



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

### Ordinance 19360

**Proposed No.** 2021-0301.3

**Sponsors** Dembowski, Balducci, Kohl-  
Welles and Zahilay

1 AN ORDINANCE establishing a commercial property  
2 assessed clean energy and resiliency financing program;  
3 amending Ordinance 4461, Section 2, as amended, and  
4 K.C.C. 20.22.040 and Ordinance 4461, Section 2, as  
5 amended, and K.C.C. 20.22.040 and adding a new chapter  
6 to K.C.C Title 18.

7 PREAMBLE:

8 In 2018, the Intergovernmental Panel on Climate Change issued new  
9 warnings on the impact of climate change and documented that global  
10 emissions need to be on the steep decline within the next decade to avoid  
11 the worst impacts of climate change.

12 According to the most recent data prepared by ICLEI Local Governments  
13 for Sustainability, an international technical consulting organization,  
14 commercial and industrial buildings make up thirty eight percent of  
15 greenhouse gas emissions in King County.

16 Greenhouse gas emissions are linked to climate change, which poses a  
17 threat to King County residents, the county's natural environment and the  
18 county's economic security.

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19 Frontline communities are those communities that often experience the  
20 earliest and most acute impacts of climate change, face historic and  
21 current inequities and have limited resources and capacity to adapt to  
22 climate change. This includes Black, Indigenous and People of Color  
23 communities, immigrants and refugees, people with low incomes,  
24 communities experiencing disproportionate pollution exposure, women  
25 and gender non-conforming, LGTBQIA+ people, people who live or work  
26 outside, people with existing health issues, people with limited English  
27 skills, people experiencing pregnancy and other climate-vulnerable  
28 groups. Climate change is a threat multiplier to other social issues such as  
29 affordable housing and food security.

30 In 2020 the executive transmitted to the council the 2020 Strategic  
31 Climate Action Plan, which recommended bold action on greenhouse gas  
32 emission reductions across the county and in county government  
33 operations. The plan includes recommended actions that support  
34 countywide goals of fifty percent greenhouse gas emission reductions by  
35 2030 and eighty percent greenhouse gas emission reductions by 2050,  
36 compared to a 2007 baseline.

37 The plan finds that future conservation efforts will require a much greater  
38 focus on reducing on-site consumption of fossil fuels. That can be  
39 accomplished through conversions to higher-efficiency electrified systems  
40 and cleaner fuels. The 2020 Strategic Climate Action Plan sets goals for  
41 the phase out of fossil fuel use in existing buildings by at least twenty

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42 percent by 2030, fifty percent by 2040 and eighty percent by 2050,  
43 compared to a 2017 baseline.

44 King County must move aggressively to reduce greenhouse gas emissions  
45 to protect the region from the most severe impacts of climate change,  
46 while addressing effects already experienced in our region, including  
47 increased flooding, sea-level rise, hotter summers and wildfire smoke.

48 In addition to climate change, King County must prepare for threats that  
49 could arise from a major earthquake disaster. King County is home to a  
50 significant number of active fault lines that have been identified in the  
51 central Puget Sound area.

52 The 2020-2025 King County Regional Hazard Mitigation Plan states that  
53 there is up to a twenty percent chance of a major earthquake striking King  
54 County with potentially catastrophic damages in the next thirty-five years.

55 The earthquake hazard presents regional potential for damages, casualties  
56 and economic and social impacts.

57 The 2020-2025 King County Regional Hazard Mitigation Plan states that  
58 unreinforced buildings are a priority earthquake vulnerability. Brick and  
59 masonry buildings are extremely susceptible even to minor earthquakes.

60 Unreinforced masonry buildings are likely to collapse or partially collapse  
61 and be a leading source of fatalities due to falling debris.

62 In 2020 the Washington state Legislature enacted Engrossed Second  
63 Substitute House Bill 2405, an act relating to commercial property  
64 assessed clean energy and resiliency.

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65 Chapter 36.165 RCW authorizes the establishment of a commercial  
66 property assessed clean energy and resiliency ("C-PACER") program that  
67 jurisdictions can voluntarily implement to ensure that free and willing  
68 owners of agricultural, commercial and industrial properties and of  
69 multifamily residential properties with five or more dwelling units can  
70 obtain low-cost, long-term financing for qualifying improvements,  
71 including energy efficiency, water conservation, renewable energy and  
72 resiliency projects.

73 Under the C-PACER program, qualifying improvements will be repaid  
74 through a voluntary assessment on the property, secured by a county lien  
75 and assigned to a capital provider for all the administrative aspects of  
76 billing, collecting and enforcing the lien. The C-PACER program allows  
77 for costs incurred by the county to be recovered via a fee paid by the  
78 building owner.

79 Improvements to energy efficiency and renewable energy installations for  
80 commercial and multifamily residential buildings through property  
81 assessed financing will result in reductions in energy use, thereby reducing  
82 greenhouse gas emissions in the county.

83 Resiliency upgrades will harden building stock in the county against the  
84 impacts of future earthquakes and other natural events, including floods,  
85 wildfires, wind and disruptions to electricity supplies, improving human  
86 safety and protecting against economic damages.

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87 Low-cost funding opportunities through property assessed financing make  
88 efficiency upgrades and building retrofits more accessible and affordable  
89 for building owners and increase local green job opportunities.

90 Facilitating the financing of qualified projects, repaid by voluntary  
91 assessments on property benefited by C-PACER improvements, is in the  
92 public interest for safety, health and other common-good reasons.

93 As required by RCW 36.165.040, the King County council shall hold a  
94 public hearing on this proposed ordinance in accordance with its COVID  
95 19 protocols and at a time to be established by a council's agenda.

96 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

97 SECTION 1. Sections 2 through 6 of this ordinance should constitute a new  
98 chapter in K.C.C. Title 18.

99 NEW SECTION. SECTION 2. There is hereby added to the new chapter created  
100 in section 1 of this ordinance a new section to read as follows:

101 The definitions in this section apply throughout this chapter unless the context  
102 clearly requires otherwise.

103 A. "Assessment" means the voluntary agreement of a property owner to allow the  
104 county to place an annual assessment on the owner's property to repay financing.

105 B. "Capital provider" means any private entity or the entity's designee, successor  
106 or assign, that makes or provides financing under this chapter.

107 C. "C-PACER Program Guidebook" means a comprehensive document that  
108 designates the applicable region for the program and establishes guidelines, specifications

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109 and processes and contains standard application forms and other documents consistent  
110 with the administration of the program.

111 D. "Eligible property" means privately owned commercial, industrial or  
112 agricultural real property or multifamily residential real property with five or more  
113 dwelling units. "Eligible property" may be owned by any type of business, corporation,  
114 individual or nonprofit organization permitted by state law.

115 E. "Financing" means an investment from a capital provider to a property owner  
116 to finance or refinance a qualified project.

117 F. "Financing agreement" means the contract under which a property owner  
118 agrees to repay a capital provider for financing including, but not limited to, details of  
119 any finance charges, fees, debt servicing, accrual of interest, accrual of penalties and any  
120 terms relating to treatment of prepayment and partial payment of the financing.

121 G. "Fossil fuel" means fossil fuels as defined in K.C.C. 21.A.06.532C.

122 H. "Lien" means the lien recorded at the county on the eligible property to secure  
123 the voluntary annual assessment, which remains on the property until paid in full.

124 I. "Program" means a commercial property assessed clean energy and resiliency  
125 program established under this chapter.

126 J. "Program administrator" means the party designated by the county to  
127 administer the program.

128 K. "Project application" means an application submitted to the county to  
129 demonstrate that a proposed project qualifies for financing and for a lien.

130 L. "Qualified improvement" means a permanent improvement affixed to real  
131 property. "Qualified improvement" includes at least one of the following:

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132           1. An energy-efficiency improvement, which means it decreases electricity  
133 consumption or demand or reduces greenhouse gas emissions through the use of  
134 efficiency technologies, products or activities that reduce or support the reduction of  
135 electricity consumption, or that it allows for the reduction in electricity demand. Energy  
136 efficiency improvements shall not include the installation, maintenance or repair of  
137 equipment that burns fossil fuels;

138           2. An electrification improvement, which means it eliminates the combustion of  
139 fossil fuels through the electrification of space or water heating;

140           3. Electric vehicle charging infrastructure, which means it supports the  
141 electrification of the transportation sector and the reduction of greenhouse gas emissions;

142           4. A renewable energy improvement, which means it supports the production of  
143 a clean, renewable resource as defined in RCW 19.405.020(34), including, but not  
144 limited to a product, device or interacting group of products or devices on the customer's  
145 side of the meter that generates electricity, provides thermal energy or regulates  
146 temperature;

147           5. A water conservation improvement, which means it decreases water  
148 consumption or demand through the use of efficiency technologies, products or activities  
149 that reduce or support the reduction of water consumption, or allow for the reduction in  
150 demand, or reduces or eliminates lead from water that might be used for drinking or  
151 cooking through the use of technologies, products, or activities that address safe drinking  
152 water; and

153           6. A resilience improvement, which means it increases building or community  
154 resilience, including but not limited to seismic retrofits, flood mitigation, stormwater

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155 management, fire detection and suppression, wildfire and wind resistance, energy storage  
156 and microgrids that reduce public risk and emergency response.

157 M. "Qualified project" means a project approved by the program administrator,  
158 involving the installation or modification of a qualified improvement, including new  
159 construction or the adaptive reuse of eligible property with a qualified improvement.

160 NEW SECTION. SECTION 3. There is hereby added to the new chapter created  
161 in section 1 of this ordinance a new section to read as follows:

162 A. The executive shall establish a commercial property assessed clean energy and  
163 resiliency program, commonly known as a C-PACER program, available in the entire  
164 jurisdiction of King County, including both unincorporated and incorporated areas. The  
165 program shall allow owners of agricultural, commercial and industrial properties and of  
166 multifamily residential properties with five or more dwelling units, to obtain low-cost,  
167 long-term financing for qualified improvements from private capital providers. Qualified  
168 projects must be located wholly within the jurisdiction of King County.

169 B. The executive shall establish the program substantially in the form of  
170 Attachment A to this ordinance, the King County C-PACER Program Guide.

171 C. The qualifying improvements will be repaid through a voluntary assessment  
172 on the property, secured by a county lien, and assigned to a capital provider for all the  
173 administrative aspects of billing, collecting, and enforcing the lien.

174 D. The county shall have no obligation to prosecute the foreclosure of a C-  
175 PACER lien on behalf of the capital provider, and the capital provider, by being a party  
176 to the assessment agreement, accepting an assignment of a C-PACER lien in accordance  
177 with the assignment of notice of assessment and assessment agreement, shall perform the



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178 obligations, responsibilities and duties of a county foreclosing a tax lien under chapter  
179 84.64 RCW as it pertains to the foreclosure of a C-PACER lien. If a court of competent  
180 jurisdiction determines, with prior notice of the proceeding to the county, that the capital  
181 provider does not have the authority to issue a deed upon the sale of property pursuant to  
182 a C-PACER lien foreclosure judgment and orders the county to facilitate the issuance of a  
183 deed following such a sale, the capital provider shall reimburse the county for all costs  
184 arising from the issuance of that deed, including fees, taxes and attorneys' fees.

185 E. In accordance with RCW 36.165.030, the program must begin accepting  
186 applications and approving applications no later than six months after the effective date  
187 of this ordinance.

188 F. In accordance with RCW 36.165.050, the executive or designee shall record  
189 each lien in the real property records of the county. The recording must include:

- 190 1. The legal description of the eligible property;
- 191 2. The assessor's parcel number of the property;
- 192 3. The grantor's name, which must be the same as the property owner on the  
193 assessment agreement;
- 194 4. The grantee's name, which must be King County;
- 195 5. The date on which the lien was created;
- 196 6. The principal amount of the lien;
- 197 7. The terms and length of the lien; and
- 198 8. A copy of the voluntary assessment agreement between the county and the  
199 property owner.

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200 G. The executive shall also record the assignment of the lien from the county to  
201 the appropriate capital provider.

202 H. The executive shall ensure that the program complies with chapter 36.165  
203 RCW.

204 I. Denial of an application may be appealed to the office of the hearing examiner  
205 by filing an appeal with the hearing examiner. K.C.C. 20.22.080.B. through G. shall  
206 govern the appeal process. The examiner shall issue a final decision in accordance with  
207 K.C.C. 20.22.040. The examiner may adopt reasonable rules or regulations for  
208 conducting its business. The executive or designee shall make the rules freely accessible  
209 to the public. The fee for filing an appeal under this subsection shall be the same as  
210 required by K.C.C. 4A.780.010. The fee shall be paid at the time the appeal statement is  
211 delivered and is not refundable.

212 J.1. The executive shall provide a report two years after beginning to accept  
213 applications, and every two years following. The report shall include:

- 214 a. the number of project applications received and processed;
- 215 b. the total value of project applications received and processed; and
- 216 c. the estimated energy and water savings and renewable energy deployed  
217 from projects, and the number of resiliency measures financed.

218 2. The executive should electronically file the report required by this section  
219 with the clerk of the council, who shall retain an electronic copy and provide an  
220 electronic copy to all councilmembers.

221 NEW SECTION. SECTION 4. There is hereby added to the new chapter created  
222 in section 1 of this ordinance a new section to read as follows:

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223           A. Before a capital provider may enter into a financing agreement to provide  
224 financing of a qualified project to the owner of record of any eligible property, the capital  
225 provider must receive written consent from any holder of a lien, mortgage, or security  
226 interest in the real property that the property may participate in the program and that the  
227 lien will take precedence over all other liens except for a lien for taxes as described in  
228 RCW 36.165.060.

229           B. Before a capital provider may enter into a financing agreement to provide  
230 financing of a qualified project to the owner of record of any multifamily residential real  
231 property with five or more dwelling units, the program administrator must also receive  
232 written consent from any and all holders of affordable housing covenants, restrictions or  
233 regulatory agreements in the real property that the property may participate in the  
234 program and that the lien will take precedence over all other liens except for a lien for  
235 taxes as described in RCW 36.165.060.

236           C. The executive or designee may impose a fee equal to one percent of the total  
237 cost of the qualified project or fifteen thousand dollars, whichever is less, when acting as  
238 the program administrator.

239           NEW SECTION. SECTION 5. There is hereby added to the new chapter created  
240 in section 1 of this ordinance a new section to read as follows:

241           King County, in conjunction with the program, may not:

242           A. Make the issuance of a permit, license, or other authorization from the county  
243 to a person who owns property in the region contingent on the person entering into a  
244 written contract to repay the financing of a qualified project under chapter 36.165. RCW;

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245 B. Compel a person who owns property in the region to enter into a written  
246 contract to repay the financing of a qualified project under chapter 36.165 RCW; or

247 C. Enforce any privately financed debt by a capital provider under this chapter or  
248 use public moneys to support or repay any loan between a capital provider and property  
249 owner.

250 NEW SECTION. SECTION 6. There is hereby added to the new chapter created  
251 in section 1 of this ordinance a new section to read as follows:

252 The members of the council, the executive, and county employees are not  
253 personally liable as a result of exercising any rights or responsibilities conveyed by  
254 chapter 36.165 RCW and this chapter.

255 SECTION 7. Ordinance 4461, Section 2, as amended, and K.C.C. 20.22.040 are  
256 hereby amended to read as follows:

257 The examiner shall issue final decisions in the following cases:

258 A. Appeals of orders of the ombuds under the lobbyist disclosure code, K.C.C.  
259 chapter 1.07;

260 B. Appeals of sanctions of the finance and business operations division in the  
261 department of executive services imposed under K.C.C. chapter 2.97;

262 C. Appeals of career service review committee conversion decisions for part-time  
263 and temporary employees under K.C.C. chapter 3.12A;

264 D. Appeals of electric vehicle recharging station penalties of the Metro transit  
265 department under K.C.C. 4A.700.700;

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266 E. Appeals of notice and orders of the manager of records and licensing services  
267 or the department of local services permitting division manager under K.C.C. chapter  
268 6.01;

269 F. Appeals of adult entertainment license denials, suspensions and revocations  
270 under K.C.C. chapter 6.09;

271 G. Appeals of the fire marshal's decisions on fireworks permits under K.C.C.  
272 chapter 17.11;

273 H. Appeals of cable franchise nonrenewals under K.C.C. 6.27A.060 and notices  
274 and orders under K.C.C. 6.27A.240;

275 I. Appeals of notices and orders of the department of natural resources and parks  
276 under K.C.C. chapter 7.09;

277 J. Appeals of decisions of the director of the department of natural resources and  
278 parks on surface water drainage enforcement under K.C.C. chapter 9.04;

279 K. Appeals of decisions of the director of the department of natural resources and  
280 parks on requests for rate adjustments to surface and storm water management rates and  
281 charges under K.C.C. chapter 9.08;

282 L. Appeals of decisions on water quality enforcement under K.C.C. chapter 9.12;

283 M. Appeals of notices and orders of the manager of animal control under K.C.C.  
284 chapter 11.04;

285 N. Certifications by the finance and business operations division of the  
286 department of executive services involving K.C.C. chapter 12.16;

287 O. Appeals of orders of the office of civil rights under K.C.C. chapter 12.17,  
288 K.C.C. chapter 12.18, K.C.C chapter 12.20 and K.C.C. chapter 12.22;

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- 289 P. Appeals of noise-related orders and citations of the department of local  
290 services, permitting division, under K.C.C. chapter 12.86;
- 291 Q. Appeals of utilities technical review committee determinations on water  
292 service availability under K.C.C. 13.24.090;
- 293 R. Appeals of decisions regarding mitigation payment system, commute trip  
294 reduction and intersection standards under K.C.C. Title 14;
- 295 S. Appeals of suspensions, revocations or limitations of permits or of decisions of  
296 the board of plumbing appeals under K.C.C. chapter 16.32;
- 297 T. Appeals from denials of C-PACER applications under K.C.C. chapter 18.xx  
298 (the new chapter created under section 1 of this ordinance);
- 299 U. Appeals of all Type 2 decisions under K.C.C. chapter 20.20, with the  
300 exception of appeals of shoreline permits, including shoreline substantial development  
301 permits, shoreline variances and shoreline conditional uses, which are appealable to the  
302 state Shoreline Hearings Board;
- 303 ~~((U:))~~ V. Appeals of SEPA decisions, as provided in K.C.C. 20.44.120 and public  
304 rules adopted under K.C.C. 20.44.075;
- 305 ~~((V:))~~ W. Appeals of completed farm management plans under K.C.C.  
306 21A.30.045;
- 307 ~~((W:))~~ X. Appeals of decisions of the interagency review committee created  
308 under K.C.C. 21A.37.070 regarding sending site applications for certification under  
309 K.C.C. chapter 21A.37;

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310           ~~((X-))~~ Y. Appeals of citations, notices and orders, notices of noncompliance, stop  
311 work orders issued pursuant to K.C.C. Title 23 or Title 1.08 of the rules and regulations  
312 of the King County board of health;

313           ~~((Y-))~~ Z. Appeals of notices and certifications of junk vehicles to be removed as a  
314 public nuisance as provided in K.C.C. Title 21A and K.C.C. chapter 23.10;

315           ~~((Z-))~~ AA. Appeals of decisions not to issue a citation or a notice and order under  
316 K.C.C. 23.36.010.A.2;

317           ~~((AA-))~~ BB. Appeals of fee waiver decisions by the department of local services,  
318 permitting division, as provided in K.C.C. 27.02.040;

319           ~~((BB-))~~ CC. Appeals from decisions of the department of natural resources and  
320 parks related to permits, discharge authorizations, violations and penalties under K.C.C.  
321 28.84.050 and 28.84.060;

322           ~~((CC-))~~ DD. Appeals of transit rider suspensions under K.C.C. 28.96.430;

323           ~~((DD-))~~ EE. Appeals of department of public safety seizures and intended  
324 forfeitures, when properly designated by the chief law enforcement officer of the  
325 department of public safety as provided in RCW 69.50.505; and

326           ~~((EE-))~~ FF. Other applications or appeals that are prescribed by ordinance.

327           SECTION 8. Section 9 of this ordinance takes effect on the date that the  
328 minimum time period after adoption of Ordinance 19276 required by RCW 70.77.250(4)  
329 has passed.

330           SECTION 9. Ordinance 4461, Section 2, as amended, and K.C.C. 20.22.040 are  
331 hereby amended to read as follows:

332           The examiner shall issue final decisions in the following cases:

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- 333           A. Appeals of orders of the ombuds under the lobbyist disclosure code, K.C.C.  
334 chapter 1.07;
- 335           B. Appeals of sanctions of the finance and business operations division in the  
336 department of executive services imposed under K.C.C. chapter 2.97;
- 337           C. Appeals of career service review committee conversion decisions for part-time  
338 and temporary employees under K.C.C. chapter 3.12A;
- 339           D. Appeals of electric vehicle recharging station penalties of the Metro transit  
340 department under K.C.C. 4A.700.700;
- 341           E. Appeals of notice and orders of the manager of records and licensing services  
342 or the department of local services permitting division manager under K.C.C. chapter  
343 6.01;
- 344           F. Appeals of adult entertainment license denials, suspensions and revocations  
345 under K.C.C. chapter 6.09;
- 346           G. Appeals of the fire marshal's decisions on fireworks permits under K.C.C.  
347 chapter 6.26;
- 348           H. Appeals of cable franchise nonrenewals under K.C.C. 6.27A.060 and notices  
349 and orders under K.C.C. 6.27A.240;
- 350           I. Appeals of notices and orders of the department of natural resources and parks  
351 under K.C.C. chapter 7.09;
- 352           J. Appeals of decisions of the director of the department of natural resources and  
353 parks on surface water drainage enforcement under K.C.C. chapter 9.04;



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354 K. Appeals of decisions of the director of the department of natural resources and  
355 parks on requests for rate adjustments to surface and storm water management rates and  
356 charges under K.C.C. chapter 9.08;

357 L. Appeals of decisions on water quality enforcement under K.C.C. chapter 9.12;

358 M. Appeals of notices and orders of the manager of animal control under K.C.C.  
359 chapter 11.04;

360 N. Certifications by the finance and business operations division of the  
361 department of executive services involving K.C.C. chapter 12.16;

362 O. Appeals of orders of the office of civil rights under K.C.C. chapter 12.17,  
363 K.C.C. chapter 12.18, K.C.C chapter 12.20 and K.C.C. chapter 12.22;

364 P. Appeals of noise-related orders and citations of the department of local  
365 services, permitting division, under K.C.C. chapter 12.86;

366 Q. Appeals of utilities technical review committee determinations on water  
367 service availability under K.C.C. 13.24.090;

368 R. Appeals of decisions regarding mitigation payment system, commute trip  
369 reduction and intersection standards under K.C.C. Title 14;

370 S. Appeals of suspensions, revocations or limitations of permits or of decisions of  
371 the board of plumbing appeals under K.C.C. chapter 16.32;

372 T. Appeals from denials of C-PACER applications under K.C.C. chapter 18.xx  
373 (the new chapter created under section 1 of this ordinance);

374 U. Appeals of all Type 2 decisions under K.C.C. chapter 20.20, with the  
375 exception of appeals of shoreline permits, including shoreline substantial development

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376 permits, shoreline variances and shoreline conditional uses, which are appealable to the  
377 state Shoreline Hearings Board;

378       ~~((U:))~~ V. Appeals of SEPA decisions, as provided in K.C.C. 20.44.120 and public  
379 rules adopted under K.C.C. 20.44.075;

380       ~~((V:))~~ W. Appeals of completed farm management plans under K.C.C.  
381 21A.30.045;

382       ~~((W:))~~ X. Appeals of decisions of the interagency review committee created  
383 under K.C.C. 21A.37.070 regarding sending site applications for certification under  
384 K.C.C. chapter 21A.37;

385       ~~((X:))~~ Y. Appeals of citations, notices and orders, notices of noncompliance, stop  
386 work orders issued pursuant to K.C.C. Title 23 or Title 1.08 of the rules and regulations  
387 of the King County board of health;

388       ~~((Y:))~~ Z. Appeals of notices and certifications of junk vehicles to be removed as a  
389 public nuisance as provided in K.C.C. Title 21A and K.C.C. chapter 23.10;

390       ~~((Z:))~~ AA. Appeals of decisions not to issue a citation or a notice and order under  
391 K.C.C. 23.36.010.A.2;

392       ~~((AA:))~~ BB. Appeals of fee waiver decisions by the department of local services,  
393 permitting division, as provided in K.C.C. 27.02.040;

394       ~~((BB:))~~ CC. Appeals from decisions of the department of natural resources and  
395 parks related to permits, discharge authorizations, violations and penalties under K.C.C.  
396 28.84.050 and 28.84.060;

397       ~~((CC:))~~ DD. Appeals of transit rider suspensions under K.C.C. 28.96.430;

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398           ~~((DD-))~~ EE. Appeals of department of public safety seizures and intended  
399 forfeitures, when properly designated by the chief law enforcement officer of the  
400 department of public safety as provided in RCW 69.50.505; and

401           ~~((EE-))~~ FF. Other applications or appeals that are prescribed by ordinance.

402           SECTION 10. Ordinance 18230, Section 16, as amended, and K.C.C. 20.22.070  
403 to read as follows:

404           A. K.C.C. 20.22.080 applies to all appeals to the office of the hearing examiner.  
405 If there is a direct conflict between the appeal provisions in K.C.C. 20.22.080, and the  
406 appeal provisions found in subsection B. of this section, the appeal provisions found in  
407 subsection B. of this section shall control.

408           B. The provisions for appealing the following decisions are found in the  
409 following chapters of the King County Code:

- 410           1. Career service review, K.C.C. chapter 3.12A;
- 411           2. Appeals under K.C.C. Title 6, except for for-hire transportation, K.C.C.  
412 chapter 6.64, shall follow this chapter;
- 413           3. Discrimination and equal employment opportunity in employment by  
414 contractors, subcontractors and vendors, K.C.C. chapter 12.16;
- 415           4. Unfair housing practices, K.C.C. chapter 12.20;
- 416           5. Denial of C-PACER applications, K.C.C. chapter 18.xx (the new chapter  
417 created under section 1 of this ordinance);
- 418           6. Regional motor sports facility, K.C.C. 21A.55.105;
- 419           ~~((6-))~~ 7. Abandoned, wrecked, dismantled or inoperative vehicles, K.C.C.  
420 chapter 23.10;

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- 421            ~~((7-))~~ 8. Citations, K.C.C. chapter 23.20;
- 422            ~~((8-))~~ 9. Penalty appeals, K.C.C. chapter 23.32;
- 423            ~~((9-))~~ 10. Transit Rider suspension appeals, K.C.C. 28.96.430; ~~((and))~~
- 424            ~~((10-))~~ 11. Other appeals that are prescribed by ordinance.

Ordinance 19360 was introduced on 8/17/2021 and passed as amended by the Metropolitan King County Council on 11/16/2021, by the following vote:

Yes: 8 - Ms. Balducci, Mr. Dembowski, Ms. Kohl-Welles, Ms. Lambert, Mr. McDermott, Mr. Upthegrove, Mr. von Reichbauer and Mr. Zahilay  
Excused: 1 - Mr. Dunn

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

DocuSigned by:  
Claudia Balducci  
7E1C273CE9994B6...  
Claudia Balducci, Chair

ATTEST:

DocuSigned by:  
Melani Pedroza  
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Melani Pedroza, Clerk of the Council

APPROVED this \_\_\_\_\_ day of 11/30/2021, \_\_\_\_\_.

DocuSigned by:  
Dow Constantine  
4FBCAB8196AE4C6...  
Dow Constantine, County Executive

**Attachments:** A. Commercial Property Assessed Clean Energy + Resilience (C-PACER) Program dated November 2021



**Commercial Property Assessed Clean Energy +  
Resilience (C-PACER) Program Guidebook**  
King County, Washington  
November 2021

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# Introduction

## KING COUNTY STRATEGIC CLIMATE ACTION PLAN

Building and facility energy use is the second largest source of greenhouse gas (“GHG”) emissions countywide, representing nearly half of all emissions. With the passage of the Clean Energy Transformation Act in 2019, the electricity sector is increasingly transitioning to carbon – free generation. However, continued investment in energy efficiency in the built environment and distributed generation are essential to reduce overall environmental impacts. King County’s [2020 Strategic Climate Action Plan](#) establishes countywide GHG emission reduction targets of 50% by 2030, and 80% by 2050. To reach these goals, sector specific goals are proposed to support overall reductions, including targets to reduce energy use 25% by 2030 and 45% by 2050, and the use of fossil fuels 20% by 2030 and 80% by 2050 in the built environment. The development of innovative financing programs, such as Commercial Property Assessed Clean Energy and Resiliency (C-PACER), supports the goals for reduction in the built environment and overall GHG reductions.

## ABOUT C - PACER

What is C-PACER? Short for Commercial Property Assessed Clean Energy and Resiliency, 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 King 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 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

King 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. King 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.**

## KING COUNTY C - PACER PROGRAM GUIDEBOOK

This Guidebook will help commercial and multi-family property owners understand the provisions of King County's C-PACER program and navigate the process to secure financing.

In this document a reader can find information about:

- Statutory and programmatic eligibility requirements for C-PACER properties and projects in King County
- Process for applying for C-PACER project approval



## C-PACER Key Parties

### Property Owner

An owner of a qualifying eligible property. This is the owner listed on the building's title (may be an individual person, business, corporation, or nonprofit).



### Program Administrator

King County or a third-party program administrator that accepts the property owner's application and ensures that all steps of the loan/lien process are completed.



### King County

King County records the lien on the property.



### Capital Provider (Lender)

A registered C-PACER capital provider. This can be a corporation, bank or credit union, or another private entity.



### Existing Lien Holder

The lender that holds the building's existing mortgage or other loans. All existing lien holders on a building must approve the property owner's C-PACER application.



### Contractor

Licensed and bonded contracting business(es) that will complete the qualified C-PACER improvements to the building.



### Project Certifier

A licensed professional engineer or other qualified individual or firm that certifies that the improvements are qualified for C-PACER financing.



# C-PACER Program Steps



# King 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 King 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 XXXnumber for this program (the “C-PACER Ordinance”) effective on [REDACTED]. Capitalized terms used herein, but not defined herein, have the meaning given to such terms in the C-PACER Ordinance.

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:

- Statutory and programmatic eligibility requirements for C-PACER project financing in Washington State, and
- The appropriate steps and forms for application to King 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 King 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 Director of Climate and Energy Initiatives, , is responsible for the Program’s administration; but in accordance with the C-PACER Act, the Director 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:

- Accept Project Applications from Property Owners and Capital Providers for prospective C-

PACER projects.

- 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, 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.

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 cooking through the use of technologies, products, or activities that address safe drinking water (“Water Conservation Improvement”); and

- 6. A resilience improvement, which mean 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:

- 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.
- 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.
- 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 Capital Provider may be any of the following:

- 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;
- A federal or state-chartered bank, Community Development Financial Institution, or credit union; or

- 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:

- Materials and labor necessary for installation or modification of a Qualified Improvement;
- Permit fees;
- Inspection fees;
- Financing or origination fees;
- Program application and administrative fees;
- Project development, architectural and engineering fees;
- Third-party review fees, including verification review fees;
- Capitalized interest;
- Interest reserves;
- Escrow for prepaid property taxes and insurance;
- 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.
- 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 King 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 King 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 making 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:

- Project Application Checklist (Attachment 1)
- Lienholder(s) Consent (Attachment 2)
- 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:
- (A) Relating to energy or water efficiency, certification by a licensed professional engineer stating that each proposed Qualified Improvement will enable the subject property to exceed the energy efficiency, water efficiency, or renewable energy code requirements in the jurisdiction the property is located If the building as whole performs above code, 20% of the Total Eligible Construction Costs qualify for C-PACER financing.
  - (B) Relating to electrification. For those substantial retrofits which result in the removal of all fossil fuels for building operations, 30 % of the Total Eligible Construction Costs qualify for C-PACER financing.
  - (C) Relating to resiliency, certification by a licensed Professional Engineer that the proposed Qualified Improvements will enable the subject property to exceed the resiliency requirements of the applicable code for that type of improvement in the jurisdiction the property is located, or result in reduced 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. If the building as a whole performs above applicable codes relating to resiliency, 10% of the Total Eligible Construction Costs qualify for C-PACER financing.
  - (D) For buildings where both efficiency and resiliency measures are present in a building that performs above code for both, 30% of the Total Eligible Construction Costs qualify for C-PACER financing.
  - (E) "Total Eligible Construction Costs" or "TECC" means all direct and indirect costs of materials, labor, and soft costs related to the design, installation, and construction of the new structure and substantial building retrofits. TECC may include but are not limited to a) permit fees; b) inspection fees; c) lenders fees d) program application and administrative fees; e) project development and engineering fees; f) third party review fees, including verification review fees; g) capitalized interest; h) interest reserves; i) escrow for prepaid property taxes and insurance and j) 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. Costs that are excluded from TECC include the costs of land acquisition, off-site improvements, site permitting, environmental testing and remediation, and equipment not permanently installed on the property.
- (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.

- Assessment Agreement (Attachment 5)
- Notice of Assessment Interest and C-PACER Lien (Attachment 6)
- 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. King 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

King County, as compensation for time and costs incurred in the establishment of the C-PACER Program, including the C-PACER Ordinance, this Guidebook, the draft documents, as well as for reviewing a Project Application for completeness and executing the Assessment Agreement, C-PACER Lien, and Assignment, is entitled to a fee equal to 1% of the amount financed by the Property Owner capped at a total of no more than \$15,000. The Property Owner must pay this 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 King 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 will be made available to the public on the King County C-PACER website. *Kingcounty.gov/PACE* King 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. King County encourages other stakeholders to develop and share materials to promote the education about and use of the King County C-PACER program to serve the public benefit of health and safety.

## 15. COUNTY HAS NO LIABILITY OR FINANCIAL RESPONSIBILITY

Neither King 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 KING COUNTY'S AUTHORITY

King County may not enforce any privately financed debt under this Program. Neither the State of Washington nor King 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 King County, nor shall King 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

<b>Information Type</b>	<b>Applicant-Provided Information</b> <i>Completed by Applicant</i>	<b>Accepted Documentation</b> <i>Provided by Applicant</i>	<b>Verified / Notes</b> <i>Completed by King County or Third-Party Program Administrator</i>
<b>PROPERTY ADDRESS</b>	Click or tap here to enter text.	<b>DEED or TITLE INSURANCE REPORT or ASSESSOR / TREASURER OFFICIAL RECORD</b>  <i>The address must be within King County.</i>	
<b>PROPERTY OWNER</b>	<b>Legal name(s) of Owner(s) (LIST ALL):</b> Click or tap here to enter text. <b>Name of contact person:</b> Click or tap here to enter text. <b>Phone number:</b> Click or tap here to enter text. <b>Email address:</b> Click or tap here to enter text.	<b>DEED TITLE INSURANCE REPORT</b> 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>	
<b>QUALIFYING PROPERTY</b>	<b>Is this property:</b> <input type="checkbox"/> Commercial <input type="checkbox"/> Agricultural <input type="checkbox"/> Industrial <input type="checkbox"/> Multi-family of 5+ units	<b>ASSESSOR / TREASURER OFFICIAL RECORDS APPRAISAL ZONING REPORT GROUND LEASE (if applicable)</b>	

<p><b>QUALIFYING OWNER</b></p>	<p><b>Is property owned by a:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Limited liability company</li> <li><input type="checkbox"/> General or limited partnership</li> <li><input type="checkbox"/> Corporation</li> <li><input type="checkbox"/> Individual/Sole proprietorship</li> <li><input type="checkbox"/> Trust</li> </ul>	<p><b>If property is held by a limited liability company, general or limited partnership or a corporation,</b> 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.</p> <p><b>If a trust,</b> a copy of the trust agreement or a trustees' certificate.</p> <p><b>If an individual,</b> a copy of a valid driver's license.</p> <p><b>If the application is to be signed by a party other than the applicant,</b> then, in addition to the foregoing, a power of attorney or corporate resolution authorizing said party.</p>	
<p><b>CAPITAL PROVIDER</b></p>	<p><b>Legal Name:</b> Click or tap here to enter text.</p> <p><b>Name of contact person:</b> Click or tap here to enter text.</p> <p><b>Phone number:</b> Click or tap here to enter text.</p> <p><b>Email address:</b> Click or tap here to enter text.</p> <p><b>Evidence of qualifications:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Registered capital provider in 2 or more states</li> <li><input type="checkbox"/> Federal or state-chartered bank, Community Development</li> </ul>	<p><b>1. If a federal or state-chartered bank, Community Development Financial Institution, or credit union,</b> the certificate of organization or similar document.</p> <p><b>2. If not an entity in #1,</b> evidence of registration as a C-PACE capital provider in two or more states.</p> <p><b>3. If a private company, whose principal place of business is located in the state of Washington, wishes to be a capital provider,</b> 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 permits necessary to conduct its business in the State of Washington, and one of the following:</p>	

	<p>Financial Institution or credit union  <input type="checkbox"/> I am a Washington-based capital provider and submitting additional information, attached.</p>	<p>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></p>	
<p><b>QUALIFYING IMPROVEMENT CERTIFICATION</b>                  (Existing Building)</p>	<p><b>The improvements sought are, per the definitions in the Program Guide:</b>                  (check all that apply):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Energy efficiency improvement</li> <li><input type="checkbox"/> Electrification improvement</li> <li><input type="checkbox"/> Transportation electrification improvement</li> <li><input type="checkbox"/> Renewable energy improvement</li> <li><input type="checkbox"/> Water conservation improvement</li> <li><input type="checkbox"/> Resiliency improvement</li> <li><input type="checkbox"/> Other, please describe:                      Click or tap here to enter text.</li> </ul>	<p><b>Attach description of improvements and certifications for improvements sought,</b> including documentation of the appropriate license/qualifications required by the Guidebook.</p>	
<p><b>QUALIFYING IMPROVEMENT CERTIFICATION</b>                  (New Construction)</p>	<p><b>The improvements sought are, per the definitions in the Program Guide:</b>                  (check all that apply):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Energy efficiency improvement</li> </ul>	<p><b>Attach description of improvements and certifications for improvements sought,</b> including documentation of the appropriate license/qualifications required by the Guidebook.</p>	



	<input type="checkbox"/> Electrification Improvement <input type="checkbox"/> Transportation electrification improvement <input type="checkbox"/> Renewable energy improvement <input type="checkbox"/> Water conservation improvement <input type="checkbox"/> Resiliency improvement <input type="checkbox"/> Other, please describe: Click or tap here to enter text.  <b>The improvements sought are for:</b> <input type="checkbox"/> Substantial building retrofit <input type="checkbox"/> New construction		
<b>LIENHOLDER CONSENT</b>	<b>Consent(s):</b> <input type="checkbox"/> Attached <input type="checkbox"/> Delivered at close	<b>Applicant should submit the Lienholder Consent Form</b> (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 King 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 King 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 King 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 [REDACTED] ("Capital Provider"), the capital provider that will supply the C-PACER financing for the project located at [REDACTED]:

- 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 King 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 [King], 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 King 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. King 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 King 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.

(b) 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 King 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 [King], State of Washington**

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

Its: \_\_\_\_\_

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

**PROPERTY OWNER:**

[ \_\_\_\_\_ ]

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

Its: \_\_\_\_\_

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

**Capital Provider:**

[ \_\_\_\_\_ ]

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

Its: \_\_\_\_\_

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

STATE OF WASHINGTON

COUNTY OF KING

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 KING

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 KING

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								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								

**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) KING 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 KING County

(GRANTEE) KING 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	KING 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 KING, State of Washington**

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

Its: \_\_\_\_\_

**GRANTOR:**

**[PROPERTY OWNER]**

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

Its: \_\_\_\_\_

STATE OF WASHINGTON

ss:

COUNTY OF KING

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 KING

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**

---

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## 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 [KING 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 King 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 King 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”

KING COUNTY, WASHINGTON

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

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

Title: \_\_\_\_\_

STATE OF WASHINGTON

COUNTY OF KING

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 KING

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. King 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 King 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 King 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 King 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]

**Certificate Of Completion**

Envelope Id: 07A378DDE9AB4EAE9ABF59946A5850B9	Status: Completed
Subject: Please DocuSign: Ordinance 19360.docx, Ordinance 19360 Attachment A.docx	
Source Envelope:	
Document Pages: 20	Signatures: 3
Supplemental Document Pages: 64	Initials: 0
Certificate Pages: 5	Envelope Originator:
AutoNav: Enabled	Cherie Camp
Envelopeld Stamping: Enabled	401 5th Ave
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	Suite 100
	Seattle, WA 98104
	Cherie.Camp@kingcounty.gov
	IP Address: 198.49.222.20

**Record Tracking**

Status: Original	Holder: Cherie Camp	Location: DocuSign
11/19/2021 9:40:16 AM	Cherie.Camp@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: King County General (ITD)	Location: DocuSign

**Signer Events**

Claudia Balducci  
 claudia.balducci@kingcounty.gov  
 King County General (ITD)  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 7E1C273CE9994B6...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 198.49.222.20

**Timestamp**

Sent: 11/19/2021 9:43:00 AM  
 Resent: 11/23/2021 11:07:52 AM  
 Viewed: 11/23/2021 11:37:18 AM  
 Signed: 11/23/2021 11:37:34 AM

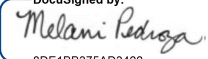
**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign  
 Supplemental Documents:

Ordinance 19360 Attachment A.docx

Viewed: 11/23/2021 11:37:23 AM  
 Read: Not Required  
 Accepted: Not Required

Melani Pedroza  
 melani.pedroza@kingcounty.gov  
 Clerk of the Council  
 King County Council  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 8DE1BB375AD3422...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 198.49.222.20

Sent: 11/23/2021 11:37:37 AM  
 Viewed: 11/23/2021 11:47:13 AM  
 Signed: 11/23/2021 11:47:30 AM

**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign  
 Supplemental Documents:

Ordinance 19360 Attachment A.docx

Viewed: 11/23/2021 11:47:19 AM  
 Read: Not Required  
 Accepted: Not Required

Dow Constantine  
 Dow.Constantine@kingcounty.gov  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 4FBCAB8196AE4C6...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 174.61.167.141

Sent: 11/23/2021 11:47:34 AM  
 Viewed: 11/30/2021 10:56:27 AM  
 Signed: 11/30/2021 10:56:52 AM

**Electronic Record and Signature Disclosure:**

Accepted: 11/30/2021 10:56:27 AM  
 ID: 77330d5d-9f7a-4a3d-98bb-7bef4ce22a53  
 Supplemental Documents:

Ordinance 19360 Attachment A.docx

Viewed: 11/30/2021 10:56:40 AM  
 Read: Not Required

Signer Events	Signature	Timestamp
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Accepted: Not Required

In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
------------------------------	--------	-----------

Certified Delivery Events	Status	Timestamp
---------------------------	--------	-----------

Carbon Copy Events	Status	Timestamp
--------------------	--------	-----------

Kaitlyn Wiggins

kwwiggins@kingcounty.gov

Security Level: Email, Account Authentication  
(None)

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Sent: 11/23/2021 11:47:34 AM

Viewed: 11/23/2021 12:43:36 PM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent

Hashed/Encrypted

11/19/2021 9:43:00 AM

Certified Delivered

Security Checked

11/30/2021 10:56:27 AM

Signing Complete

Security Checked

11/30/2021 10:56:52 AM

Completed

Security Checked

11/30/2021 10:56:52 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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Screen Resolution:	800 x 600 minimum



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