



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 19671

Proposed No. 2023-0185.2

Sponsors Dembowski and Upthegrove

1 AN ORDINANCE related to the establishment and
 2 administration of the forest carbon program; amending
 3 Ordinance 17022, Section 2, and K.C.C. 4.56.250 and
 4 Ordinance 17527 Section 150, as amended, and K.C.C.
 5 4A.200.155 and adding a new chapter to K.C.C. Title 18.

6 **STATEMENT OF FACTS:**

7 1. For decades, King County has demonstrated leadership in protecting
 8 open space. The long legacy of open space conservation has made King
 9 County one of the most livable areas in the country and a sought-after
 10 place to live, work and do business.

11 2. An advisory group of regional leaders helped shape the Land
 12 Conservation Initiative, providing a final report in December 2017. The
 13 report notes that, "Open spaces, such as those being protected by this
 14 Initiative, provide a wide range of ecosystem services to our communities
 15 and economy, ranging from purifying our water, to sequestering carbon, to
 16 mitigating floods, and many more." It also recommends, "[p]roceeding
 17 with a sense of urgency, as development pressures continue to grow."

18 3. The advisory group recommended the county, "should allocate the
 19 necessary resources as quickly as possible to complete assessments of
 20 viability for private funding streams based on carbon credits (both rural

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21 and urban)" and "[p]resuming no adverse findings in the completion of
22 these assessments, the County should move forward with urgency in
23 creating the necessary policies and programs."

24 4. In May 2019, the executive launched a pilot forest carbon program. As
25 part of that program, the department of natural resources and parks
26 developed and has been refining a carbon credit program, which involves
27 voluntary payments to King County for carbon credits generated by
28 preserving forests so they can continue to store carbon.

29 5. King County has long been a leader in climate action. The county, as
30 the steward of the thousands of acres of open space in King County, holds
31 itself to a high standard of protecting the natural environment. That
32 standard extends to the forest carbon program. Selling or transferring
33 carbon credits to entities known for causing significant, chronic, and
34 continuing climate damage, such as the fossil fuel industry, would be
35 counter to the purpose of the program and harm the county's standing as a
36 leader in addressing climate change. Therefore, restrictions or conditions
37 related to what entities carbon credits may be sold or transferred are
38 necessary to prevent entities whose products have historically substantially
39 contributed to climate change from using the program.

40 6. Western Washington is home to forests that are highly productive, with
41 large quantities of carbon stored in their biomass, making conservation of
42 forests in this region particularly valuable. The forest carbon program was
43 developed to contribute to accelerated protection of high-conservation-

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44 value forestland. Revenue generated through the sale of carbon credits
45 supports acquisition and management of lands that are among the most
46 critical conservation priorities in the region. Their protection stores
47 carbon and provides benefits for water quality and quantity, fish and
48 wildlife habitat, human health, and recreation.

49 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

50 SECTION 1. Sections 2 through 4 of this ordinance should constitute a new
51 chapter in K.C.C. Title 18.

52 NEW SECTION. SECTION 2. The definitions in this section apply throughout
53 this chapter unless the context clearly requires otherwise.

54 A. "Additional" means a carbon project creates greenhouse gas reductions or
55 removals over and above those that would have arisen in the absence of a given activity
56 and does not result from actions required by law or regulation.

57 B. "Carbon credit" means the reduction, avoidance, or sequestration of one metric
58 ton of carbon dioxide equivalent.

59 C.1. "Carbon project" means a set of actions, measures, and outcomes specified
60 in the applied protocol or methodology that results in additional greenhouse gas
61 reductions or removals. Carbon projects are limited to the following:

62 a. Projects in the forestry sector, such as avoided forest conversion, improved
63 forest management, afforestation, or reforestation;

64 b. Projects in the agricultural sector, such as avoided grassland conversion or
65 improved agricultural land management;

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66 c. Other projects that reduce or remove greenhouse gas emissions using
67 elements of the natural environment, such as the preservation, enhancement, or improved
68 management of wetlands, grasslands, or other terrestrial or aquatic ecosystems.

69 2. "Carbon project" does not include projects that reduce or remove greenhouse
70 gas emissions associated with waste management processes, through artificial carbon
71 capture and storage technologies, or through shifts to renewable energy or different fuel
72 sources.

73 D. "Forest carbon program" means the program administered within the water
74 and land resources division of the department of natural resources and parks that manages
75 the processes by which carbon credits are created, verified, held, and sold or transferred.

76 E. "Protocol or methodology" means a specific set of criteria and procedures used
77 to create a specific type of carbon project, quantify greenhouse gas emission reductions
78 or removals, and monitor the project.

79 F. "Retirement" or "retire" means the permanent removal of an issued carbon
80 credit from circulation. Once a carbon credit is retired, it can no longer be sold or
81 transferred.

82 G. "Verified carbon credits" are those carbon credits that have undergone an
83 independent third-party assessment of greenhouse gas emission reductions or removals
84 that have occurred as a result of the carbon project.

85 NEW SECTION. SECTION 3.

86 A. The forest carbon program shall create verified carbon credits through
87 development of one or more carbon projects. Each carbon project shall follow the

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88 selected carbon crediting program or greenhouse gas registry's established protocol or
89 methodology.

90 B. The department of natural resources and parks shall establish and maintain a
91 system for tracking carbon credits that clearly shows the quantity and date of carbon
92 credits issued to a carbon project and any sale, transfer, or retirement of carbon credits,
93 including the name and contact information of the recipient or recipients of the carbon
94 credits.

95 C.1. At the start of each verification of carbon credits, and before the sale or
96 transfer of carbon credits from the carbon project, the executive shall transmit to the
97 council a forest carbon credit approval report and a proposed motion approving the
98 report. The report shall provide details on the carbon project, including but not limited
99 to:

- 100 a. its location;
 - 101 b. the type of project as described in section 2.C.1. of this ordinance;
 - 102 c. the protocol or methodology used to verify the carbon credits; and
 - 103 d. the number of verified credits created.
- 104 2. The report may include information on multiple carbon projects.
- 105 3. The executive shall electronically file the report and the proposed motion
106 required by this section with the clerk of the council. The clerk shall retain an electronic
107 copy and provide an electronic copy to all councilmembers, the council chief of staff, and
108 the lead staff for the transportation, economy and environment committee or its
109 successor.

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110 4. Carbon credits from projects described in the report shall not be sold or
111 transferred until a motion accepting a report is passed.

112 D. The department of natural resources and parks, subject to the requirements of
113 this chapter and K.C.C. 4.56.250, may sell or otherwise transfer carbon credits to any
114 public or private party through the forest carbon program. Sales or transfers may be done
115 directly with the buyer or recipient, or may occur through an intermediary, such as a
116 broker or retailer.

117 E. Any credits that are sold or transferred externally shall not be used to meet the
118 county's operational targets or commitments.

119 F. The department of natural resources and parks shall establish prices for carbon
120 credits. Factors used to set the price may include, but shall not be limited to:

- 121 1. Local, state, national, or international carbon credit prices;
- 122 2. Demand for carbon credits;
- 123 3. The cost to create the carbon credits; and
- 124 4. Willingness to pay among potential buyers of the carbon credits.

125 G. The executive shall transmit by December 31, 2025, and every two years
126 thereafter, a forest carbon credit sales summary report. The report shall provide
127 information on carbon credits sold or transferred in the previous two years, including but
128 not limited to:

- 129 1. The total revenue gained from carbon credit sales in the two-year period;
 - 130 2. For each carbon project, the number of carbon credits sold or transferred, as
131 well as the number of unsold carbon credits remaining;
 - 132 3. Information on each carbon credit sale or transfer, including:
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- 133 a. all of the project-specific information listed in subsection C.1 of this
134 section;
- 135 b. the purchaser;
- 136 c. the purchase price per carbon credit;
- 137 d. the documentation of the factors used by the department of natural resources
138 and parks to establish the sale price;
- 139 e. the number of credits sold; and
- 140 f. whether the sale or transfer agreement was subject to council approval, or
141 was executed under one of the exceptions in section 4 of this ordinance;
- 142 4. A breakdown of the percentage of carbon credit revenues that have been used
143 in each of the three authorized expenditure categories in K.C.C. 4A.200.455.E.4.; and
- 144 5. If known, the specific projects or programs that carbon credit revenues have
145 funded.
- 146 NEW SECTION. SECTION 4. After the council has passed a motion approving
147 a forest carbon credit approval report in accordance with section 3.C of this ordinance,
148 council authorization of individual sales or transfers of carbon credits included on an
149 approved carbon credit approval report is not required if:
- 150 A. The sale or transfer is executed using an agreement approved by the council;
151 or
- 152 B. The sale or transfer is executed using an agreement provided by an
153 intermediary or a buyer and meets the following minimum requirements:

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154 1. The sale price of the carbon credits reflects fair market value, as established
155 and documented by department of natural resources and parks at the time of sale and
156 using the pricing factors in section 3.F. of this ordinance;

157 2. The agreement requires that the department of natural resources and parks has
158 final approval of the specific entity to which carbon credits are being sold or transferred;
159 and

160 3. In advance of execution, the agreement has been approved as to form by the
161 prosecuting attorney's office.

162 SECTION 5. Ordinance 17022, Section 2, and K.C.C. 4.56.250 are each hereby
163 amended as follows:

164 ~~((Sales of rights, title or interests in emissions credits, offsets or allowances or
165 renewable energy certificates, credits, benefits, environmental air quality credits and any
166 similar rights, title or interests held by the county are exempt from the real and personal
167 property requirements of this chapter when unique circumstances are present. Such sales
168 may be made in the best interests of the public to a person or entity through a direct
169 agreement negotiated by the county executive and approved by the county council.))~~

170 A. The provisions of this chapter related to sale of real or personal property are
171 waived for sales or transfers of ownership, rights, title, or interests held by the county in
172 assets consisting of:

173 1. Carbon credits under K.C.C. 18.xx (the new chapter created by section 1 of
174 this ordinance);

175 2. Other emissions credits, offsets, or allowances;

176 3. Renewable energy certificates, credits, or benefits;

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177 4. Environmental air quality credits; or

178 5. Any similar rights, title, or interests.

179 B. Sales or transfers of any such asset under subsection A of this section must be
180 in the best interests of the public and must be authorized by the council, except as
181 provided in section 4 of this ordinance.

182 SECTION 6. Ordinance 17527, Section 150, as amended, and K.C.C.

183 4A.200.455 are each hereby amended as follows:

184 A. There is hereby created a natural resources mitigation fund.

185 B. The fund is a first tier fund. The fund is a capital projects fund.

186 C. The director of natural resources and parks shall be the manager of the fund.

187 D. Moneys received from the following sources for capital projects to be

188 administered by the water and land resources division shall be deposited in the fund:

189 1. Moneys received as mitigation payments through King County's in-lieu fee
190 mitigation program;

191 2. Moneys received as a result of a directive from local, state, or federal
192 regulatory agencies or resource management entities for the purpose of implementing
193 acquisitions or other capital projects that will enhance or improve the environment to
194 offset environmental impacts as directed by the local, state, or federal regulatory agencies
195 or resource management entities;

196 3. Moneys received as an offset or mitigation payment through a voluntary
197 program intended to create natural resources or environmental benefits; ~~((and))~~

198 4. Moneys received as an offset or mitigation payment through a voluntary
199 program intended to protect natural resources or provide environmental benefits; ~~((and))~~

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200 5. Moneys received from the sale or transfer of carbon credits under K.C.C.
201 18.xx (the new chapter created by section 1 of this ordinance); and

202 6. Moneys received from the entry of consent decrees, court orders, court-
203 approved settlement agreements, and decisions or orders arising out of administrative
204 proceedings.

205 E. Moneys in the fund are to be held and disbursed as follows:

206 1. Moneys collected as mitigation payments through King County's in-lieu fee
207 program shall be used for acquisitions or other capital projects in King County's in-lieu
208 fee program;

209 2. Moneys received as a result of a directive from local, state, or federal
210 regulatory agencies or resource management entities under subsection D.2. of this
211 section(~~(, must)~~)shall be used for acquisitions or other capital projects that will enhance
212 or improve the environment to offset impacts to the environment in accordance with the
213 terms of any directive to pay the moneys into the fund;

214 3. Moneys received under a voluntary program under subsection D.3. and 4. of
215 this section shall be used for acquisitions or other capital projects to enhance or improve
216 the environment to offset impacts to the environment in accordance with the requirements
217 of the voluntary program as agreed to by the county; (~~and~~)

218 4. Moneys received from the sale or transfer of carbon credits under subsection
219 D.5. of this section shall be used for any or all of the following, in proportions
220 determined by the department of natural resources and parks:

221 a. acquisitions and management of real property to enhance or improve the
222 environment;

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223 b. administration of the forest carbon program; or
224 c. activities to increase ecosystem resilience to disturbances such as future
225 climate conditions; and

226 5. Moneys received from the entry of consent decrees, court orders, court-
227 approved settlement agreements, and decisions or orders arising out of administrative
228 proceedings under subsection D.~~((5-))~~6. of this section shall be used in a manner
229 consistent with the terms of the originating source."

230 SECTION 7. In an effort to improve operational efficiencies and reduce the need
231 for the council review and approval of each individual sale, the template agreement forms
232 attached to this ordinance as Attachments A and B to this ordinance are approved, and

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- 233 the executive is authorized to execute a sales agreement substantially in conformance
- 234 with either of the approved templates without further council authorization.

Ordinance 19671 was introduced on 5/16/2023 and passed by the Metropolitan King County Council on 10/3/2023, by the following vote:

Yes: 9 - Balducci, Dembowski, Dunn, Kohl-Welles, Perry, McDermott, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

DocuSigned by:


 E76CE01F07B14EF...
 Dave Upthegrove, Chair

ATTEST:

DocuSigned by:


 8DE1BB375AD3422...
 Melani Hay, Clerk of the Council

APPROVED this _____ day of 10/12/2023, _____.

DocuSigned by:


 4FBCAB8196AE4C6...
 Dow Constantine, County Executive

Attachments: A. VER Template, B. VCU Template

Highlighted text to be completed or confirmed with each use

VCU Template

PURCHASE AGREEMENT

This Purchase Agreement (this “Agreement”) is effective as of _____, 2020, and entered into between King County, a political subdivision of the State of Washington (the “Seller”) and [XX], a Washington corporation, located at [xxx] (the “Buyer”). The Seller and Buyer also may be collectively referred to as the "Parties" and individually as "Party."

RECITALS

WHEREAS, King County is a political subdivision of the State of Washington and is a “qualified conservation organization,” as defined by the Internal Revenue Code.

WHEREAS, Verra is a non-profit, 501(c)(3) organization formed in 2007 that has developed forest carbon protocols and issues certified credits to entities whose forest projects are verified, by an independent third-party auditor (“Verifier”), to be in compliance with these protocols.

WHEREAS, King County’s Forest Carbon Program is using Verra’s Verified Carbon Standard (VCS) Improved Forest Management in Temperate and Boreal Forests (Logged to Protected Forest) Methodology (VM0012) [CHECK IF THIS IS STILL THE MOST CURRENT, APPLICABLE METHODOLOGY] version for creating and selling credits that avoid emissions from forest harvest and clearing, offering buyers an opportunity to invest in local forest carbon projects.

WHEREAS, the Seller is the Project Operator of a VCS forest carbon project (the “Project”), which produced Greenhouse (“GHG”) Reductions by means of preventing forest harvest and clearing (also referred to as “Improved Forest Management”) not otherwise required by law, regulation or government order; and

WHEREAS, the Seller wishes to sell and the Buyer wishes to purchase Verified Carbon Units or VCUs (equal to one metric ton of CO₂ equivalent (tCO_{2e}), as defined within VCS Methodology VM0012 v1.2, Improved Forest Management in Temperate and Boreal Forests (L+PF) [CHECK IF THIS IS STILL THE MOST CURRENT, APPLICABLE METHODOLOGY].

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE 1

PURCHASE AND SALE OF CONTRACT VCUs

Section 1.1 Purchase and Sale. The Buyer shall purchase, acquire and accept [xxx] VCUs covered by this Agreement (“Contract VCUs”) from the Seller, and the Seller shall sell, convey, assign and transfer the Contract VCUs to the Buyer.

Section 1.2 Payment of Purchase Price; Delivery. The purchase price for the Contract VCUs shall be [xx (\$xx)]. Within fifteen (15) Business Days of receiving payment, the Seller shall deliver the Contract VCUs to the Buyer by providing an immediately effective Transfer Notice to the

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VCU Template

GHG Registry (Verra; “Registry”) directing the Registry to deliver the Contract VCUs to the Buyer’s Registry Account.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Section 2.1 The Seller Representations and Warranties The Seller represents and warrants to the Buyer upon Delivery of Contract VCUs hereunder, that with respect to the Contract VCUs Delivered on such date:

- (a) the Seller has provided to the Verifier reliable and replicable data in connection with the preparation of the Verification Report;
- (b) such Contract VCUs are additional to and not created pursuant to any requirement or obligation under any law, regulation or any other applicable government requirement;
- (c) all GHG Reductions related to such Contract VCUs have resulted from specific and identifiable actions;
- (d) the Seller has full legal and equitable title to such Contract VCUs, free of any encumbrances and fully transferable without claims by third parties and has not sold, transferred, assigned, licensed, disposed of, granted or otherwise created any interest or encumbrance in such Contract VCUs other than as contemplated in this Agreement, and will not do so except in accordance with this Agreement; and
- (e) such Contract VCUs are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

Section 2.2 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that it has the full power and authority to execute and deliver under this Agreement.

ARTICLE 3 COSTS AND EXPENSES

With respect to each Contract VCU, the Seller shall be responsible for the payment of any fees, charges, levies, taxes and other costs and expenses relating to such Contract VCU prior to the date of Delivery, and the Seller shall additionally be responsible for the payment of the GHG Registry’s application fee and registry fee(s) regardless of the date upon which they are due. With respect to each Contract VCU, the Buyer shall be responsible for the payment of any fees, charges, levies, taxes and other costs and expenses relating to such Contract VCU arising on or after the date of Delivery, including any fees related to the transfer of the Contract VCUs to the Buyer’s Registry Account, but with the exception of the GHG Registry’s application fee and registry fee(s) regardless of the date upon which they are due.

Highlighted text to be completed or confirmed with each use

VCU Template

**ARTICLE 4
VENUE AND CHOICE OF LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without reference to its choice of law rules or conflicts of law provisions. The venue of any legal action brought under the terms of this Agreement shall be in King County Superior Court in Seattle, Washington.

**ARTICLE 5
MISCELLANEOUS**

Section 5.1 Compliance with Laws. Each Party will perform its obligations under the Agreement in a manner that complies with the applicable federal, state and local laws, regulations, and regulatory guidance.

Section 5.2 Independent Contractor. The Parties acknowledge and agree that Seller is an independent contractor. The Agreement will not create the relationship of employer and employee, a partnership, joint venture or other relationship between Buyer and Seller. Seller will have no authority to bind, obligate or commit Buyer by any promise or representation without the prior written approval of Buyer.

Section 5.3 Notices. All notices, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given on the next day if delivered personally to such Party, on the date three (3) Business Days after mailing if mailed by registered or certified mail, or on the next day if delivered by courier. All notices to a Party should be sent to the address for the Party set forth below, along with an electronic copy to the email address listed, which addresses may be changed by notice to the other Party pursuant to this Section 5.3:

If to Buyer:

If to Seller:

King County Department of Natural Resources & Parks
Water and Land Resources Division
Attn: Forest Carbon Program 201 S. Jackson Street,
Rm. 5600
Seattle, WA 98014
forestcarbon@kingcounty.gov

Section 5.4 Assignment. Neither Party may, without the prior written consent of the other Party, assign or transfer all or any part of this Agreement to any third-party. This Agreement shall be binding on all permitted assignees and successors in interest. Any assignment in contravention of this provision shall be null and void.

Highlighted text to be completed or confirmed with each use

VCU Template

Section 5.5 Counterparts and Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Agreement, the Parties agree that electronic signatures, including those delivered by PDF, shall have the same effect as originals. All Parties to this Agreement waive any and all rights to object to the enforceability of this Agreement based on the form or delivery of signature. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

Section 5.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof, and supersedes all previous communications, representations, or contracts, either written or oral, that purport to describe or embody the subject matter hereof. There are no oral understandings, terms, or conditions and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

Section 5.7 Severability. Any part of this Agreement that is or becomes invalid, illegal, or unenforceable may be severed from the remainder hereof, and to the extent possible, the Parties will use reasonable efforts to replace any such part with provisions that preserve their original intent.

Section 5.8 Waiver. No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

Section 5.9 Nondiscrimination. KCC chapters 12.16, 12.17 and 12.18 are incorporated herein by reference and the requirements in these code sections shall specifically apply to this Agreement. In its performance under this Agreement the Recipient shall not discriminate against any person on the basis of race, color, age, gender, marital status, sexual orientation, gender identity or expression, religion, ancestry, national origin, disability or use of a service or assistive animal by an individual with a disability, unless based upon a bona fide occupational qualification, and the Recipient shall not violate any of the terms of chapter 49.60 RCW, Title VII of the Civil Rights Act of 1964, or any other applicable federal, state, or local law or regulation regarding nondiscrimination in employment.

Section 5.10 Definitions. The following capitalized terms shall have the following meanings in this Agreement:

- (a) “Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Washington are authorized or required by law or other governmental action to close.
- (b) “Verification Report” means the report prepared by Verifier in accordance with Verifier’s standards based on information provided by Seller.

Highlighted text to be completed or confirmed with each use

VCU Template

(c) “Verifier” means [to be filled in]

BUYER	SELLER
	King County, through its Department of Natural Resources & Parks Water and Land Resources Division
By	By
Name:	Name:
Title:	Title: Division Director
Date:	Date:

VER TEMPLATE

Green highlighted text to be completed or confirmed with each use

VER Template

PURCHASE AGREEMENT

This Purchase Agreement (this “**Agreement**”) is effective as of the date of the last signature and is entered into between King County, a political subdivision of the State of Washington (the “**Seller**”) and [XX], a **Washington** corporation, located at [xxx] (the “**Buyer**”). The Seller and Buyer also may be collectively referred to as the "Parties" and individually as "Party."

RECITALS

WHEREAS, King County is a political subdivision of the State of Washington and is a “qualified conservation organization,” as defined by the Internal Revenue Code.

WHEREAS, City Forest Credits (“CFC”), is a non-profit, 501(c)(3) organization formed in 2015 that has developed urban forest carbon protocols and issues certified credits to entities whose urban forest projects are verified, by an independent third-party auditor (“Verifier”), to be in compliance with these protocols.

WHEREAS, King County’s Forest Carbon Program is using **CFC’s Tree Preservation Protocol [CHECK IF THIS IS STILL THE MOST CURRENT, APPLICABLE PROTOCOL]** for creating and selling credits to help preserve at-risk urban and near-urban tree canopy, offering buyers an opportunity to invest in local forest carbon projects.

WHEREAS, the Seller is the Project Operator of a City Forest Credits preservation project (the “Project”), which produced Greenhouse (“GHG”) Reductions by means of preventing conversion of forested land to non-forest uses (also referred to as “Avoided Conversion” or “Tree Preservation”) not otherwise required by law, regulation or government order; and

WHEREAS, the Seller wishes to sell and the Buyer wishes to purchase such Verified Emissions Reductions or VERs (a Verified GHG Reduction means one metric ton of CO₂ equivalent (tCO₂e), as contained within a City Forest Credits’ Carbon+ Credit as defined within City Forest Credits’ Tree Preservation Protocol, **Version 7.100, dated June 1, 2019 [CHECK IF THIS IS STILL THE MOST CURRENT, APPLICABLE PROTOCOL]**.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE 1

PURCHASE AND SALE OF CONTRACT VERs

Section 1.1 Purchase and Sale. The Buyer shall purchase, acquire and accept [xxx] VERs covered by this Agreement (“Contract VERs”) from the Seller, and the Seller shall sell, convey, assign and transfer the Contract VERs to the Buyer.

Section 1.2 Payment of Purchase Price; Delivery. The purchase price for the Contract VERs shall be [xx (\$xx)]. Within fifteen (15) Business Days of receiving payment, the Seller shall deliver the Contract VERs to the Buyer by providing an immediately effective Transfer Notice to the GHG Registry (CFC; "Registry") directing the Registry to deliver the Contract VERs to the Buyer’s Registry Account.

Green highlighted text to be completed or confirmed with each use

VER Template

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Section 2.1 The Seller Representations and Warranties. The Seller represents and warrants to the Buyer upon Delivery of Contract VERs hereunder, that with respect to the Contract VERs Delivered on such date:

- (a) the Seller has provided to the Verifier reliable and replicable data in connection with the preparation of the Verification Report;
- (b) such Contract VERs are additional to and not created pursuant to any requirement or obligation under any law, regulation or any other applicable government requirement;
- (c) all GHG Reductions related to such Contract VERs have resulted from specific and identifiable actions;
- (d) the Seller has full legal and equitable title to such Contract VERs, free of any encumbrances and fully transferable without claims by third parties and has not sold, transferred, assigned, licensed, disposed of, granted or otherwise created any interest or encumbrance in such Contract VERs other than as contemplated in this Agreement, and will not do so except in accordance with this Agreement; and
- (e) such Contract VERs are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

Section 2.2 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that it has the full power and authority to execute and deliver under this Agreement.

ARTICLE 3 COSTS AND EXPENSES

With respect to each Contract VER, the Seller shall be responsible for the payment of any fees, charges, levies, taxes and other costs and expenses relating to such Contract VER prior to the date of Delivery, and the Seller shall additionally be responsible for the payment of the GHG Registry (City Forest Credits)'s application fee and registry fee(s) regardless of the date upon which they are due. With respect to each Contract VER, the Buyer shall be responsible for the payment of any fees, charges, levies, taxes and other costs and expenses relating to such Contract VER arising on or after the date of Delivery, including any fees related to the transfer of the Contract VERs to the Buyer's Registry Account, but with the exception of the GHG Registry's application fee and registry fee(s) regardless of the date upon which they are due.

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VER Template

**ARTICLE 4
VENUE AND CHOICE OF LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without reference to its choice of law rules or conflicts of law provisions. The venue of any legal action brought under the terms of this Agreement shall be in King County Superior Court in Seattle, Washington.

**ARTICLE 5
MISCELLANEOUS**

Section 5.1 Compliance with Laws. Each Party will perform its obligations under the Agreement in a manner that complies with the applicable federal, state and local laws, regulations, and regulatory guidance.

Section 5.2 Independent Contractor. The Parties acknowledge and agree that Seller is an independent contractor. The Agreement will not create the relationship of employer and employee, a partnership, joint venture or other relationship between Buyer and Seller. Seller will have no authority to bind, obligate or commit Buyer by any promise or representation without the prior written approval of Buyer.

Section 5.3 Notices. All notices, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given on the next day if delivered personally to such Party, on the date three (3) Business Days after mailing if mailed by registered or certified mail, or on the next day if delivered by courier. All notices to a Party should be sent to the address for the Party set forth below, along with an electronic copy to the email address listed, which addresses may be changed by notice to the other Party pursuant to this Section 5.3:

If to Buyer:

If to Seller:

King County Department of Natural Resources & Parks
Water and Land Resources Division
Attn: Forest Carbon Program 201 S. Jackson Street,
Rm. 5600
Seattle, WA 98014
forestcarbon@kingcounty.gov

Section 5.4 Assignment. Neither Party may, without the prior written consent of the other Party, assign or transfer all or any part of this Agreement to any third-party. This Agreement shall

Green highlighted text to be completed or confirmed with each use

VER Template

be binding on all permitted assignees and successors in interest. Any assignment in contravention of this provision shall be null and void.

Section 5.5 Counterparts and Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Agreement, the Parties agree that electronic signatures, including those delivered by PDF, shall have the same effect as originals. All Parties to this Agreement waive any and all rights to object to the enforceability of this Agreement based on the form or delivery of signature. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

Section 5.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof, and supersedes all previous communications, representations, or contracts, either written or oral, that purport to describe or embody the subject matter hereof. There are no oral understandings, terms, or conditions and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

Section 5.7 Severability. Any part of this Agreement that is or becomes invalid, illegal, or unenforceable may be severed from the remainder hereof, and to the extent possible, the Parties will use reasonable efforts to replace any such part with provisions that preserve their original intent.

Section 5.8 Waiver. No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

Section 5.9 KCC chapters 12.16, 12.17 and 12.18 are incorporated herein by reference and the requirements in these code sections shall specifically apply to this Agreement. In its performance under this Agreement the Recipient shall not discriminate against any person on the basis of race, color, age, gender, marital status, sexual orientation, gender identity or expression, religion, ancestry, national origin, disability or use of a service or assistive animal by an individual with a disability, unless based upon a bona fide occupational qualification, and the Recipient shall not violate any of the terms of chapter 49.60 RCW, Title VII of the Civil Rights Act of 1964, or any other applicable federal, state, or local law or regulation regarding nondiscrimination in employment.

Section 5.10 Definitions. The following capitalized terms shall have the following meanings in this Agreement:

(a) “Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of Washington are authorized or required by law or other governmental action to close.

Green highlighted text to be completed or confirmed with each use

VER Template

(b) “Verification Report” means the report prepared by Verifier in accordance with Verifier’s standards based on information provided by Seller.

(c) “Verifier” means [to be filled in]

BUYER	SELLER
	King County, through its Department of Natural Resources & Parks Water and Land Resources Division
By	By
Name:	Name:
Title:	Title:
Date:	Date:

VER TEMPLATE

Certificate Of Completion

Envelope Id: 2FE4E5D36CB24A27A1B5A0B3E83B63B9	Status: Completed
Subject: Complete with DocuSign: Ordinance 19671.docx, Ordinance 19671 Attachment A.docx, Ordinance 1967...	
Source Envelope:	
Document Pages: 12	Signatures: 3
Supplemental Document Pages: 10	Initials: 0
Certificate Pages: 5	Envelope Originator:
AutoNav: Enabled	Cherie Camp
Enveloped Stamping: Enabled	401 5TH AVE
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	SEATTLE, WA 98104
	Cherie.Camp@kingcounty.gov
	IP Address: 198.49.222.20

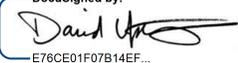
Record Tracking

Status: Original	Holder: Cherie Camp	Location: DocuSign
10/5/2023 11:24:29 AM	Cherie.Camp@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: King County-Council	Location: DocuSign

Signer Events

Dave Upthegrove
dave.upthegrove@kingcounty.gov
Chair
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

E76CE01F07B14EF...
Signature Adoption: Uploaded Signature Image
Using IP Address: 67.160.80.216

Timestamp

Sent: 10/5/2023 11:27:11 AM
Viewed: 10/5/2023 12:22:47 PM
Signed: 10/5/2023 12:23:02 PM

Electronic Record and Signature Disclosure:
Accepted: 10/5/2023 12:22:47 PM
ID: 79ae1527-e88d-4a97-90de-5e34dbbd53aa

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

DocuSigned by:

8DE1BB375AD3422...
Signature Adoption: Pre-selected Style
Using IP Address: 198.49.222.20

Sent: 10/5/2023 12:23:04 PM
Viewed: 10/5/2023 12:37:41 PM
Signed: 10/5/2023 12:37:59 PM

Electronic Record and Signature Disclosure:
Accepted: 9/30/2022 11:27:12 AM
ID: 639a6b47-a4ff-458a-8ae8-c9251b7d1a1f

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

DocuSigned by:

4FBCAB8196AE4C6...
Signature Adoption: Uploaded Signature Image
Using IP Address: 198.49.222.20

Sent: 10/5/2023 12:38:01 PM
Viewed: 10/12/2023 2:37:04 PM
Signed: 10/12/2023 2:37:15 PM

Electronic Record and Signature Disclosure:
Accepted: 10/12/2023 2:37:04 PM
ID: f660ea5e-89a0-4bd9-b178-ebb917cbfd9

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

Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Kaitlyn Wiggins kwiggins@kingcounty.gov Executive Legislative Coordinator King County Executive Office Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 10/5/2023 12:38:01 PM Viewed: 10/5/2023 1:14:56 PM
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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	10/5/2023 11:27:11 AM
Certified Delivered	Security Checked	10/12/2023 2:37:04 PM
Signing Complete	Security Checked	10/12/2023 2:37:15 PM
Completed	Security Checked	10/12/2023 2:37:15 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, King County-Department of 02 (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact King County-Department of 02:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: cipriano.dacanay@kingcounty.gov

To advise King County-Department of 02 of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at cipriano.dacanay@kingcounty.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from King County-Department of 02

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with King County-Department of 02

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify King County-Department of 02 as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by King County-Department of 02 during the course of your relationship with King County-Department of 02.