

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Brent A. Butler, Chief Strategy Officer

DATE: October 9, 2023

RE: **PUBLIC HEARING for:** Ordinance Adopting a New Chapter of the Jefferson County Code, Chapter 15.20, "to Establish a Jefferson County Commercial Property Assessed Clean Energy and Resilience (C-PACER) Program"

STATEMENT OF ISSUE:

On September 20, September 27, and October 4, 2023, the Jefferson County/Port Townsend Leader, the County's newspaper of record, published that this public hearing would be held before the Board of County Commissioners ("BoCC" or "Board") on October 9, 2023. Prior discussion regarding the C-PACER program occurred before the Board of County on April 11, 2022. At that meeting, the following individuals provided comments: County Assessor, County Treasurer, Kitsap Bank's Rich Martinez, Bayside Housing's Gary Keister and Heather Dudley-Nollette.

Key items discussed by the attendees included:

- C-PACER implements the comprehensive plan's sustainability targets;
- Five Washington counties had adopted the program
- Hastings Estate and Bayside Housing were interested in C-PACER
- DCD would have the greatest capacity impacts
- Technical issues had been resolved
- BoCC expressed concern about capacity impacts (no action was taken).

In response to the 2022 discussion, the Department of Community Development ("DCD") amended its workplan, adding C-PACER as one of three new projects to the twelve focused housing projects on the long-range planning list. The March 23, 2023 workplan discussion before the BoCC identified new or omitted projects, including: 1) the Fee Ordinance/Study, 2) C-PACER, and 3) Permanent Housing Facilities.

On April 17, 2023, DCD updated the Board on the progress made to date. At that BoCC meeting, the DCD Director discussed options to reduce the capacity issues related to the C-PACER program. In attendance were the County Assessor; the County Treasurer; and the C-PACER Specialist John Kennedy who provided input. Options included administration by another county through an interlocal agreement or a professional services agreement. On June 1, 2023 the Director was appointed as the Chief Strategy Officer ("CSO"), and C-PACER was included as one of the CSO's six projects. In this role, the CSO worked collaboratively with the

County Administrator to move forward with Request for Proposals to retain a Program Administrator and with the Prosecuting Attorney's Office to prepare an implementing ordinance adopting the program. During this time, Port Ludlow Associates joined Bayside Housing and the Hastings Estate as interested property owners. Now, after consideration of the issues, DCD attaches a Draft Ordinance to this Agenda Request as Appendix A for consideration.

At this time, the Board is requested to open a public hearing, accept testimony, close the public hearing and deliberate, establishing chapter 15.20 C-PACER, in Title 15, Buildings and Construction as a new Chapter of the Jefferson County Code, known as the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program.

The C-PACER program is managed by a program administrator and the regulations are set forth in a Program Guidebook (Guidebook) that implements the procedures and requirements through forms used by participating jurisdictions. A Draft Program Guidebook is attached as Appendix B. A final Guidebook will be published after discussion with the City of Port Townsend by the November 5, 2023 effective date of the ordinance. Forms included in the Guidebook are set forth below:

1. Application Checklist,
2. Lien Holder Consent to C-PACER Assessment and Lien,
3. Certification of Qualified Improvements,
4. Certificate of Capital Provider Qualification,
5. Assessment Agreement for C-PACER Financing,
6. Notice of Assessment Interest and C-PACER Lien,
7. Assignment of Notice of Assessment Interest and C-PACER Lien and Assessment Agreement
8. Certificate of C-PACER Improvements Completion.

ANALYSIS:

C-PACER financing is repaid by a voluntary assessment on the improved property, secured by a lien in favor of Jefferson County, which is then immediately assigned to the C-PACER capital provider. The lien is second only in priority to the lien for unpaid taxes. Once C-PACER financing is advanced, the administration of the C-PACER financing (including enforcement) is done by the private capital provider. After the adoption of a C-PACER program, Jefferson County's role is limited to the approval of an assessment and recordation of a C-PACER lien, as well as to the administration of the C-PACER program (which may be contracted out to a private third party).

As discussed in the April 2023 agenda request, the C-PACER program would be in conformance with the Jefferson County Comprehensive Plan ("CP"). Specifically, this program encourages the adoption of programs, policies and procedures that increase energy efficiency in publicly funded infrastructure (see CP page 149), partnerships with other stakeholders such as the Public Utility District #1 (see CP page 331), and resource consuming facilities (CP page 356), among other areas.

Program Administration

After Whatcom and Pierce County declined our invitation to administer the Jefferson County C-PACER program through an interlocal agreement, DCD published a Request for Proposal (RFP) and

selected Shea, Carr & Jewell, Inc. (dba SCJ Alliance) to administer the C-PACER program. SCJ Alliance was already under contract with the Jefferson County Public Works Department for the Quilcene Complete Streets Project and most recently completed the City of Port Townsend's Sidewalk Tunnel Reconstruction and Downtown Streetscape project. They agreed to serve as the C-PACER Program Administrator, as set forth in the professional services agreement's scope of work dated June 5, 2023. Consequently, DCD would immediately assign the role of program administrator to SCJ Alliance, and work with them to start the program effective November 5, 2023, which would be the earliest date the program shall start pursuant to the Department of Commerce's response to DCD's 60-day notice of intent to amend the county's development regulations.

FISCAL IMPACT:

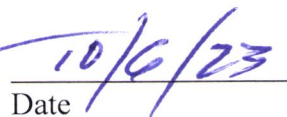
Holding this public hearing and preparing the associated documents require staff time and resources which is funded by the general fund. Any subsequent permitting activity carried out under the C-PACER Ordinance would be funded by the requisite permit fees.

RECOMMENDATION:

Open the Public Hearing, accept testimony, close the hearing, and decide whether to adopt chapter 15.20 JCC.

REVIEWED BY:


Mark McCauley, County Administrator


Date

APPENDIX A

**COUNTY OF JEFFERSON
STATE OF WASHINGTON**

**An Ordinance Adopting a New)
Chapter 15.20 of the Jefferson County)
Code to Establish A Commercial)
Property Assessed Clean Energy and) **ORDINANCE NO. XX-XXXX-XX**
Resiliency (“C-PACER”) Program)
within Jefferson County)
)**

WHEREAS, ongoing detrimental impacts from climate change pose a threat to Jefferson County’s natural environment, economic security, and public health and safety; and

WHEREAS, the Intergovernmental Panel on Climate Change (“IPCC”)¹ was established in 1988 as the United Nations body for assessing the science related to climate change, with the objective of providing governments at all levels with scientific information they can use to develop climate policies; and

WHEREAS, in 2018, the IPCC issued a special report assessing projected impacts at a global average warming of 1.5°C and higher levels of warming, and indicated that “ambitious mitigation actions are indispensable to limit warming to 1.5°C while achieving sustainable development and poverty eradication.”² The report included new warnings on the impacts of climate change, and documented that global emissions need to be on a steep decline within the next decade to avoid the worst impacts of climate change; and

WHEREAS, Washington State has set a legal commitment to reduce climate pollution 45% below 1990 levels by 2030, and by 95% by 2050,³ and has set requirements for reduction of greenhouse gas emissions from buildings by passage of [the Clean Buildings Act](#) in 2019; and

WHEREAS, in 2009, the Jefferson County Board of County Commissioners (“BoCC”) and Port Townsend City Council jointly adopted the first “Inventory of Energy Usage and Associated Greenhouse Gas Emissions” by Jefferson County Resolution Number 06-09 and City of Port Townsend Resolution Number 09-002, which measured 2005 greenhouse gas emissions associated with the community, the city and the county; and

¹ See <https://www.ipcc.ch/about/>

² See *Special Report: Global Warming of 1.5°C* (IPCC 2018)
<https://www.ipcc.ch/sr15/chapter/chapter-1/>

³ Washington State Office of Financial Management, *Proposed 2022 Supplemental Budget and Policy Highlights* at 1
(https://ofm.wa.gov/sites/default/files/public/budget/statebudget/highlights/budget22/08_Climate2022.pdf)

WHEREAS, the City of Port Townsend and Jefferson County joint Climate Action Committee in its February 27, 2019 meeting⁴ authorized a more expansive inventory of community-wide emissions to include those emissions associated with the City of Port Townsend, Jefferson County, Jefferson Transit, Jefferson Healthcare, Port of Port Townsend, Jefferson Public Utility District, Port Townsend Paper Corporation and the Fort Worden Public Development Authority; and

WHEREAS, the Climate Action Committee approved an updated 2018 inventory on June 24, 2020, finding that the community-wide greenhouse gas contributions of residential, commercial and industrial sectors declined from 2005 to 2018 by 88.1%, 85.7% and 51.1% respectively and a net decrease in greenhouse gas emissions of 40% from 2005 levels;⁵ and

WHEREAS, the 2018 updated inventory documents that 32% of community-wide carbon dioxide emissions originated from stationary sources such as buildings for residences, agricultural activities and industry;⁶ and

WHEREAS, on June 11, 2020 [SSHB 2405](#), the Washington Legislature's adopted Commercial Property Assessed Clean Energy and Resilience ("C-PACER") program went into effect in Washington, which allows counties to implement their own county C-PACER programs in accordance with chapter [36.165](#) RCW; and

WHEREAS, C-PACER helps communities achieve important energy and water conservation goals through efficiency projects that upgrade old equipment to maximize energy efficiency and replace fossil fuels with renewables and thereby reduce greenhouse gas emissions; and

WHEREAS, C-PACER programs provide a structure for owners of existing or newly designed agricultural, commercial, and multi-family residential properties to obtain low-cost, long-term, financing for energy and resiliency projects in exchange for generating community benefits that may reduce greenhouse gases, increase flood and earthquake resiliency; and

WHEREAS, by providing access to more affordable financing property owners that may have been unable to afford energy efficiency or other resiliency upgrades to their properties such as earthquake or flood improvements may now be able to do so; and

WHEREAS, Jefferson County has determined that creation and operation of a commercial property assessed clean energy and resiliency program is in the public's best interest

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<https://test.co.jefferson.wa.us/WeblinkExternal/DocView.aspx?id=2182448&dbid=0&repo=Jefferson>

⁵ See *Jefferson County, WA 2018 Inventory of Greenhouse Gas Emissions* at 8 (Climate Action Comm., 6/24/2020)

https://www.co.jefferson.wa.us/DocumentCenter/View/10166/2018_JeffCo_GHG_Inventory_Report_approved_062420

⁶ *Id.* at 6.

to serve public health and safety interests within the community through energy and water conservation and reduction in emergency response risks; and

WHEREAS, the BoCC will hold a public hearing on this ordinance and take public testimony at its regularly scheduled meeting on October 9, 2023 at 1220 Jefferson Street, Port Townsend, WA.

NOW THEREFORE, BE IT ORDAINED:

Section 1. The BoCC hereby adopts the above “Whereas” clauses as Findings of Fact.

Section 2. The BoCC adopts a new chapter 15.20 of the Jefferson County Code, as set out in the Appendix 1.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or section of this Ordinance or its application to any person or circumstance is held invalid, the remainder of this Ordinance or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 4. Effective Date. The Ordinance becomes effective on November 5, 2023.

Section 5. SEPA Categorical Exemption. This ordinance is categorically exempt from the State Environmental Policy Act under WAC [197-11-800 \(19\)](#).

(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED and ADOPTED this _____ day of _____, 2023.

JEFFERSON COUNTY BOARD OF
COMMISSIONERS

Greg Brotherton, Chair

SEAL:

Kate Dean, Member

Heidi Eisenhour, Member

ATTEST:

Carolyn Gallaway Date
Clerk of the Board

Approved as to form only:

Barbara Dykes Ehrlichman Date
Civil Deputy Prosecuting Attorney

APPENDIX 1

A new chapter 15.20 of the Jefferson County Code is enacted to read:

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY AND RESILIENCY (“C-PACER”) PROGRAM

- 15.20.010 Program established.
- 15.20.020 Definitions.
- 15.20.030 Application process.
- 15.20.040 Assessment agreement.
- 15.20.050 Assignment.
- 15.20.060 Financing arrangements.
- 15.20.070 Capital provider requirements.
- 15.20.080 Certification of professionals.
- 15.20.090 No liability.
- 15.20.100 Program guidebook; form documents; open application date; reporting requirements.

15.20.010 Program established.

- (1) There is hereby established a Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) Program (“the program”), which is available to owners of eligible property under the program located in Jefferson County, both in incorporated and unincorporated areas, including the City of Port Townsend.
- (2) The program is enacted as authorized by Chapter [36.165](#) of the Revised Code of Washington (“the C-PACER Act”). It is a voluntary program to allow owners of agricultural, commercial, and industrial properties and of multifamily residential properties to obtain low-cost, long-term financing for qualifying improvements, including energy efficiency, water conservation, renewable energy, and resiliency projects. The program shall be consistent with the C-PACER Act. The program may include additional requirements to ensure efficiency and to provide meaningful benefits to Jefferson County and its citizens from clean energy and resiliency projects.
- (3) No services may be offered or advertised through the program, including marketing and participant education services, except separately itemized services offered upon impartial terms by qualified third-party providers.
- (4) The program shall be administered by the Department of Community Development (“department”), which is the authority to administer the program consistent with its purposes. The department may contract for the program to be wholly or partially administered by any public or private entity or organization, provided that the department shall retain final authority over the content of the program guidebook and program forms.
- (5) The department shall charge fees as set out in the department’s fee schedule. The department may also charge an administration fee to offset costs of establishing and administering the program as specified in the fee schedule.

15.20.020 Definitions.

- (1) "Assessment" means the voluntary agreement of a property owner to allow a county to place an annual assessment on their property to repay C-PACER financing.
- (2) "Assessment agreement" means the form agreement approved by the department and described in JCC 15.20.040.
- (3) "Assignment" means the form assignment agreement approved by the department and described in JCC 15.20.050.
- (4) "Capital provider" means any private entity, their designee, successor, and assigns that makes or funds C-PACER financing under a C-PACER Financing Arrangement to owners of eligible property and meets all requirements of JCC 15.20.070 and the program guidebook.
- (5) "C-PACER assessment" means an annual assessment to an eligible property imposed by Jefferson County under an assessment agreement.
- (6) "C-PACER financing" means an investment from a capital provider to a property owner to finance or refinance a qualified project as described under this chapter.
- (7) "C-PACER financing arrangement" means the complete financing agreement between a capital provider and the owner of eligible property for the purpose of financing qualified improvements and eligible costs.
- (8) "C-PACER lien" means the lien recorded against an eligible property by Jefferson County to secure payment of a C-PACER assessment and related amounts under the C-PACER financing arrangement.
- (9) "Department" means the lien recorded against an eligible property by Jefferson County to secure payment of a C-PACER assessment and related amounts under the C-PACER financing arrangement.
- (10) "Department" means the Jefferson County Department of Community Development.
- (11) "Eligible costs" means the cost of materials and labor necessary for or incident to the installation or modification of a qualified improvement. Eligible costs may include the pro-rata or specific costs (as appropriate) of permit and inspection fees, project development and engineering fees, program application and administration fees, third-party review and verification fees, lender's fees, capitalized interest, interest reserves, and escrow for prepaid property taxes and insurance. Total eligible costs for new construction may not exceed 30 percent of total costs of the qualified project. Eligible costs do not include costs related to land acquisition or environmental or geological testing or remediation.
- (12) "Eligible property" means privately-owned commercial, industrial, or agricultural real property, or multifamily residential real property with five or more dwelling units, located in Jefferson County. Eligible property may be owned by any type of business, corporation, individual, or nonprofit organization permitted by state law.
- (13) "Financing agreement" means the contract under which a property owner agrees to repay a capital provider for the C-PACER financing, including, but not limited to, details of any finance charges, fees, debt servicing, accrual of interest and penalties, and any terms relating to treatment of prepayment and partial payment of the C-PACER financing.
- (14) "Greenhouse gas" has the same meaning as provided in RCW [70A.45.010](#).
- (15) "Fossil fuel" has the same meaning as provided in RCW [19.405.020](#).

(16) "Owner" means the fee simple owner(s) of an eligible property and includes any group of persons or entities who together own eligible property in fee simple.

(17) "Program" means the Jefferson County C-PACER program established under this chapter.

(18) "Program administrator" means the department or an organization contracting with the department for the administration of the program.

(19) "Program guidebook" means a comprehensive document which details the program requirements, and any appropriate guidelines, specifications, underwriting, and approval criteria, as well as any standard application forms, determined by the department to be necessary or appropriate for the administration of the program and consistent with this chapter.

(20) "Qualified improvement" means a permanent improvement affixed to real property, and intended to:

- (a) decrease energy consumption or demand through use of efficiency technologies, products, or activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy, including but not limited to a product, device, or interacting group of products or devices on the customer's side of the meter that generates electricity, provides thermal energy, or regulates temperature;
- (b) decrease water consumption or demand and address safe drinking water through the use of efficiency technologies, products, or activities that reduce or support the reduction of water consumption, allow for the reduction in demand, or reduce or eliminate lead from water which may be used for drinking or cooking; or
- (c) increase resilience, including but not limited to seismic retrofits, flood mitigation, stormwater management, wildfire and wind resistance, energy storage, and microgrids.

"Qualified improvement" does not include the installation, maintenance, or repair of equipment that burns fossil fuel or an improvement that merely replaces an existing improvement without providing any additional public benefit.

(21) "Qualified project" means a project approved by the program administrator involving the purchase and installation or modification of a qualified improvement, including new construction or the adaptive reuse of eligible property with a qualified improvement, that provides a significant public benefit related to the intended purpose of qualified improvement.

(22) "Significant public benefit for existing structures" means that the qualified improvement, or the resulting performance of the system or structure as a whole if the qualified improvement cannot be independently evaluated:

- (a) Will result in more efficient use or conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water;
- (b) Meets or exceeds energy performance standards in Chapter 194-50 WAC if the structure is a building covered by that chapter;
- (c) Is reasonably expected to reduce the annual amount of energy purchased from a utility, or the amount of greenhouse gas emitted, by at least 20 percent, including through on-site production and use of clean, renewable energy;

- (d) Is the replacement of existing fossil-fuel burning space or water-heating equipment with electric options, which may include the replacement of related system elements;
- (e) Meets or exceeds the requirements for water efficiency under Jefferson County building codes or, if more stringent, Washington State building codes;
- (f) Meets or exceeds safe drinking water standards for lead contamination, as set by the Washington State Department of Health; or
- (g) Meets or exceeds seismic, flood, or other building resiliency requirements under Jefferson County building codes or, if more stringent, Washington State building codes.

(23) "Significant public benefit for new construction" means that the qualified improvement, or the resulting performance of the system or the new structure as a whole if the qualified improvement cannot be independently evaluated:

- (a) Exceeds the requirements of the Washington State Energy Code;
- (b) Is reasonably expected to reduce the annual amount of energy that would otherwise be expected to be used or purchased from a utility, or the amount of greenhouse gas emitted, by at least 30 percent, including on-site production and use of clean, renewable energy;
- (c) Exceeds the requirements for water efficiency under the Washington State building codes;
- (d) Exceeds safe drinking water standards set by the Washington State Department of Health for lead contamination; or
- (e) Exceeds seismic, flood, or other building resiliency requirements under Washington State building codes.

15.20.030 Application process.

(1) The owner(s) of eligible property, or its agent, and a capital provider may jointly submit a project application to the program administrator for review. The holder of a ground lease may apply if appointed by the owner as an agent for purposes of participating in the program and the owner agrees with encumbrance of the eligible property with a C-PACER lien. The appointment must include an acknowledgment that the C-PACER lien takes precedence over all other liens or encumbrances, except a lien for taxes imposed by the state, a local government, or a junior taxing district, as provided in RCW [36.165.060](#).

(2) The project application must include certification by a licensed and qualified professional engineer, or other professional identified in JCC 15.20.080, that the qualified improvements, either individually or in combination with other qualified improvements included in the qualified project, are expected to provide a significant public benefit, and that the term of the proposed C-PACER Financing does not exceed the weighted average effective useful life of the proposed qualified improvements. Significant public benefit may be determined by any reasonable means, including by comparisons of actual or estimated utility costs or greenhouse gas emissions.

(3) The project application must include:

- (a) A declaration signed under penalty of perjury by the owner(s) stating that:

- (i) The qualified improvements shall be permanently affixed; and
 - (ii) Upon completion of the qualified project, the owner will provide the program administrator with written notice that the project is properly completed and is operating as intended;
 - (b) The capital provider's written assurance that it will be responsible for the billing and collection of the annual C-PACER assessment, and for the enforcement and foreclosure of the C-PACER lien, including judgment sale requirements; and
 - (c) Any additional items appropriate for administrative purposes specified in the program guidebook.
- (4) As soon as practicable after receipt, the program administrator must inform the applicants whether the project application has been approved or denied.
- (a) If a project application is complete, the program administrator will approve the application.
 - (b) If the project application is denied, the program administrator will identify the reasons for denial. The applicant must have an opportunity to correct or supplement the project application for resubmission.
 - (c) If a project application is finally denied, the owner and capital provider may appeal the denial in an adjudicative proceeding subject to chapter [2.30](#) JCC, filed with the Jefferson County hearing examiner as an appeal of a non-land use matter under JCC [2.30.080 \(2\) \(b\) \(vii\)](#).
- (5) The project application must include the written consent for the eligible property to participate in the program from the holders of all liens, mortgages, or other security interests in the eligible property. If the eligible property is a multifamily residential property with five or more dwelling units, the project application must also include written consent for the eligible property to participate in the program from all holders of any affordable housing covenants, restrictions, or regulatory agreements burdening the eligible property. The consent must include the subordination of the holder's interest and acknowledgment that the C-PACER lien takes precedence over all other liens or encumbrances, except a lien for taxes imposed by the state, a local government, or a junior taxing district, as provided in RCW [36.165.060](#).
- (6) If a project application is approved, the owner and capital provider must submit the following additional materials to the program administrator:
- (a) A copy of the C-PACER financing arrangement meeting the requirements of JCC 15.20.060;
 - (b) An assessment agreement meeting the requirements of this chapter, signed by the owner(s) and capital provider, and in a format meeting all recording requirements;
 - (c) A notice of the assessment and the C-PACER Lien, which meets all recording requirements of RCW [36.165.050](#), that includes language acknowledging that liens for taxes imposed by the state, a local government, or a junior taxing district are superior to and take precedence over the C-PACER Lien, as provided in RCW [36.165.060](#);

- (d) An assignment meeting the requirements of JCC 15.20.050 and this chapter, signed by the owner(s) and capital provider, and in a format meeting all recording requirements;
 - (e) A current title report suitable for title insurance purposes; and
 - (f) A request by the capital provider that Jefferson County either record the assessment agreement, the C-PACER lien, and assignment; or provide some or all of the original executed documents to an escrow agent for recording.
- (7) Within a reasonable amount of time after submission of all additional materials, or at a later date requested by the applicants, Jefferson County shall sign the assessment agreement and the assignment, and shall either record the assessment agreement, C-PACER lien, and assignment, or provide original executed documents to an escrow agent for recording, as requested by the capital provider.

15.20.040 Assessment agreement.

The assessment agreement must include the owner's:

- (1) Request for an annual assessment on the eligible property and consent for Jefferson County to record a C-PACER lien to secure payment of the assessment;
- (2) Authorization for Jefferson County to delegate all duties and assign all rights under the assessment agreement to the capital provider; and
- (3) Acknowledgment that approval of the C-PACER application, participation in the C-PACER assessment, and recording of the C-PACER lien do not constitute an endorsement by Jefferson County of the qualified improvements, qualified project, or the C-PACER financing arrangement.

15.20.50 Assignment.

The assignment shall assign and delegate Jefferson County's rights and duties under the assessment agreement and the C-PACER lien to the capital provider. The language of the assignment shall include all of the requirements of this section, stated substantially as follows:

- (1) Jefferson County delegates, and the capital provider assumes all obligations, responsibilities, and duties of Jefferson County or its officers, to the extent permitted by law, for billing, collection, and enforcement of annual assessment payments and the enforcement and foreclosure of the C-PACER lien;
- (2) Jefferson County has no obligation to defend the C-PACER assessment agreement or C-PACER lien against any claim by the holder of any other security interest in the eligible property;
- (3) As provided in the chapter [36.165](#) RCW, billing and collection of C-PACER assessments and delinquent payments, and enforcement of the C-PACER lien are the responsibility of the capital provider. The capital provider assumes all contractual and statutory obligations as set out in the chapter [36.165](#) RCW and this chapter. Jefferson County has no obligation to prosecute the foreclosure of a C-PACER lien on behalf of the capital provider; and

- (4) The capital provider agrees to indemnify and hold Jefferson County harmless for any cost, expense, loss, or damages arising out of the imposition, assignment, recording, enforcement, and foreclosure of the C-PACER lien.

15.20.060 Financing arrangements.

The financial underwriting, evaluation, and terms of C-PACER financing arrangement are the responsibility of the capital provider. Notwithstanding the foregoing, a C-PACER financing arrangement may not include a security interest of any kind in the eligible property, a qualified improvement, or the qualified project, other than the C-PACER lien, unless subordinate to the C-PACER lien.

15.20.70 Capital provider requirements.

A capital provider will be approved to participate in the program if it is any one of the following:

- (1) Any entity that is currently registered as a C-PACE or C-PACER capital provider in at least two states or at least two other counties in Washington;
- (2) A federal or state-chartered bank or credit union;
- (3) Any entity approved to participate in a C-PACER program by the Washington State Department of Commerce; or
- (4) An entity otherwise approved by the department or program administrator as provided in the program guidebook.

15.20.080 Certification of professionals.

The individual or firm providing any certification required in conjunction with a C-PACER application must be an energy, sustainability, or green building, water, or resiliency professional certified by one of the following organizations:

- (1) American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE);
- (2) Association of Energy Engineers;
- (3) Building Performance Institute;
- (4) Association of State Floodplain Managers, or
- (5) North American Board of Certified Energy Practitioners; or
- (6) Additional organizations or professional qualifications may be approved by the department or program administrator as provided in the program guidebook.

15.20.90 Liability.

- (1) Jefferson County shall have no liability for and may not enforce any privately-financed debt under this chapter, nor use public funds to fund or repay any loan under the program.

(2) Nothing in this chapter may be interpreted to pledge, offer, or encumber the full faith and credit of Jefferson County. No local government located within, or partially within, Jefferson County may pledge, offer, or encumber its full faith and credit for any amount through the program.

(3) No employee or elected official of Jefferson County, including members of the Jefferson County Board of County Commissioners, the treasurer, the assessor, or department director shall have any personal liability as a result of exercising any rights or responsibilities under this chapter.

15.20.100 Program guidebook; form documents; open application date; reporting requirements.

(1) The program administrator shall establish form documents for use with the program, subject to approval by the department.

(2) The program administrator shall work with capital providers and other stakeholders to develop and publish a program guidebook meeting the requirements of RCW [36.165.020\(3\)](#). The department may amend the program guidebook as necessary for the efficient administration of this chapter through the same stakeholder process. In accordance with RCW [36.165.020](#), the program guidebook need not be completed prior to accepting and approving program applications, so long as the program complies with the provisions of this chapter and chapter [36.165](#) RCW.

(3) The form documents, program guidebook, and program outline submitted to the Board of County Commissioners with the ordinance shall become effective on the same date that this chapter becomes effective.

(4) The program administrator shall begin accepting project applications upon the effective date of this chapter.

APPENDIX B

Commercial Property Assessed Clean Energy + Resilience (C-PACER) Program Guidebook



Jefferson County, Washington
November 2023

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Introduction

JEFFERSON COUNTY / CITY OF PORT TOWNSEND CLIMATE ACTION PLAN (2011)



The Jefferson County and City of Port Townsend Climate Action Committee (CAC) was formed to guide actions enabling our county to lower greenhouse gas emissions by 80% relative to 1990 levels by the year 2050. The CAC unanimously endorsed Jefferson County's participation in the C-PACER program at its December 2022 regular meeting. For Jefferson County, the community wide greenhouse gas inventory for 2018 shows a net decrease in greenhouse gas emissions of 40% from 2005 levels. According to the 2005 Climate Action Plan's greenhouse gas¹ inventory as updated in 2018. Although the population increased 12% from 2005 to 2018, there was a 12.6% increase in emissions from transportation, and a decrease in all other emissions. Based on the report, a significant factor for the overall reduction in emissions originates in the voters' decision to switch the county's primary electrical provider from Puget Sound Energy to Jefferson

Public Utility District (PUD), and the subsequent decision by the Jefferson PUD to acquire its electricity from Bonneville Power Association whose primary electrical generation is hydropower.

To reach this ambitious target, pollution generated by buildings must be aggressively curtailed. New investments are needed in the built environment, and C-PACER financing will serve as an important tool that will allow property owners to amortize the cost of upgrades across the weighted average useful life of the proposed upgrades, instead of paying all up front.

ABOUT C – PACER

What is C-PACER?

Short for Commercial Property Assessed Clean Energy and Resiliency or Resilience, the C-PACER Program allows owners of eligible commercial, industrial, agricultural properties and multifamily residential property to obtain long-term financing from private capital providers for certain qualifying energy efficiency, renewable energy, water conservation, and resiliency investments. Improvements made to reduce lead in drinking water also qualify.

Similar to a traditional loan, a capital provider provides the building owner with financing to build a new property or renovate an existing property. The property owner repays the loan to the capital provider over time. What is different is that C-PACER financing allows Jefferson County to record a senior lien on the improved property. Tax liens and other government assessments remain superior to the C-PACER lien. The lien stays with the property, and the repayment obligation transfers automatically to the next owner if the property is sold. This mechanism provides more security to the capital provider, allowing for longer loan

¹ 2008

terms and potentially lower interest rates, resulting in lower debt service.

Like other assessments, C-PACER financing is non-accelerating, which means only current or past due payments can be collected, while future payments are the responsibility of whoever owns the property at the time. In the event of default, only the payments in arrears are due. This arrangement spreads the cost of qualifying improvements – such as energy-efficient HVAC equipment, upgraded insulation, new windows, solar installations, or seismic upgrades – over the useful life of the measures. This approach to financing has been used by programs like C-PACER on thousands of properties in more than 24 states and the District of Columbia.

LEGAL AUTHORITY

Jefferson County (the “County”) administers a C-PACER program (the “C-PACER Program” or the “Program”) in accordance with [Revised Code of Washington \(“RCW”\) chapter 36.165](#) (the “C-PACER Act”). The C-PACER Act was established after the passage of E2SHB 2405 by the Washington State Legislature in 2020.

The County’s Program exists as a function of the C-PACER Act and shall be administered in accordance with the guidelines established by the County. No change in the Program or in Washington’s C-PACER legislation will affect a property owner’s obligations to pay C-PACER assessments incurred under the Program prior to such changes.

The responsibility of the County is limited to a) adoption of an ordinance and guidelines that govern how its C-PACER program works, b) review of the lien application for compliance with the C-PACER state law, and then recording a unique agreement that includes the acknowledgment of a special property assessment by the County and c) the administration of the Program, either by the County or a third-party contractor. The repayment of the C-PACER financing is between a private lender, referred to as capital provider in the C-PACER Act, and a property owner, with no obligation on the part of the County

The C-PACER program is NOT a free government program. The property owner must pay back all financed costs. Failure to do so may result in the foreclosure of the property.

C-PACER transactions involve complex legal and financial transactions between and capital provider and a commercial property owner. Jefferson County does not the review or approve the financial merits of a proposed transaction, nor does it supervise or review the quality of any work performed by contractors.

Property owners are advised to consult with legal and financial advisors prior to engaging in a CPACER transaction.

Jefferson County C-PACER Program Guidelines

The C-PACER Program enables financing for commercial property owners (“Property Owners”) to make certain energy efficiency, renewable energy, water conservation, and resiliency improvements (each, a “Qualified Improvement”) as described in the C-PACER Act and further clarified in this Guidebook. The purpose of this Program Guidebook is to provide clarity on the guidelines of the Jefferson County C-PACER program.

This Program Guidebook (the “Guidebook”) is prepared as required by the C-PACER Act, at the direction of the County, and is approved in connection with, and as an attachment to, the enabling ordinance for this program (the “C-PACER Ordinance”) effective on November 5, 2023.

Qualified Improvements, including all eligible costs that are to be financed as described in a project application (the “Project Application”) approved by the Program Administrator, constitute a “Qualified Project.” Property Owners may receive funding for their Qualified Improvements only from qualified private investors (“Capital Providers”) pursuant to a separate Financing Agreement negotiated between the Property Owner and Capital Provider (a “Financing Agreement”).

In the following numbered subsections, a reader can find information about:

1. Statutory and programmatic eligibility requirements for C-PACER project financing in Washington State, and
2. The appropriate steps and forms for application to Jefferson County for a C-PACER project lien.

1. C-PACER PROGRAM BOUNDARIES

In accordance with the C-PACER Act and as set forth in the C-PACER Ordinance, privately owned commercial, industrial, or agricultural real property or multifamily residential real property with five or more dwelling units located within the boundaries of Jefferson County, including both incorporated and unincorporated territory (the “Region”) are eligible for the Program. Eligible property may be owned by any type of business, corporation, individual, or nonprofit organization permitted by state law.

2. ADMINISTRATION OF PROGRAM; AUTHORIZED OFFICIALS

The Department of Community Development is responsible for the Program’s administration; but in accordance with the C-PACER Act, the Department may retain the services of a third-party contractor to perform this function (“Program Administrator”). The Program Administrator shall review each Project Application to confirm that it is complete and contains no errors on its face, comports with these Guidelines and the project is qualified. The Program Administrator is then authorized to approve the Assessment Agreement and C-PACER Lien documents on behalf of the County and have the County execute the documents and cause those to be recorded with the County’s Recorder’s Office.

As part of the Program, the Program Administrator will:

3. Accept Project Applications from Property Owners and Capital Providers for prospective C-PACER projects.
4. Review the Project Application to determine conformance with the Application Checklist (See Attachment 1).
 - Approve/conditionally approve/disapprove the Project Application and communicate to applicant.
 - Cause the Execution of the Assessment Agreement, Notice of Assessment Interest and C-PACER Lien ("Notice of Assessment Interest") and Assignment of Notice of Assessment Interest and Assessment Agreement ("Assignment").
 - Cause the recordation of the Notice of Assessment Interest and Assignment.

3. ELIGIBILITY REQUIREMENTS

Eligible Property means any privately-owned commercial (including multi-use), agricultural, industrial, or multi-family real property of five (5) or more dwelling units located within the boundaries of the Region. Eligible properties include those owned by a not-for-profit organization.

THERE IS NO MINIMUM BUILDING SIZE REQUIREMENT TO BE ELIGIBLE FOR C-PACER FINANCING

Ground leases on Eligible Property are permitted, so long as all requirements of the C-PACER Ordinance are met, including requiring the Property Owner and Capital Provider to enter into an Assessment Agreement. On ground-leased property, therefore, the assessment and C-PACER Lien encumber the fee interest in the property, not the ground leasehold.

Property Owner means an owner of qualifying eligible property, which is the record owner of title to the Eligible Property. The Property Owner may be any type of business, corporation, individual, or non-profit organization.

Qualified Improvement means a permanent improvement affixed to the real property "Qualified improvement includes at least one of the following:

1. An energy efficient improvement, which means it decreases electricity consumption or demand or reduces greenhouse gas emissions through the use of efficiency technologies, products or activities that reduce or support the reduction of electricity consumption, or that it allows for the reduction in electricity demand. Energy efficiency improvements shall not include the installation, maintenance, or repair of equipment that burns fossil fuels;
2. An electrification improvement, which means it eliminates the combustion of fossil fuels by the use of electricity for space or water heating
3. Electrical vehicle charging infrastructure, which means it supports the electrification of the transportation sector and the reduction of greenhouse gas emissions;
4. A renewable energy improvement, which means it supports the production of a clean, renewable resource as defined in the [Clean Energy Transformation Act](#) at RCW 19.405.020(34), including but not limited to a product, device, or interacting group of products or devices on the customer's side of the meter that generates electricity, provides thermal energy, or regulates temperature ("Renewable Energy Improvement");
5. A water conservation improvement, which means it decreases water consumption or demand through the use of efficiency technologies, products, or activities that reduce or support the reduction of water consumption, allow for the reduction in demand, or reduces or eliminates lead from water that might

be used for drinking or cooling through the use of technologies, products, or activities that address safe drinking water ("Water Conservation Improvement"); and

6. A resilience improvement, which means it increases building or community resilience, including but not limited to seismic retrofits, flood mitigation, stormwater management, fire detection and suppression, wildfire and wind resistance, energy storage, and microgrids that reduce public risk and emergency response. ("Resiliency Improvement").

Qualified Projects include the following:

1. Includes new buildings or existing buildings that involve the installation or modification of Qualified Improvements. As determined between the Capital Provider and the Property Owner, the C-PACER financing may include fees or costs incurred by the Property Owner incident to the installation or modification of a qualified improvement, including those more fully set out in Qualifying Costs and Fees below.
2. Renewable Energy Improvements that are subject to a power purchase agreement or lease between the Property Owner/applicant and the owner of the renewable energy system, if the power purchase agreement or lease contains all of the following provisions:
 - a) The Renewable Energy Improvement relates to a Renewable Resource, defined in [RCW 19.405.020\(34\)](#) as follows: (a) water; (b) wind; (c) solar energy; (d) geothermal energy; (e) renewable natural gas; (f) renewable hydrogen; (g) wave, ocean, or tidal power; (h) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first-growth forests; or (i) biomass energy.
 - b) The term of the power purchase agreement or lease is at least as long as the term of the related Assessment Agreement.
 - c) The owner of the Renewable Energy Improvement agrees to install, maintain, and monitor the system for the entire term of the Assessment Agreement.
 - d) Neither the owner of the Renewable Energy Improvement, nor the Property Owner, nor any successors in interest are permitted to remove the system prior to completion of the full repayment of the C-PACER Lien.
 - e) After installation, the power purchase agreement or lease is paid, either partially or in full, using the funds from the C-PACER financing.
 - f) The power purchase agreement or lease specifies the holder of the C-PACER Lien is a third-party beneficiary of the power purchase agreement or lease until the C-PACER Lien has been fully repaid.
3. Qualified Projects include the refinancing of existing Qualified Improvements if such installation or modification of the Qualified Improvements was completed no more than three (3) years prior to the date of Project Application, as established by a municipality's final inspection report, certificate of occupancy or other government-issued document establishing the authorization to use the Qualified Improvement.

Qualifying criteria for Significant Public Benefit for Existing Buildings (must meet one of the following):

1. Results in more efficient use or conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water;
2. Meets or exceeds energy performance standards in *Chapter 194-50 WAC* if the structure is a building covered by that chapter.
3. Is reasonably expected to reduce by 20 percent the annual amount of energy purchased from a utility or the amount of greenhouse gas emitted, including through on-site production and use of clean, renewable energy.
4. Replaces existing fossil-fuel burning space or water-heating equipment with efficient electric options, which may include the replacement of related system elements.
5. Meets or exceeds the requirements for water efficiency under Washington State building codes.
6. Meets or exceeds safe drinking water standards set by the Washington State Department of Health for lead contamination.
7. Meets or exceeds seismic, flood, or other building resiliency requirements under Washington State building codes.

Qualifying criteria for Significant Public Benefit for New Construction (must meet one of the following):

1. Exceeds the requirements of the Washington State Energy Code.
2. Is reasonably expected to reduce by 30 percent the annual amount of energy that would otherwise be used or purchased from a utility, or the amount of greenhouse gas emitted, including on-site production and use of clean, renewable energy.
3. Exceeds the requirements for water efficiency under Washington State building codes.
4. Exceeds safe drinking water standards set by the Washington State Department of Health for lead contamination.
5. Exceeds seismic, flood, or other building resiliency requirements under Washington State building codes.

Qualifying Capital Provider may be any of the following:

1. A corporation, partnership, or other legal entity that provides proof that it is currently registered as a C-PACER Capital Provider in two different states with C-PACE programs;
2. A federal or state-chartered bank, Community Development Financial Institution, or credit union; or
3. A private entity, whose principal place of business is located in Washington state, provided it is licensed or permitted to do business within the state and can produce its most recent audited financial statement or regulatory business filing.

Qualifying costs and fees that can be C-PACER financed include:

1. Materials and labor necessary for installation or modification of a Qualified Improvement;
2. Permit fees;
3. Inspection fees;
4. Financing or origination fees;
5. Program application and administrative fees;

6. Project development, architectural and engineering fees;
7. Third-party review fees, including verification review fees;
8. Capitalized interest;
9. Interest reserves;
10. Escrow for prepaid property taxes and insurance;
11. Any other fees or costs that may be incurred by the Property Owner incident to the installation, modification, or improvement on a specific or pro rata basis.
12. See also the definition of Total Eligible Construction Costs in Section 5(5)(D).

4. APPLICATION PROCESS

The C-PACER Act intends to reduce the administrative burden on participating counties as much as possible. Thus, the Program Administrator will review the Application for proof of compliance with the requirements of the C-PACER Act that are necessary for the County to approve the application and execute the applicable documents for the proposed C-PACER transaction. All applicants are encouraged to review the Project Application Checklist accompanying the Application to ensure that the types of information that the County will rely upon to verify compliance with the C-PACER Act are present in the completed Application.

The process of obtaining financing under the Program starts when a Property Owner approaches a Capital Provider. The Capital Provider will work with the Property Owner to collect a number of application and due diligence items. Once all the items have been received, reviewed, and approved by the Capital Provider, the Parties should settle on the loan terms.

The general flow of the C-PACER Application process will be as follows:

- (1) The Property Owner and the Capital Provider prepare the Project Application, consisting of the Project Application Checklist and all supporting documents (described below).
- (2) The Program Administrator will have 15 business days to review and approve the Project Application. If the Program Administrator has received an unusually high number of applications, or if review is delayed because of some force majeure event, the Program Administrator may notify the applicant that the application review and approval will be delayed by no more than 15 additional business days.
- (3) The County application review process is confined to confirming that the Project Application is complete, and all attachments conform to these guidelines. ***County approval does not constitute endorsement of any representations that may be made with regard to the operation and any savings associated with the Qualified Improvements.*** The Program Administrator will review the Project Application for proof of compliance with the requirements of the C-PACER Act and C-PACER Ordinance that are necessary for the County to approve the Project Application and execute the applicable documents for the proposed C-PACER transaction. Incomplete Project Applications will be returned to the applicant, and the Program Administrator will notify the applicant about which items from the Project Application Checklist were not provided or are insufficient or inaccurate on their face. If the Project Application and supporting documents comply with the Project Application Checklist, the Project Application will be approved, and the approval communicated in writing to the applicant.

- (4) The Project Application may be conditionally approved if the application is complete but the attachment regarding lender consent is not yet available. Conditional approval will be treated the same as an approval, with exceptions noted below.
- (5) Upon receipt of approval, the Capital Provider will draft the following “Closing Documents”: The Assessment Agreement, the Notice of Assessment Interest and C-PACER Lien, and the Assignment of the Notice of Assessment and Assessment Agreement. At or before closing, at the request of the applicant, the designated and authorized County official will execute Closing Documents.
- (6) If the Project Application received conditional approval, the Closing Documents executed by the County may not be released from escrow unless and until all lender consents have been received and executed in accordance with the C-PACER Act and C-PACER Ordinance.
- (7) If the Project Application is denied, the Property Owner may file an appeal with the Jefferson County Hearing Examiner in accordance with the provisions of the C-PACER Ordinance.
- (8) At closing, the County will cause to be recorded with the Jefferson County Recorder’s Office the Assessment Agreement, the Notice of Assessment Interest and C-PACER Lien, and the Assignment of the Notice of Assessment Interest and C-PACER Lien. At the election of the applicant, the County may delegate the recording of the Closing Documents to the applicant or their designee(s).
- (9) Upon confirmation of recordation, the Capital Provider will disburse funds in accordance with the Financing Agreement.
- (10) The Property Owner begins on the Qualified Improvements or reimburses qualified expenses already incurred.
- (11) The Property Owner begins assessment payments per the Assessment Agreement and in accordance with the Financing Agreement.

5. APPLICATION DOCUMENTS

The Project Application must be submitted with the following documents appended:

13. Project Application Checklist (Attachment 1)
14. Lienholder(s) Consent (Attachment 2)
15. Certificate of Qualified Improvements (Attachment 3):
 - (1) For Renewable Energy Improvements, Energy Efficiency Improvements, or Electrification Improvements on an existing building: A certification stating that (a) the proposed Qualified Improvements will either result in more efficient use or conservation of electricity or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water; or (b) the subject property as a whole prior to the installation of the Qualified Improvements does not conform to the meeting the current building energy or water code for the County, but will do so after the Qualified Improvements are installed.

The certification must be performed by a licensed professional engineer or accredited individual or firm from the following list:

- American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE)
 - Building Energy Assessment Professional (BEAP)
 - Building Energy Modeling Professional (BEMP)
 - Operations & Performance Management Professional Certification (OPMP)
 - High-Performance Building Design Professional Certification (HBDP)
- Association of Energy Engineers (AEE)
 - Certified Energy Manager (CEM)
 - Certified Measurement and Verification Professional (CMVP)
 - Certified Energy Auditor (CEA)
- Building Performance Institute
 - Energy Auditor
- Investor Confidence Project
 - ICP Quality Assurance Assessor

Other professional entities may be accepted by the Program Administrator at its discretion.

- (2) For Renewable Energy Improvements that are solar photovoltaics, a North American Board of Certified Energy Practitioners (NABCEP) PV design specialist certification is acceptable, or a licensed Electrical Engineer, Building Energy Assessment Professional (BEAP), Building Energy Modeling Professional (BEMP), Certified Energy Manager (CEM), Certified Measurement and Verification Professional (CMVP), or Certified Energy Auditor (CEA). Other professional entities may be accepted by the Program Administrator at its discretion.
- (3) For lead reduction in water improvements: a Water Quality Association Professional Certification.
- (4) For Resiliency Improvements on an existing building: Certification by a licensed professional engineer or other qualified entity stating that the Qualified Improvements will result in improved resiliency, and reduce public risk and emergency response needs, including but not limited to seismic improvements, flood mitigation, stormwater management, fire detection and suppression, wildfire and wind resistance, energy storage and microgrids.
- (5) For substantial building retrofits, which are defined as any repair, reconstruction, rehabilitation, alteration, addition, or other improvement to the building, the cost of which over any 5-year period equals or exceeds 50 percent of the market value of the structure before the improvement, rehabilitation, or repair began, and new construction:

The lien amount cannot exceed 30 percent of the “after completed” property value. *For new construction projects and substantial retrofits, C-PACER can cover 30 percent of total eligible construction costs.* For non-substantial retrofits, C-PACER can cover up to 100 percent of eligible costs so long as the total lien amount does not exceed 30 percent of the “after completed” property value.

- (6) For all Qualified Improvements, the licensed engineer, individual or firm providing the certification of eligibility of the Qualified Improvements must attest that the proposed term of the financing

does not exceed the weighted average effective useful life of the proposed Qualified Improvements and that the Qualified Improvements are permanently affixed, as described in this Guidebook.

- Certificate of Capital Provider Qualification (Attachment 4)

6. CLOSING DOCUMENTS

The following documents require the signature of the County and shall be part of the closing of any C-PACER transaction. Each document must be in the same form as provided, although it is expected that Property Owners and Capital Providers will negotiate variations tailored to their specific projects.

16. Assessment Agreement (Attachment 5)
17. Notice of Assessment Interest and C-PACER Lien (Attachment 6)
18. Assignment of Notice of Assessment Interest and C-PACER Lien and Assessment Agreement (Attachment 7)

7. INTEREST RATES

Interest rates are negotiated in a Financing Agreement between the Property Owner and the Capital Provider. Jefferson County has no role in reviewing, setting, or opining on such interest rates or other aspects of the Financing Agreement. Market forces – such as competition, the intended use of the property, potential risk – will affect the terms negotiated by the Property Owners and Capital Providers.

8. BILLING AND COLLECTION OF ASSESSMENTS

Billing, collection and enforcement of delinquent C-PACER Liens or C-PACER financing installment payments, including foreclosure, remain the responsibility of the Capital Provider, and the terms are negotiated within the Financing Agreement.

9. ENFORCEMENT OF C-PACER LIEN

The C-PACER Lien may be enforced by the Capital Provider at any time after one year from the date of delinquency in the same manner that a county collects delinquent real property under chapter 84.64 RCW et seq., including the provisions of RCW 84.64.040, excepting that a sworn declaration by the Capital Provider or assignee attesting to the assessment delinquency of at least one year will be used in lieu of the certificate of delinquency required under RCW 84.64.050. The sworn declaration has the same legal standing as a certificate of delinquency enumerated in RCW 84.64.050. Under the C-PACER Act, such enforcement may not occur until at least one year after delinquency.

By accepting a C-PACER Lien, the Capital Provider or its assignee, as applicable, agrees to assume responsibility for prosecution of said action of foreclosure pursuant to RCW 84.64.040, independent of and without assistance or consent from the prosecuting attorney, in accordance with the terms of the Financing Agreement.

10. PROGRAM FEE

Jefferson County, as compensation for time and costs incurred, adopts three fees in this program: 1) Application Fee equal to \$500, which allows for two reviews and is paid upon initial submittal, 2) Supplemental Application Fee of \$250 if a third review is required and is payable prior to this review, and 3) Program Fee of 1% payable upon closing.

The Program Fee shall equal 1% of the amount financed by the Property Owner capped at a total of no more than \$15,000. It shall not be less than \$2,500. As mentioned above, the Property Owner must pay the Program fee to the County at the closing of the transaction between the Property Owner and the Capital Provider, and such payment is a condition precedent to recording. In the case that Jefferson County delegates administration of the program to a third party, the fee may adjust with no less than 90 days' notice and will apply only to Project Applications received after the date of enactment of the new fee.

11. TERM OF AN ASSESSMENT; CALCULATION OF USEFUL LIFE OF QUALIFIED IMPROVEMENTS

The maximum term of an assessment may not exceed the useful life of the Qualified Improvement, or weighted average life if more than one Qualified Improvement is included in the Qualified Project.

12. FORM OF CLOSING DOCUMENTS

The Program has adopted form Closing Documents: The Assessment Agreements, Notice of Assessment Interest and C-PACER Lien, and Assignment of Notice of Assessments Interest and Assessment Agreement. A Property Owner and Capital Provider may not modify or omit any material substantive terms contained in the forms.

The forms are attached as Attachments 5, 6 and 7 and respectively incorporated herein as referenced.

13. WRITTEN CONSENT FROM LIENHOLDER(S) REQUIRED

Before entering into an Assessment Agreement with the County, the Capital Provider must obtain, and the Project Application must show proof of, written consent for the placement of the assessment and C-PACER Lien from any holder of a lien, mortgage, or security interest in the real property.

For qualifying multifamily projects (residential projects of 5 or more dwelling units), the Capital Provider must obtain written consent from any holder of affordable housing covenants, restrictions, or regulatory agreements encumbering the real property as a condition precedent to the participation in the Program by the property.

If the consents are executed at closing, the signatures of the County to the Closing Documents will be held in escrow and will not be released until the consents are obtained. After closing, at the election of the Program Administrator, an amended Project Application with the consents attached must be sent to the Program Administrator. Capital Providers are responsible for providing their own form of consent that conforms to the C-PACER Ordinance and C-PACER Act.

14. PROVISIONS FOR MARKETING AND PARTICIPANT EDUCATION

This Guidebook is available to the public on the Jefferson County C-PACER website, <https://www.co.jefferson.wa.us/1655/C-PACER>. Jefferson County may, at its discretion, engage in workshops, webinars, or other public and stakeholder forums, or provide written materials to increase awareness about the C-PACER program. Jefferson County encourages other stakeholders to develop and share materials to promote the education about and use of the Jefferson County C-PACER program to serve the public benefit of health and safety.

15. COUNTY HAS NO LIABILITY OR FINANCIAL RESPONSIBILITY

Neither Jefferson County, its governing body, executives, nor employees are personally liable as a result of exercising any rights or responsibilities granted under this Program.

The County shall not pledge, offer, or encumber its full faith and credit for any lien amount under the C-PACER program. No public funds may be used to repay any C-PACER financing obligation.

16. LIMITATIONS OF JEFFERSON COUNTY'S AUTHORITY

Jefferson County may not enforce any privately financed debt under this Program. Neither the State of Washington nor Jefferson County may use public funds to fund or repay any loan between a capital provider and property owner. No provisions of this Program shall be interpreted to pledge, offer, or encumber the full faith and credit of Jefferson County, nor shall Jefferson County pledge, offer, or encumber its full faith and credit for any lien amount through this Program.

[ATTACHMENTS FOLLOWING]

Program Attachments

- **Attachment 1: Project Application Checklist**
- **Attachment 2: Lien Holder Consent to C-PACER Assessment and Lien**
- **Attachment 3: Certification of Qualified Improvements**
- **Attachment 4: Certificate of Capital Provider Qualification**
- **Attachment 5: Assessment Agreement for C-PACER Financing**
- **Attachment 6: Notice of Assessment Interest and C-PACER Lien**
- **Attachment 7: Assignment of Assessment Interest and C-PACER Lien and Assessment Agreement**
- **Attachment 8: Certificate of C-PACER Improvements Completion**

ATTACHMENT 1: Project Application Checklist

Information Type	Applicant-Provided Information <i>Completed by Applicant</i>	Accepted Documentation <i>Provided by Applicant</i>	Verified / Notes <i>Completed by Jefferson County or Third-Party Program Administrator</i>
PROPERTY ADDRESS	Click or tap here to enter text.	DEED or TITLE INSURANCE REPORT or ASSESSOR / TREASURER OFFICIAL RECORD <i>The address must be within Jefferson County.</i>	
PROPERTY OWNER	Legal name(s) of Owner(s) (LIST ALL): Click or tap here to enter text. Name of contact person: Click or tap here to enter text. Phone number: Click or tap here to enter text. Email address: Click or tap here to enter text.	DEED TITLE INSURANCE REPORT All names must match exactly what is on the Title Insurance Report. <i>If the name(s) is different:</i> <i>Certified copy of personal/corporate name change;</i> <i>Certified copy of merger/sale document reflecting name change;</i> <i>Certified copy of Power of Attorney</i>	
QUALIFYING PROPERTY	Is this property: ☐ Commercial ☐ Agricultural ☐ Industrial ☐ Multi-family of 5+ units	ASSESSOR / TREASURER OFFICIAL RECORDS APPRAISAL ZONING REPORT GROUND LEASE (if applicable)	

QUALIFYING OWNER	Is property owned by a: ☐ Limited liability company ☐ General or limited partnership ☐ Corporation ☐ Individual/Sole proprietorship ☐ Trust	If property is held by a limited liability company, general or limited partnership or a corporation, the applicant should include a copy of the certificate of formation, organization, incorporation or similar document and a good standing certificate/certificate of existence from the state or organization and, if not organized in Washington, a certificate of registration to conduct business in Washington as a foreign entity. If a trust, a copy of the trust agreement or a trustees' certificate. If an individual, a copy of a valid driver's license. If the application is to be signed by a party other than the applicant, then, in addition to the foregoing, a power of attorney or corporate resolution authorizing said party.	
CAPITAL PROVIDER	Legal Name: Click or tap here to enter text. Name of contact person: Click or tap here to enter text. Phone number: Click or tap here to enter text. Email address: Click or tap here to enter text. Evidence of qualifications: ☐ Registered capital provider in 2 or more states ☐ Federal or state-chartered bank, Community Development	1. If a federal or state-chartered bank, Community Development Financial Institution, or credit union, the certificate of organization or similar document. 2. If not an entity in #1, evidence of registration as a C-PACE capital provider in two or more states. 3. If a private company, whose principal place of business is located in the state of Washington, wishes to be a capital provider, and the person or company is not an entity in #1 or #2 above, documentation that: the entity is qualified to do business in the State of Washington, maintains any necessary licenses or	

	Financial Institution or credit union ☐ I am a Washington-based capital provider and submitting additional information, attached.	permits necessary to conduct its business in the State of Washington, and one of the following: A copy of the most recent (within the last year) audited financial statement; OR Copy of the most recent (within the last year) Federal or Washington state financial institution regulatory filing. <i>NOTE: if audit is unqualified or the entity is not in good standing with any regulatory agency, application may be denied.</i>	
QUALIFYING IMPROVEMENT CERTIFICATION (Existing Building)	The improvements sought are, per the definitions in the Program Guide: (check all that apply): ☐ Energy efficiency improvement ☐ Electrification improvement ☐ Transportation electrification improvement ☐ Renewable energy improvement ☐ Water conservation improvement ☐ Resiliency improvement ☐ Other, please describe: Click or tap here to enter text.	Attach description of improvements and certifications for improvements sought, including documentation of the appropriate license/qualifications required by the Guidebook.	
QUALIFYING IMPROVEMENT CERTIFICATION	The improvements sought are, per the definitions in the Program Guide: (check all that apply):	Attach description of improvements and certifications for improvements sought, including documentation of the appropriate license/qualifications required by the Guidebook.	

(New Construction)	☐ Energy efficiency improvement ☐ Electrification Improvement ☐ Transportation electrification improvement ☐ Renewable energy improvement ☐ Water conservation improvement ☐ Resiliency improvement ☐ Other, please describe: Click or tap here to enter text. The improvements sought are for: ☐ Substantial building retrofit ☐ New construction		
LIENHOLDER CONSENT	Consent(s): ☐ Attached ☐ Delivered at close	Applicant should submit the Lienholder Consent Form (must be substantially the same as the model form in Exhibit 2) The form must be signed and notarized in appropriate places Cross-check list of Lienholders from Title Report with Written Consents provided by Capital Provider.	

IF CONSENT WILL BE EXECUTED AT CLOSING, CONDITIONAL APPROVAL IS GIVEN.

IF CONSENTS ARE DELIVERED AT CLOSING, APPLICANT MUST HOLD COUNTY-EXECUTED CLOSING DOCUMENTS IN ESCROW UNTIL CONSENTS ARE OBTAINED. AT DISCRETION OF THE COUNTY, THIS APPLICATION MAY BE AMENDED AND RETURNED WITH COPIES OF CONSENTS ATTACHED.

BY SIGNATURE BELOW, THE APPLICANTS (THE PROPERTY OWNER AND CAPITAL PROVIDER) AFFIRM THAT THE INFORMATION AND DOCUMENTATION ARE TRUE AND CORRECT TO THE BEST OF THEIR ABILITY AND THAT THE APPLICANTS HAVE READ THE DISCLOSURES AND DISCLAIMERS ATTACHED TO THIS APPLICATION AND UNDERSTAND THE RISKS OF PARTICIPATING IN THE C-PACER PROGRAM; FURTHER, THAT THE APPLICANTS AFFIRM THAT NEITHER THE COUNTY, ITS GOVERNING BODY, EXECUTIVES, NOR EMPLOYEES ARE PERSONALLY LIABLE AS A RESULT OF EXERCISING ANY RIGHTS OR RESPONSIBILITIES GRANTED UNDER THIS PROGRAM.

APPLICATION FORM SIGNED AND DATED

ON BEHALF OF PROPERTY OWNER: _____

NAME & TITLE: _____

ON BEHALF OF CAPITAL PROVIDER: _____

NAME AND TITLE: _____

TO BE COMPLETED BY AUTHORIZED COUNTY OFFICIAL

APPLICATION: _____ APPROVED _____ CONDITIONALLY APPROVED _____ DENIED

ON BEHALF OF COUNTY: _____

NAME AND TITLE: _____

DISCLOSURES & DISCLAIMERS

ATTACHMENT 2: Lien Holder Consent to C-PACER Assessment and Lien

Lien or Other Obligation Holder Consent to C-PACER Assessment and Lien

Date:

Property/Loan Information Building

Address:

Tax key/Parcel:

Lien or Other Obligation Holder:

Loan Number:

This Lien or Other Obligation Holder Consent Acknowledgement to C-PACER Assessment and Lien (this "Consent") is given by the undersigned entity (the "Holder") with respect to the above-referenced C-PACER Assessment and Lien and property ("Property") in relation to the Jefferson County C-PACER program (the "Program").

RECITALS

A. The Holder is in receipt of written notice ("Notice") from the owner of the Property ("Property Owner") that it intends to finance the installation on the Property of certain Qualified Improvements according to RCW chapter 36.165 that will be permanently fixed to the Property and that will be financed by participating in the Program.

B. The Holder understands that, as a result of an Assessment Agreement between Jefferson County the Property Owner and _____, the C-PACER Capital Provider (the "Capital Provider"), and a Financing Agreement between the Property Owner and the Capital Provider the Capital Provider, that the C-PACER Assessment and Lien against the Property, as described in the C-PACER Assessment Agreement between the County, the Capital Provider and Property Owner and in the C-PACER Financing Agreement between the private Capital Provider and the Property Owner (the "C-PACER Assessment"), will be recorded against the Property is a first and prior lien, second only to a lien for taxes imposed by the state, a local government, or a junior taxing district against the real property on which the C-PACER lien is imposed, from the date on which the notice of the C-PACER lien is recorded until the C-PACER Assessment, including any interest, penalties, and charges accrued or accruing under the terms of the Financing Agreement are paid in full.

C. The Property Owner has agreed in a manner acceptable to the Holder to uphold and pay on a timely basis both the existing obligations to the Holder which are secured by the Property and the proposed C-PACER Assessment payments.

D. The Holder consents to the Property's participation in the C-PACER program and that the C-PACER lien will take precedence over all other liens except for a lien for taxes as described in paragraph B.

ACKNOWLEDGEMENT

The undersigned hereby represents that it is authorized to execute this Acknowledgement on behalf of the Holder. The Holder hereby:

- (i) confirms that it has received the Notice.
- (ii) acknowledges that there will be a C-PACER Assessment recorded against the Property pursuant to the terms of the Assessment Agreement and C-PACER Financing Agreement; and
- (iii) agrees that the recording of the C-Pacer Assessment and payment of the C-PACER Assessment will not constitute a default nor trigger the exercise of any remedies under the Holder's Loan or other obligation documents.

The Holder hereby acknowledges that the Property Owner, the County, the C-PACER Capital Provider and the County's designated C-PACER Program Administrator, will rely on the representation and acknowledgement of the Holder set forth in this Acknowledgement. The Recitals are integrated into and made a part of this Acknowledgment.

Holder:

By:

Signature:

Title:

Date:

In witness whereof, _____ has caused its name to be signed this _____ day of

_____, _____.

By: _____

_____, _____

ATTACHMENT 3: Certification of Qualified Improvements

I, the undersigned, hereby certify the following facts and make the following certifications with respect to the project described in the attached Project Application (the “Project”) under the Jefferson County C-PACER Program:

1. I am a licensed Professional Engineer in the State of Washington, whose registration number and stamp are shown below, OR
2. I am accredited by or belong to a firm with an accreditation from:
 - American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE)
 - Building Energy Assessment Professional (BEAP)
 - Building Energy Modeling Professional (BEMP)
 - Operations & Performance Management Professional Certification (OPMP)
 - High-Performance Building Design Professional Certification (HBDP)
 - Association of Energy Engineers (AEE)
 - Certified Energy Manager (CEM)
 - Certified Measurement and Verification Professional (CMVP)
 - Certified Energy Auditor (CEA)
 - Building Performance Institute
 - Energy Auditor
 - Investor Confidence Project
 - ICP Quality Assurance Assessor
 - Other. _____

Please provide verification of professional accreditation and recognition

3. The application is for:
 - ___ an existing building
 - ___ new construction
4. Please describe your relationship to the project:
 - ___ I am employed by the project applicant in my professional capacity
 - ___ I am a contracted independent third-party reviewer
5. I reviewed the following information regarding the project (e.g., equipment specifications OR design drawings/modeling OR permit applications OR an ASHRAE Level 1 assessment/energy assessment): Please Describe:

6. The project proposal includes the “Qualified Improvements”, as defined in RCW 36.165, the C-PACER Ordinance, and the Program Guidebook, and the estimated

useful life of each Qualified Improvement, which are listed in an attachment to this certification. (Please attach) The proposed term of the financing does not exceed the weighted average effective useful life of the proposed Qualified Improvements.

7. The Qualified Improvements will be permanently affixed to the property.

IF FOR AN EXISTING BUILDING (EXCLUDING SUBSTANTIAL RETROFITS) (check those that apply):

I CERTIFY:

- _____ The proposed Qualified Improvements will result in more efficient use or conservation of electricity or water, the reduction of greenhouse gas emissions, support the production of clean, renewable energy or the electrification of transportation.
- _____ Prior to the Qualified Improvements, the operation of the building relied on fossil fuels. After the qualified improvements, there are no fossil fuels used in the operation of the building.
- _____ The Qualified Improvements will result in improved resilience, which may include, without limitation, seismic resilience, flood mitigation, stormwater management, fire detection and suppression, wildfire and wind resistance, energy storage and microgrids. If other, specify: _____
- _____ Prior to the installation of the Qualified Improvements, the pre-existing product, device, or interacting group or products or devices did not conform to applicable code requirements, or the subject property as a whole did not conform to the currently applicable code requirements for building energy, water efficiency or resiliency. After the Qualified Improvements are installed, the subject property will meet the applicable code or codes.

IF FOR NEW CONSTRUCTION (INCLUDING SUBSTANTIAL RETROFITS) (check those that apply):

I CERTIFY:

- _____ Each proposed Qualified Improvement will enable the subject property to exceed the code requirements for energy efficiency, water efficiency or renewable energy.
- _____ The building as a whole, as a result of the Qualified Improvements, exceeds applicable code requirements for building resiliency, energy or water efficiency.
- _____ The proposed Qualified Improvement will support the production of clean, renewable energy or electric vehicle charging infrastructure.
- _____ The proposed resiliency Qualified Improvements will enable the subject property to exceed the applicable code requirements.

Signature: _____

NAME:

Business name:

Business address:

Business contact email:

Business contact phone:

IF APPLICABLE

License No. _____

Stamp: _____

ATTACHMENTS (Please attach to Certification)

ATTACHMENT 4: Certificate of Capital Provider Qualification

Please check all of the following that apply to the qualifications of [] (“Capital Provider”), the capital provider that will supply the C-PACER financing for the project located at []:

- ☐ Capital Provider is registered to provide C-PACE financing in at least two other states.

State: _____

Program Name: _____

State: _____

Program Name: _____

Please provide documentation. Appropriate documentation includes a certification or verified copy of registration as a C-PACE provider by a C-PACE program.

- ☐ Capital Provider has financed at least one previous C-PACE transaction in another jurisdiction.

State: _____

Program Name: _____

Transaction: _____

Please provide documentation. Appropriate documentation includes a copy of a recorded transaction document (such as Notice of Assessment or Lien) specifying that is part of a C-PACE transaction.

- ☐ Capital Provider is a federally chartered bank, Community Development Financial Institution, thrift institution, or credit union.

Please provide documentation. Appropriate documentation includes a copy of the latest public filing, license, or registration with the applicable federal regulatory body.

- ☐ Capital Provider is a state-chartered bank, Community Development Financial Institution, thrift institution or credit union.

Please provide documentation. Appropriate documentation includes a copy of the latest public filing, license, or registration with the applicable state regulatory body.

- ☐ Capital Provider is a private entity whose principal place of business is located in Washington state, does not meet the above qualifications, but provides the following information for review and approval. Submission does not guarantee approval.

Name

Address

Contact name:

Email:

Phone Number:

Business License No:

Attach the most current audited financial statements (to demonstrate solvency) or the most current regulatory or business filing required by the state (to demonstrate good standing).

[Remainder of Page Intentionally Left Blank]

The undersigned certifies that the above is true and accurate as of the current date:

[Capital Provider]

By: _____

Name and Date:

Title:

ATTACHMENT 5: Assessment Agreement for C-PACER Financing

Assessment Agreement for C-PACER Financing

COUNTY OF Jefferson WASHINGTON

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY AND RESILIENCY

(C-PACER) PROGRAM

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Assessment Agreement for C-PACER Financing

[Name] County, Washington

This ASSESSMENT AGREEMENT for C-PACER FINANCING (this "**Agreement**") is made and entered into as of the date is fully executed, (the "**Effective Date**") by and between the County of [Jefferson], Washington (the "**County**"), and [], the record owner(s) (the "**Property Owner**") of the fee title to the real property identified on Exhibit A (the "**Property**") and[XXX] the Capital Provider financing the Approved Project (collectively referred to as "**Parties**").

RECITALS

WHEREAS, the County has, on [] established the Commercial Property Assessed Clean Energy and Resiliency Program (the "**Program**") through the adoption of Ordinance No. [] ("**County Ordinance**") to allow the financing of certain renewable energy, energy and water efficiency, and resiliency improvements ("**Qualified Improvements**"), through contractual assessments pursuant to RCW chapter 36.165 (as may be amended from time to time, the "**C-PACER Act**"); and

WHEREAS, the purpose for the Program is described in the Program Guidebook attached to the County Ordinance, as the same may have been amended from time to time prior to the Effective Date of this Agreement (the "**Program Guidebook**"); and

WHEREAS, the Property is located in the boundaries of the County; and

WHEREAS, the Property Owner has submitted application materials including a description of the Qualified Improvements that will be acquired, constructed on and/or installed on the Property; and

WHEREAS, the County has reviewed such application materials to assess compliance with the C-PACER Act, the County Ordinance, and Program Guidebook, and the County has determined that the project proposed by the Property Owner complies with such criteria and is approved for participation in the Program (the "**Approved Project**"); and

WHEREAS, the Approved Project is to be financed pursuant to a financing agreement between the Property Owner (the "**Financing Agreement**") and a capital provider (together with its designee or assigns, the "**Capital Provider**") and under which the Property Owner agrees to repay such Capital Provider; and

WHEREAS, pursuant to RCW chapter 36.165, the County and the Property Owner must enter into an agreement whereby the Property Owner voluntarily consents to have an assessment levied and a lien placed on the qualifying property in exchange for receiving and repaying C-PACER financing; and

WHEREAS, it is a condition to closing of the Financing Agreement that the Property Owner and the County enter into this Agreement; and

WHEREAS, the Property Owner voluntarily and willingly agrees to have an assessment levied on the Property and to enter into this Agreement in order to finance the installation on the Property of the Qualified Improvements contemplated as part of the Approved Project, all on the terms set forth in the Financing Agreement;

WHEREAS, the County has determined that facilitating the financing of qualified projects, which are repaid by voluntary assessments on the property benefited by property assessed clean energy and resiliency (C-PACER) improvements, is in the public interest for safety, health and other common good;

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Property Owner, Capital Provider and the County formally covenant and agree as follows, with the intent to bind themselves and their respective successors and assigns:

AGREEMENT

Section 1. Purpose. The Property Owner and the County are entering into this Agreement for the purpose of subjecting the Property to a C-PACER assessment to finance or refinance the purchase, installation, or construction of the Qualified Improvements identified on Exhibit B on the Property.

Section 2. The Property. This Agreement relates to the real property identified in Exhibit A. The Property Owner has supplied to the County current evidence of its ownership of fee title to the Property and possesses all legal authority necessary to execute and deliver this Agreement.

Section 3. Assessment and Lien; Assignment.

(a) The Property Owner agrees that upon the execution and delivery of this Agreement by the Parties, the Property Owner voluntarily and willingly consents to the placement of an assessment levied against the Property by the County pursuant to this Agreement and applicable law in the principal amount of \$[REDACTED], together with all interest, penalties, and fees as described in the Financing Agreement (the “**Assessment**”). Upon execution and delivery of this Agreement, the County will execute and cause to be recorded with the Jefferson County Recorder’s Office, together with a copy of this Agreement, pursuant to RCW chapter 36.165, the Notice of Assessment Interest and C-PACER Lien (“**Notice of Assessment**”), substantially in the form of Exhibit C. The recording of the Notice of Assessment will cause the Assessment to attach as a lien upon the Property for the benefit of the County (the “**C-PACER Lien**”) and provide record notice to third parties of the existence of the C-PACER Lien.

(b) The execution and delivery of this Agreement by the Parties authorizes and effectuates the recordation of the Assessment by the County against the Property without any further action required by the Parties.

(c) The Property Owner hereby promises to pay the Assessment for a period of [REDACTED] years on the due dates set forth in Exhibit D hereto (the “**Assessment Schedule**”). The Property Owner agrees, as provided in the Financing Agreement, to pay the amount due in installments according to the Assessment Schedule (each, an “**Assessment Installment**”), each such Assessment Installment to be paid by the Property Owner by its due date in order to avoid delinquencies and the accrual of interest and related penalties.

(d) The Assessment shall be secured by the C-PACER Lien until paid in full. Failure to pay any Assessment Installment, like failure to pay any property taxes pertaining to the Property, will result in penalties and interest and shall accrue in accordance with the terms and provisions of the Financing Agreement. In addition, failure to pay an Assessment installment may result in the C-PACER Lien being foreclosed in the manner specified in Section 4 of this Agreement.

(e) The Assessment and the C-PACER Lien shall be assigned, pursuant to the Assignment of Assessment Agreement (the “**Assignment**”), to the Capital Provider, its designee or assigns as set forth in the Financing Agreement. The Assignment shall be executed and delivered contemporaneously with this Agreement and recorded immediately following the Notice of Assessment.

Section 4. **Collection of Assessment; Foreclosure.**

(a) The Assessment Installments shall be collected by the Capital Provider in the manner specified in the Financing Agreement.

(b) The Property Owner and Capital Provider acknowledge and agree that in accordance with RCW 36.165.060, the Capital Provider is responsible for collection of Assessment payments and enforcement of any delinquencies. Jefferson County shall have no obligation to the Capital Provider with respect to collection and enforcement. The Capital Provider may foreclose the C-PACER lien at any time after one year from the date of delinquency of an assessment payment in the same manner that the collection of delinquent real property taxes is enforced by a county under chapter 84.64 RCW et seq., excepting that a sworn declaration by the Capital Provider attesting to the assessment delinquency of at least one year shall be used in lieu of the certificate of delinquency required under RCW 84.64.050. In accordance with RCW 36.165.060, the sworn declaration shall have the same legal standing as a certificate of delinquency enumerated in RCW 84.64.050.

(c) Delinquent installments due on a C-PACER lien incur interest and penalties as specified in the Financing Agreement. As permitted by RCW 36.165.060, the Property Owner expressly consents to prosecution of said action of foreclosure by Capital Provider. The County shall have no obligation to prosecute such foreclosure on behalf of the Capital Provider, or to otherwise participate in such foreclosure, except to the extent that any action on the part of the County or any other County official is required, as determined by a court of competent jurisdiction as defined in Section 12 of this Agreement, to allow the Capital Provider to effectuate the foreclosure under RCW Chapter 84.64.

Section 5. **Term; Agreement Runs with the Land.**

(a) Except as otherwise set forth in this Agreement, this Agreement shall terminate upon the final payment or prepayment of the Assessment. Following such termination, the Capital Provider shall cause to be executed, delivered, and/or recorded such instruments as are necessary in order to release the C-PACER Lien. The C-PACER Lien placed pursuant to this Agreement establishes rights and obligations that are for the benefit of the Property and, therefore, such rights and obligations run with the land as per RCW 36.165.060.

(b) The balance of the C-PACER Lien that has not yet become due is not accelerated or eliminated by foreclosure of the C-PACER Lien or any lien for taxes imposed by the state, a local government, or junior taxing district against the Property consistent with RCW 36.165.060.

(c) In the event the Property is subdivided while any portion of the Assessment remains unpaid, the Assessment will be assigned to each of the newly created parcels on the basis of [relative valuation], unless the Financing Agreement provides that the Assessment should be allocated in an alternate manner.

Section 6. Recordation of Documents. The County shall cause to be recorded with the Jefferson County Recorder's Office the Notice of Assessment, which includes this Agreement as an attachment, and such other documents that are attached as Exhibits to this Agreement.

Section 7. Amendment. (a) This Agreement may be modified only by the written agreement of the Capital Provider, the County and the Property Owner.

(b) The Property Owner agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Agreement.

Section 8. Binding Effect; Assignment. This Agreement inures to the benefit of and is binding upon the Parties and their respective successors and assigns. The obligation to pay the Assessment set forth in this Agreement is an obligation of the Property and no agreement or action of the Property Owner (other than repayment of the Assessment in full in accordance with the terms of the Financing Agreement) will impair in any way the Capital Provider's right to pursue foreclosure of the C-PACER Lien or the right to enforce the collection of the Assessment or any Assessment Installment against the Property. Any County assignee shall be a party to this Agreement and shall have all of the rights, except as provided in Section 9 of this Agreement, and obligations of the County hereunder to the extent that such rights and obligations have been assigned by the County pursuant to the assignment documentation between the County and the assignee. The County may furnish any information concerning the Property Owner in its possession from time to time to prospective assignees.

Section 9. No Liability of the County. Pursuant to RCW chapter 36.165, the County shall incur no liability as a result of any provision of this Agreement, nor shall any members of the governing body, employees, board members and executives of the County be personally liable for exercising any rights or responsibilities pursuant to or in furtherance of this Agreement. This provision shall inure only to the County, its governing body, employees, board members, and executives, and not to the benefit of the County's successors or assigns of this Agreement.

In accordance with RCW 36.165.110, the Parties acknowledge and agree that the County may not enforce any privately financed debt contemplated by this Agreement. The County is prohibited by RCW 36.165.110 and other law from pledging, offering or encumbering its full faith and credit for any lien contemplated by this Agreement. The Parties acknowledge and agree that the County is prohibited from using public funds to fund or repay any loan between the Capital Provider and the Property Owner. Nothing in this Agreement shall be interpreted to pledge, offer, or encumber the full faith and credit of the County.

In the event that the County incurs any costs, including but not limited to regulatory fees, taxes and attorney's fees arising out of the foreclosure of the C-PACER lien, the Capital Provider shall reimburse the County such costs.

This Section 9 shall survive any termination or assignment of this Agreement.

Section 10. Indemnification. (a) The Property Owner agrees to defend, indemnify and hold the County, its officers, employees, agents and contractors harmless from any and all claims, including but not limited to reasonable attorney fees, demands, losses and liabilities to or by third parties arising from, resulting from or connected with this Agreement, the Approved Project, the Assessment, the

Financing Agreement and the C-PACER Lien. The Property Owner's duty to indemnify the County shall not apply to liability for damages to the extent caused by or resulting from the sole or contributory negligence or willful misconduct of the County, its officers, employees, agents or contractors. The obligations in this provision shall survive any termination or assignment of this Agreement.

The Capital Provider agrees to defend, indemnify and hold the County, its officers, employees, agents and contractors harmless from any and all claims, including but not limited to reasonable attorney fees, demands, losses and liabilities to or by third parties arising from, resulting from or connected with this Agreement, the Approved Project, the Assessment, the Financing Agreement and the C-PACER Lien. The Capital Provider's duty to indemnify the County shall not apply to liability for damages to the extent caused by or resulting from the sole or contributory negligence or willful misconduct of the County, its officers, employees, agents or contractors. The obligations in this provision shall survive any termination or assignment of this Agreement.

Section 11. WAIVER OF CLAIMS. The Parties acknowledge that the C-PACER Program is a new financing opportunity created by the state. By statute, and as acknowledged and agreed to by the Parties, after the adoption of a C-PACER Program, the County's role is limited to the approval of an assessment and the recordation of a C-PACER lien, and administration of the C-PACER program which may be contracted out to a private third party. The Parties agree that the County is not responsible for determining the viability of an Approved Project, the financial or legal risks and benefits of entering into the Financing Agreement between the Property Owner and the Capital Provider or the accuracy of the estimates of the costs to be financed. The County has no independent obligation to verify information and must rely on that information provided by the other Parties, including justification that the Approved Project provides a benefit to the public and that the Financing Agreement complies with state law. Therefore, the Property Owner and the Capital Provider agree to waive any and all manner of actions and causes of action, claims, damages, losses, liabilities and demands of whatsoever nature or description, whether known or unknown, whether foreseen or unforeseen, based on any law, regulation or common law, including but not limited to reasonable attorney fees, they, both individually and jointly, may have against the County, its officers, employees, agents and contractors, arising out of the Approved Project, the Assessment, any assignment, the Financing Agreement, the C-PACER Lien, and the County's performance under this Agreement, except for the following:

- Failure to record the Notice of Assessment Interest and C-PACER Lien in accordance with Section 6 of this Agreement
- Failure to assign this Assessment Agreement and C-PACER Lien to Capital Provider in accordance with Section 3 of this Agreement
- Failure to record the assignment of the C-PACER Lien to Capital Provider in accordance with RCW 36.165.050(3)

In such cases of the County's failure to perform, the Property Owner and the Capital Provider agree that their sole remedy shall be specific performance. This Section 11 shall survive any termination or assignment of this Agreement.

Property Owner initial

Capital Provider initial

Section 12. Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of the State of Washington. Any legal action brought under this Agreement must be instituted in a superior court of Jefferson County.

Section 13. Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

Section 14. Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Signatures Appear on Following Page

IN WITNESS WHEREOF, the County, Capital Provider and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives.

COUNTY:

County of [Jefferson], State of Washington

By: _____

Its: _____

Date: _____

PROPERTY OWNER:

[_____]

By: _____

Its: _____

Date: _____

Capital Provider:

[_____]

By: _____

Its: _____

Date: _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

SS:

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf of _____

and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

STATE OF WASHINGTON

ss:

COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf of _____ and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.
Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

STATE OF WASHINGTON

ss:

COUNTY OF JEFFERSON

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf of _____ and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.
Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

[To be inserted]

EXHIBIT B

QUALIFIED IMPROVEMENTS

[To be inserted]

EXHIBIT C

FORM OF NOTICE OF ASSESSMENT

[To be inserted]

EXHIBIT D

ASSESSMENT SCHEDULE

Period	Bill date	Delinquent After Date	Payment	Interest	Principal	Principal Remaining	Annual Collection Costs**	Total Payment Due
1								
2								
3								
4								
5								
6								
7								
8								
9								
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RETURN NAME and ADDRESS

Please Type or Print Neatly and Clearly All Information

Document Title(s) NOTICE OF ASSESSMENT INTEREST AND C-PACER LIEN

Reference Number(s) of Related Documents

Grantor(s) [PROPERTY OWNER]

Grantee(s) JEFFERSON COUNTY

Legal Description (Abbreviated form is acceptable, i.e., Section/Township/Range/Qtr Section or Lot/Block/Subdivision)

Assessor's Tax Parcel ID Number: _____

The County Auditor will rely on the information provided on this form. The Staff will not read the document to verify the accuracy and completeness of the indexing information provided herein.

Sign below only if your document is Non-Standard.

I am requesting an emergency non-standard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some parts of the text of the original document. Fee for non-standard processing is \$50.

Signature of Requesting Party

ATTACHMENT 6: Notice of Assessment Interest and C-PACER Lien

[see following page]

Instrument Prepared By
And Recording Requested by:

Space Above for Recorder's Use

NOTICE OF ASSESSMENT INTEREST AND C-PACER LIEN
Washington RCW 36.165 Filed in JEFFERSON County

(GRANTEE) JEFFERSON COUNTY

(GRANTOR) [PROPERTY OWNER]

Notice is hereby given that the person named below is placing a C-PACER Lien pursuant to chapter 36.165 RCW. In support of this lien the following information is submitted:

1. THE ASSESSMENT LIEN GRANTEE	JEFFERSON COUNTY
2. DATE ON WHICH THE ASSESSMENT AGREEMENT WAS SIGNED GRANTING THE RIGHT TO PLACE AN ASSESSMENT AND C-PACER LIEN ON THE PROPERTY	[INSERT]
3. THE PROPERTY OWNER GRANTING THE PLACEMENT OF THE ASSESSMENT AND C-PACER LIEN	[INSERT]
4. THE PROPERTY AGAINST WHICH THE ASSESSMENT AND C-PACER LIEN IS PLACED IS LOCATED AT THE FOLLOWING MUNICIPAL ADDRESS:	[INSERT]
5. LEGAL DESCRIPTION OF THE PROPERTY IS AS FOLLOWS	SEE EXHIBIT A TO THE ASSESSMENT AGREEMENT ATTACHED HERETO
6. ASSESSOR'S PARCEL NUMBER OF THE PROPERTY	[INSERT]
7. PRINCIPAL AMOUNT OF ASSESSMENT SECURED BY C-PACER LIEN	[INSERT]
8. TERMS AND LENGTH OF ASSESSMENT SECURED BY C-PACER LIEN	SEE EXHIBIT _ TO THE ASSESSMENT AGREEMENT ATTACHED HERETO

9. COPY OF ASSESSMENT AGREEMENT (ATTACHED)	[INSERT]

IN WITNESS WHEREOF, Grantee and Grantor have caused this Notice of Assessment Interest and C-PACER Lien to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

GRANTEE:

County of JEFFERSON, State of Washington

By: _____
Its: _____

GRANTOR:

[PROPERTY OWNER]

By: _____
Its: _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

ss:

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf of _____

and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

ss:

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf of _____

and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington,
residing at _____
My appointment expires _____

RETURN NAME and ADDRESS

ATTACHMENT 7: Assignment of Notice of Assessment Interest and C-PACER Lien and Assessment Agreement

[see following page]

Please Type or Print Neatly and Clearly All Information

**Document Title(s) ASSIGNMENT OF NOTICE OF ASSESSMENT INTEREST AND C-PACER
LIEN AND ASSESSMENT AGREEMENT**

Reference Number(s) of Related Documents

Grantor(s)/Assignor [JEFFERSON COUNTY]

Grantee(s)/Assignee [CAPITAL PROVIDER OR DESIGNEE]

Legal Description (Abbreviated form is acceptable, i.e. Section/Township/Range/Qtr Section or Lot/Block/Subdivision)

Assessor's Tax Parcel ID Number: _____

The County Auditor will rely on the information provided on this form. The Staff will not read the document to verify the accuracy and completeness of the indexing information provided herein.

Sign below only if your document is Non-Standard.

I am requesting an emergency non-standard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some parts of the text of the original document. Fee for non-standard processing is \$50.

Signature of Requesting Party

WHEN RECORDED, RETURN TO:

**ASSIGNMENT OF NOTICE OF ASSESSMENT INTEREST AND C-PACER LIEN
AND ASSIGNMENT OF ASSESSMENT AGREEMENT**

This ASSIGNMENT OF NOTICE OF ASSESSMENT INTEREST AND C-PACER LIEN AND ASSIGNMENT OF ASSESSMENT AGREEMENT (this "Assignment") is dated as of [MONTH] __, 20__ by Jefferson County, Washington ("Assignor"), to [CAPITAL PROVIDER] ("Assignee").

For value received, Assignor hereby grants, assigns and transfers to Assignee, without recourse or warranty of any kind, express or implied, all of Assignor's rights in, title to, and interest under, that certain Notice of Assessment Interest and C-PACER Lien, dated as of [____], 20__, by [____] ("Property Owner") and Assignor, recorded on [____], 20__ as Instrument No. [____] in the office of the records of Jefferson County, State of Washington (the "Notice of Assessment Interest") and the Assessment Agreement dated as of [____], 20__, between Property Owner and Assignor and attached to such Notice of Assessment Interest, together with the obligations secured by the C-PACER Lien and all other instruments, documents and certificates executed in connection therewith. Assignee hereby accepts all of Assignor's rights in, title to, and interest under the Assessment Agreement and the Notice of Assessment Interest, together with the obligations secured by the C-PACER Lien and all other instruments, documents and certificates executed in connection therewith.

Pursuant to RCW 36.165.060, by accepting this Assignment, Assignee agrees for the benefit of Assignor that Assignee shall be solely responsible for enforcing the obligation of Property Owner to pay the Assessment described in the Assessment Agreement, including pursuing a foreclosure of the C-PACER Lien in the same manner by which counties collect delinquent real property taxes under Chapter 84.64 RCW. Assignor shall have no obligation to prosecute such foreclosure on behalf of Assignee, or to otherwise participate in such foreclosure, except to the extent that any action on the part of Assignor or any official of Assignor is required in order to allow Assignee to prosecute or effectuate the foreclosure under RCW 84.64, or to ratify or confirm any action of Assignee taken in furtherance of the foregoing, as contemplated in the County Ordinance (as defined in the Notice of Assessment Interest).

Signatures appear on following page

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the day and year first above written.

“ASSIGNOR”

JEFFERSON COUNTY, WASHINGTON

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

ss:

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf _____ of

_____ and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of
Washington,

residing at _____

My appointment expires _____

"ASSIGNEE"

[CAPITAL PROVIDER OR DESIGNEE]

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON

COUNTY OF JEFFERSON

ss:

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument on behalf _____ of

_____ and to bind the same to the terms and conditions set forth in the instrument. This is the free and voluntary act and for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 202_.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of

Washington,

residing at _____

My appointment expires _____

EXHIBIT A
LEGAL DESCRIPTION
[INSERT]

**Notice of Proposed C-PACER Assessment and
Request for Consent of Lien or Other Obligation Holder to C-PACER Assessment and C-PACER
Lien**

Notice Date:

Lien or Other Obligation Holder:

Street:

City/State/Zip Code:

ATTN:

Property/Loan Information:

Address: [_____] (the “Property”)

Loan Number:

Why has the Financial Institution received this notice?

The Property Owner listed below owns the subject Property. Your Financial Institution holds a lien, mortgage or security interest or other secured encumbrance on the Property.

[Property Owner] (the “Property Owner”) wishes to install energy efficiency, water conservation, renewable energy, and/or resiliency improvements to the property using Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing, known as the “C-PACER” Program. The Property Owner requests your consent for the property to participate in the program.

Background on C-PACER in Washington

Washington law (RCW chapter 36.165) (the “C-PACER Act”) authorizes Washington counties to establish a C-PACER program in their communities. Capitalized terms used herein, but not defined herein, have the meaning given to such terms in the C-PACER Act.

C-PACER financing helps stimulate local economies by allowing owners of agricultural, commercial, and industrial and multi-family properties with 5 or more dwelling units to obtain low-cost, long-term financing for energy efficiency, renewable energy, and water conservation and resiliency projects. Jefferson County, where the subject property is located, has established a C-PACER Program within its jurisdiction for qualifying property owners.

Through the C-PACER Program, the financing for qualifying projects is provided by a private Capital Provider, and the principal amount is recorded by Jefferson County as a voluntary assessment and lien (“the C-PACER lien”) on the Property. The annual assessment payments relating to that lien are repaid to, and collected by, the private Capital Provider, which Capital Provider has the responsibility of administering

the Property Owner's C-PACER obligation. Similar to government-imposed assessments, the C-PACER obligations remain with a property upon its sale, until the financing is fully repaid, at which point the C-PACER lien and assessment are retired.

Under RCW chapter 36.165, once consent from pre-existing lien holders and, if applicable, the holders of certain other obligations, on a property is given, an assessment can be imposed and a C-PACER lien can be filed. Once filed, this lien moves into a superior position above other obligations, except for property taxes and qualifying government obligations.

To qualify for C-PACER financing, the proposed project must meet the following basic criteria:

- The property is located in Jefferson County, Washington,;
- The property is an agricultural, commercial, or industrial property, or multi-family property of 5 or more dwelling units;
- The proposed improvements must do at least one of the following: reduce electricity consumption or demand, increase the production of on-site renewable energy, reduce greenhouse gas emissions, support the production of clean, renewable energy, reduce water consumption or demand, reduce lead in potable water and/or increase the resiliency of the property, as defined in the C-PACER Act;
- The proposed improvement does not include the installation, maintenance, or repair of equipment that burns fossil fuels.
- The proposed improvements are permanently affixed to the property; and
- The Property Owner receives consent of the current mortgage/lien holder(s).

Why should your Financial Institution consent to the C-PACER Assessment and C-PACER Lien?

1. Property improvements financed through the C-PACER program have public benefits. For a project to qualify in the County's C-PACER Program, it must involve the installation of improvements that provides a public benefit in the form of conserving energy or water resources; reducing greenhouse gas emissions; reducing lead levels in potable water; or increasing resiliency. Under the C-PACER program eligibility requirements, a proposed project must include verification by a qualified and licensed professional certifying that the improvements will provide any of these public benefits. Qualifying improvements typically enhance property value and improve its collateral value for the mortgage or other obligatory interests that your Financial Institution holds in the Property.
2. C-PACER payments do not accelerate. In the event a mortgage holder or lien holder forecloses on the property for any reason, only the C-PACER payments currently due and in arrears would be payable, which is likely a relatively small proportion of the total amount financed. *In the case of a default, the entire outstanding principal, interest and penalties of your Financial Institution's loan may be accelerated and come due; however, for the C-PACER financing, only the past due amounts may be collected in a default.* The remaining C-PACER financing balance runs with the land and regular installment payments would be paid by the new property owner.
3. Improvements financed through C-PACER often reduce a property's operating costs and/or the potential for catastrophic damage, and they often improve health and comfort of occupants, all of which make a property more attractive to tenants and future owners.

4. Property improvements financed through the C-PACER program align with Jefferson County's Climate Action Plans and, potentially, with your institution's sustainability plans and commitments, and to shareholder interests.

What should your Financial Institution know?

Property Owner has indicated its intention to apply for C-PACER financing for improvements outlined in on the Property. The C-PACER financing will be levied on the Property pursuant to an Assessment Agreement between the Property Owner, the County and Capital provider, and the amount of the C-PACER financing will be determined by a Financing Agreement between the Property Owner and the private Capital Provider. The C-PACER financing terms will consist of:

Total cost of improvements:	
Total C-PACER financing requested (+/- 5%):	
Annual interest rate not to exceed:	
Term of repayment:	
Total estimated annual C-PACER Payments:	
# Payments per year:	

As required by the C-PACER Act, Property Owner is sending this Request for Consent of Lien or Other Obligation Holder to the creation of a C-PACER Assessment and Lien to:

- i. provide notice of Property Owner's proposed participation of the Property in the program;
- ii. request confirmation from your Financial Institution (a current mortgage/lien or other obligation holder) that C-PACER payments will not trigger a default nor the exercise of any remedies under your current lien or other encumbrance relating to the Property;
- iii. provide notice that, due to the requirements under the County's Assessment Agreement with the Property Owner and Capital Provider, the C-PACER private Capital Provider financing payments will be collected in installments that are subject to the same remedies and lien priorities as real property taxes; and
- iv. declare the Property Owner's agreement to uphold and pay on a timely basis both the existing obligations to your Financial Institution which are secured by the Property and the proposed C-PACER installments.

Execution and Return of Consent. The Property Owner would appreciate your executing the attached Consent Form for the County C-PACER program and returning it to the undersigned at your earliest convenience.

Sincerely,

BY: (signature): _____

PROPERTY OWNER NAME: [_____]

MAILING ADDRESS (if different than Property address): [_____]

ATTACHMENT 8: Certificate of C-PACER Improvements Completion

Property Owner: _____

Property Address: _____

C-PACER application approval date: _____

C-PACER financing closing date: _____

The undersigned certifies that the work under the above approved C-PACER Application, attached as **Exhibit A** hereto, has been satisfactorily and properly completed and all improvements are operating as intended.

PROPERTY OWNER:

[INSERT ENTITY NAME, IF APPLICABLE]

BY: _____

Signature

Printed Name

Title

Exhibit A

C-PACER Application

[See Attached]