the Deed of Trust, shall entitle the Lender to exercise rights or remedies thereunder

11. NOTICES: Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.

12. PREPAYMENT POLICY: Borrower may prepay this Note at any time without penalty.

13. GOVERNING LAW: This Note shall be construed in accordance with and be governed by the laws of the State of California.

14. SEVERABILITY: If any provision of this Note shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15. NO WAIVER BY THE LENDER: No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

16. SUCCESSORS AND ASSIGNS: The promises and agreements herein contained shall bind and inure the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

THE BORROWER(S) HEREBY CERTIFY(IES) TO THE PROGRAM THAT THIS IS THE
PROMISSORY NOTE DESCRIBED IN AND SECURED BY THE TRUST DEED
COVERING THE REAL PROPERTY THEREIN DESCRIBED.

EXECUTED AT _____, CALIFORNIA

Borrower

Address for Purpose of Notice:

Borrower Name

Borrower Address