NO RECORDING FEE PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO
Sonoma County Community
Development Commission
P.O. Box 12025
Santa Rosa, CA 95406
Attn: Executive Director

____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST
AND SECURITY AGREEMENT

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION

(**_________________________ [Property Address]**)

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") made this ___ day of ____________, 20__, among the trustor, ______________________ (the "Owner"), whose address is ____; ________________________________ **[Title Company]** ("Trustee"), and the Sonoma County Community Development Commission as Beneficiary (the "Commission").

The Owner, in consideration of the promises herein recited and the trust herein created, irrevocably grants, transfers, conveys, and assigns to Trustee, in trust, with power of sale, the property located in the __________, Sonoma County, State of California, described in the attached Exhibit "A" (the "Property").

TOGETHER with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances, and all fixtures now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by this Deed of Trust; and

TOGETHER with all articles of personal property or fixtures now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the Property which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all other goods and chattels and personal property as are ever used or furnished in operating a building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefore, whether or not the same are, or shall be attached to said building or buildings in any manner; and all of the foregoing, together with the Property, is herein referred to as the "Security."

To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever;

TO SECURE to the Commission the performance of the covenants and agreements of Owner contained in that certain Buyer's Occupancy and Resale Restriction Agreement With Option to Purchase executed by and between the Owner and the Commission of even date herewith (the "Resale Agreement");

TO SECURE to the Commission the payment of Excess Rents and Excess Sales Proceeds (as such terms are defined in the Resale Agreement and evidenced by that certain Commission Note executed by the Owner for the Commission's benefit of even date herewith (the "Commission Note")) that may become due by Owner to Commission.

TO SECURE the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Owner herein contained.

OWNER AND COMMISSION COVENANT AND AGREE AS FOLLOWS:

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

2. Payment of Excess Sales Proceeds, Excess Rents. Owner will promptly pay to the Commission, when and if due the: (a) Excess Sales Proceeds as provided in the Resale Agreement and Commission Note; and (b) Excess Rents as provided in the Resale Agreement and Commission Note.

3. Resale Agreement. Owner will observe and perform all of the covenants and agreements of the Resale Agreement.

4. Charges; Liens. Owner will pay all taxes, assessments and other charges, fines, and impositions attributable to the Security which may attain a priority over this Deed of Trust, by Owner making any payment, when due, directly to the payee thereof. Upon request by the Commission, Owner will promptly furnish to the Commission all notices of amounts due under this paragraph. In the event Owner makes payment directly, Owner will promptly discharge any lien which has priority over this Deed of Trust; provided, that Owner will not be required to discharge any lien described in this paragraph so long as Owner will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to the Commission, or will, in good faith, contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Security or any part thereof.

5. Hazard Insurance. Owner will keep the Security insured by a standard all risk property insurance policy equal to the replacement value of the Security (adjusted every five (5) years by appraisal, if requested by the Commission) naming the Commission as an additional insured and loss payee. If the Security is in a flood plain, Owner shall also obtain flood insurance.

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

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

Unless the Commission and Owner otherwise agree in writing, insurance proceeds, subject to the rights of the Approved Lender, will be applied to restoration or repair of the Security damaged, provided such restoration or repair is economically feasible and the Security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the Security of this Deed of Trust would be impaired, the insurance proceeds will be used to repay any amounts due under the Resale Agreement and Commission Note, with the excess, if any, paid to Owner. If the Security is abandoned by Owner, or if Owner fails to respond to the Commission, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Owner that the insurance carrier offers to settle a claim for insurance benefits, the Commission, or its designated agent, is authorized to collect and apply the insurance proceeds at the Commission's option either to restoration or repair of the Security or to pay amounts due under the Resale Agreement and Commission Note.

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

6. Preservation and Maintenance of Security. Owner will keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section 6, and if the Owner has not cured such condition within thirty (30) days after receiving a Commission notice of such a condition, then in addition to any other rights available to the Commission, the Commission shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

7. Protection of the Commission's Security. If Owner fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects the Commission's interest in the Security, including, but not limited to, default under the Approved Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the Commission, at the Commission's option, upon notice to Owner, may make such appearances, disburse such sums and take such action as it determines necessary to protect the Commission's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Security to make repairs.

Any amounts disbursed by the Commission pursuant to this paragraph, with interest thereon, will become an indebtedness of Owner secured by this Deed of Trust. Unless Owner and Commission agree to other terms of payment, such amount will be payable upon notice from the Commission to Owner requesting payment thereof, and will bear interest from the date of disbursement at the lesser of (i) ten percent (10%); or (ii) the highest rate permissible under applicable law. Nothing contained in this paragraph will require the Commission to incur any expense or take any action hereunder.

8. Inspection. The Commission may make or cause to be made reasonable entries upon and inspections of the Security; provided, however, that the Commission will give Owner reasonable notice of inspection.

9. Forbearance by the Commission Not a Waiver. Any forbearance by the Commission in exercising any right or remedy will not be a waiver of the exercise of any such right or remedy, nor shall acceptance by Commission of any payment provided for in the Commission Note constitute a waiver of the Commission's right to require prompt payment of any indebtedness secured by this Commission Deed of Trust. The procurement of insurance or the payment of taxes or other liens or charges by the Commission will not be a waiver of the Commission's right accelerate the maturity of the indebtedness secured by this Commission Deed of Trust or Commission's right to require payment of any amounts secured by this Deed of Trust or performance of any covenants secured by this Deed of Trust.

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

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

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

"Environmental Law" shall mean all federal and state of California laws that relate to health, safety or environmental protection.

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

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

13. Joint and Several Liability. All covenants and agreements of Owner shall be joint and several.

Notice. Except for any notice required under applicable law to be given in another manner: (a) any notice to Owner provided for in this Deed of Trust will be given by certified mail, addressed to Owner at the address shown in the first paragraph of this Deed of Trust or such other address as Owner may designate by notice to the

Commission as provided herein; and (b) any notice to the Commission will be given by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt, to Sonoma County Community Development Commission, P.O. Box 12025, Santa Rosa, CA 95406, Attn: Executive Director or to such other address as the Commission may designate by notice to Owner as provided above. Notice shall be effective as of the date received by Commission as shown on the return receipt.

14. Governing Law. This Deed of Trust shall be governed by the laws of the State of California.

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

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

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

18. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between Owner and Commission is solely that of two separate parties in an arm's length transaction, and that Commission neither undertakes nor assumes any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Security or any other matter. Commission owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against Commission for any loss, damage or other matter arising out of or resulting from any condition of the Security and will hold Commission harmless from any liability, loss or damage for these things.

19. Indemnity. Owner agrees to defend, indemnify, and hold Commission and its officers, employees, agents, board members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that Commission may incur as a direct or indirect consequence of:

(a) Owner's failure to perform any obligations as and when required by the Resale Agreement, the Commission Note, and this Deed of Trust; or

(b) the failure at any time of any of Owner's representations or warranties to be true and correct.

20. Acceleration; Remedies. Upon Owner's breach of any covenant or agreement of Owner in the Resale Agreement, the Commission Note, or this Deed of Trust, including, but not limited to, the covenants to pay, when due, any sums secured by this Deed of Trust, the Commission, prior to acceleration, will mail by express delivery, return receipt requested notice to Owner specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is received by Owner as shown on the return receipt, by which such breach is to 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 Security. The notice will also inform Owner of Owner's right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of default or any other defense of Owner to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the Commission, at the Commission's option, may: (a) declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by California law; (b) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, the Commission shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any uncured breach, including the right to exercise the power of sale; (c) commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (d) deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found at California Civil Code Sections 2924 et seq., as amended from time to time; or (e) exercise all other rights and remedies provided herein, in the instruments by which the Owner acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

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

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

22. Due on Transfer of the Property. Upon a Transfer, excluding a Permitted Transfer, (as defined in the Resale Agreement) of the Property or any interest in it, the Commission shall require immediate payment in full of all sums secured by this Deed of Trust.

23. Reconveyance. Upon payment of all sums secured by this Deed of Trust and following the expiration of the Term of the Resale Agreement, Commission will request Trustee to reconvey the Security and will surrender this Deed of Trust, the Commission Note, and the Resale Agreement to Trustee. Trustee will reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons will pay all costs of recordation, if any.

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

25. Superiority of Approved Lender Documents. Notwithstanding any provision herein, this Deed of Trust shall not diminish or affect the rights of the Approved Lender under the Approved Deed of Trust or any subsequent Approved Lender deeds of trust hereafter recorded against the Security in compliance with the requirements of the Resale Agreement.

Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the Approved Deed of Trust and shall not impair the rights of the Approved Lender, or such lender's assignee or successor in interest, to exercise its remedies under the Approved Deed of Trust in the event of default under the Approved Deed of Trust by the Owner. Such remedies under the Approved Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Deed of Trust shall be forever terminated and shall have no further effect as to the Property or any transferee thereafter; provided, however, if the holder of such Approved Deed of Trust acquired title to the Property pursuant to a deed or assignment in lieu of foreclosure and no notice of default was recorded against the Property by such holder in connection therewith, this Deed of Trust shall automatically terminate upon such acquisition of title, only if: (i) the Commission has been given written notice of default under such Approved Deed of Trust with a sixty (60)-day cure period (which requirement shall be satisfied by recordation of a notice of default under California Civil Code Section 2924); and (ii) the Commission shall not have cured or commenced to cure the default within such sixty (60)-day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the Approved Lender.

26. Request for Notice. Owner requests that copies of the notice of default and notice of sale be sent to Owner at the address set forth in Section 15 above.

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

OWNER:

____
[Type Owner's Name]

____
[Type Owner's Name]

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.

STATE OF CALIFORNIA)
)
COUNTY OF __________________)

On ____________________, before me, ___________________________, Notary Public, personally appeared _______________________________________, 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: __________________________________
Notary Public

EXHIBIT A

Legal Description of the Property