

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 22-475

APPROVING THE 2022 SNOHOMISH COUNTY COMMERCIAL PROPERTY
ASSESSED CLEAN ENERGY AND RESILIENCY (C- PACER) PROGRAM GUIDE

WHEREAS, in 2020 the Washington State Legislature passed HB 2405, which created the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program, codified in Chapter 36.165 Revised Code of Washington (RCW); and

WHEREAS, Chapter 36.165 RCW authorizes each county in Washington to establish a C-PACER program applicable to both incorporated and unincorporated areas of the county; and

WHEREAS, in 2021, the Snohomish County Council adopted Chapter 2.900 Snohomish County Code (SCC) – Commercial Property Assessed Clean Energy and Resiliency Program (C-PACER); and

WHEREAS, SCC 2.900.010 directs the County Executive to establish a C-PACER program and make it available to eligible properties within incorporated and unincorporated Snohomish County; and

WHEREAS, SCC 2.900.010 states that in accordance with RCW [36.165.030](#), the C-PACER program shall be established and begin accepting applications no later than one year after December 26, 2021, which was the effective date of the ordinance adopting Chapter 2.900 SCC; and

WHEREAS, SCC 2.900.020 states that the program shall be administered through the Department of Conservation and Natural Resources or through a third-party administrator, subject to County Council approval by Motion, and that the program administrator shall be responsible for ensuring the program complies with Chapter [36.165](#) RCW; and

WHEREAS, SCC 2.900.030 states that the program administrator shall develop a program guide consistent with the requirements of RCW [36.165.020](#), and that, prior to initial program implementation, the Executive shall submit the guidebook and all documents created in conjunction with the guidebook to the County Council by motion for approval; and

WHEREAS, the Department of Conservation and Natural Resources has prepared a 2022 Snohomish County C-PACER Program Guide in accordance with the requirements of RCW [36.165.020](#), including a stakeholder process, and SCC 2.900.030; and

WHEREAS, the County Council desires to authorize the Director of the Department of Conservation and Natural Resources to execute on behalf of the County all agreements and documents required under the C-PACER program as part of administration of the County's C-PACER program; and

WHEREAS, the County Council anticipates that, because this is a new program, the Department of Conservation and Natural Resources may need to further revise the Snohomish County C-PACER Program Guide to ensure compliance with the requirements of Chapter 36.165 RCW and Chapter 2.900 SCC;

NOW, THEREFORE, ON MOTION, the 2022 Snohomish County C-PACER Program Guide, with attachments, a copy of which is appended to this motion, is hereby adopted; and the County Council authorizes the Director of the Department of Conservation and Natural Resources to execute on behalf of the County all agreements and documents required under the C-PACER program as part of administration of the County's C-PACER program; and the County Council further authorizes the Department of Conservation and Natural Resources to make future revisions to the 2022 Snohomish County C-PACER Program Guide as needed to ensure compliance with the requirements of Chapter 36.165 RCW and Chapter 2.900 SCC, provided the Department of Conservation and Natural Resources shall report on any proposed revisions to the County Council prior to implementing the revisions.

PASSED this 23rd day of November, 2022.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

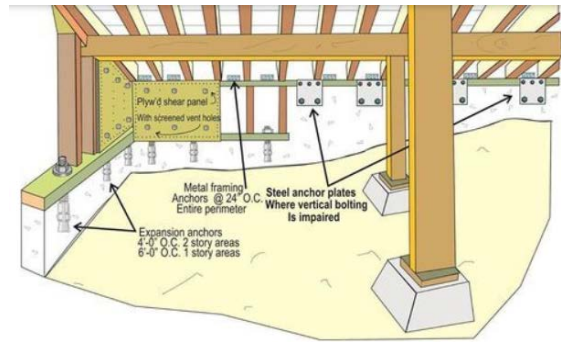


Council Chair

ATTEST:



Asst. Clerk of the Council



Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program Guidebook

Snohomish County, Washington

**Final
11-30-2022**

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

TABLE OF CONTENTS

1.	Introduction.....	4
1.1	The Washington State C-PACER Program.....	4
1.2	The Snohomish County C-PACER Program.....	4
1.3	The Snohomish County C-PACER Program Guide.....	5
2.	Definitions.....	6
3.	Geographic Boundaries.....	7
4.	Administration of Program.....	7
5.	Qualified Improvements, Qualified Projects, Qualifying Costs, and Eligible Property,.....	8
5.1	Qualified Improvements.....	8
5.2	Qualified Projects.....	9
5.3	Qualifying Costs.....	11
5.4	Eligible Property.....	11
6.	C-PACER Process.....	11
6.1	Documents Required for the C-PACER Process.....	11
6.2	Steps in the C-PACER Process.....	12
7.	Certification Responsibilities, Criteria and Required Credentials.....	14
7.1	Qualified Improvements on Existing Buildings.....	14
7.1.1	Energy Efficiency, Electrification, Electric Vehicle Charging Infrastructure, Renewable Energy, or Water Conservation.....	14
7.1.2	Resiliency Improvements.....	15
7.2	Qualified Improvements in New Construction.....	16
8.	Interest Rates.....	16
9.	Billing and Collection of Assessments.....	16
10.	Enforcement of C-Pacer Liens.....	16
11.	Fees.....	17
12.	Term of an Assessment, and Calculation of Useful Life of Qualified Improvements.....	17
13.	Written Consent From Lienholder(s) Required.....	17
14.	Provisions for Marketing and Participant Education.....	18
15.	County Liability or Financial Responsibility.....	18
16.	Limitations of Snohomish County Authority.....	18
	20
	Program Attachments.....	20
	ATTACHMENT 1: Project Application Checklist.....	21

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

ATTACHMENT 2: Lien or Other Obligation Holder Consent to C-PACER Assessment and Lien; Notice35

ATTACHMENT 3: Certification of Qualified Improvements40

ATTACHMENT 4: Certificate of Capital Provider Qualification43

ATTACHMENT 5: Assessment Agreement for C-PACER Financing.....46

ATTACHMENT 6: Notice of Assessment Interest and C-PACER Lien59

ATTACHMENT 7: Assignment of Notice of Assessment Interest and C-PACER Lien and Assessment Agreement.....65

ATTACHMENT 8: Certificate of C-PACER Improvements Completion.....70

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

1. Introduction

1.1 The Washington State C-PACER Program

In 2020 the Washington State Legislature passed HB 2405, which created the Commercial Property Assessed Clean Energy and Resiliency (C-PACER) Program, codified in [Chapter 36.165 Revised Code of Washington \(RCW\)](#). In 2022, the Washington State Legislature amended RCW 36.165.060, clarifying standards concerning C-PACER liens and foreclosure processes.

A C-PACER Program allows private owners of eligible commercial, industrial, agricultural properties and multifamily residential property to obtain long-term financing from private capital providers (i.e., bank, credit union, etc.) for qualifying improvements to the property. Such improvements include energy efficiency, renewable energy, water conservation, potable water lead reduction, and resiliency investments.

Chapter 36.165 RCW authorizes the state of Washington and its counties to establish C-PACER programs.

As with a traditional loan, a C-PACER loan is made by a capital provider to the owner of an eligible property, who uses the loan for new construction or improvements to an existing building in accordance with the requirements of the C-PACER Program. The property owner repays the loan to the capital provider over time. What is different is that C-PACER financing allows Snohomish County to record a senior lien on the improved property. The loan is repaid by the property owner to the capital provider as an assessment on the property. The lien remains with the property until the loan is repaid, regardless of changes in property ownership. Further, the C-PACER lien is a “senior lien” which takes precedence over all other liens except for tax liens and other government assessments, which remain superior to the C-PACER lien. 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 improvement. The period of the financing agreement must not exceed the useful life of the qualified project or weighted useful life if more than one qualified improvement is included. Enforcement of the C-PACER lien is the responsibility of the capital provider.

1.2 The Snohomish County C-PACER Program

The Snohomish County Council adopted [Chapter 2.900 Snohomish County Code \(SCC\) - Commercial Property Assessed Clean Energy and Resiliency Program \(C-PACER\)](#) by Ordinance No. 21-097, effective December 26, 2021.

The Snohomish County C-PACER Program complies with Chapter 36.165 RCW, and allows private owners of agricultural, commercial, industrial properties, and multifamily

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

residential properties with five or more dwelling units to obtain low-cost, long-term financing for qualified improvements. Qualified projects must be located wholly within the jurisdiction of Snohomish County. The types of improvements eligible for this funding align with the goals of:

- Reducing greenhouse gas emissions;
- Conservation of energy, water, and resources;
- Use of renewable energy technologies;
- Heating, ventilation, and air conditioning (HVAC) infrastructure electrification;
- Increased resilience for fires and natural disasters; and
- Addressing impacts of climate change.

Qualified improvements are described in Chapter 5.

The Snohomish County C-PACER program is administered by the Snohomish County Department of Conservation and Natural Resources (CNR) or through a third-party administrator, subject to County Council approval by motion. The CNR Director is responsible for ensuring the program complies with chapter 36.165 RCW and SCC2.900.

The responsibilities of the County are limited to:

- adoption of an ordinance and program documents that govern how the County's C-PACER Program works;
- review of the project application for compliance with C-PACER Program and signing and recording of certain C-PACER documents as described in this Program Guide; and
- administration of the Program, either by the County or a third-party contractor.

These responsibilities are described further in Chapter 4.

The repayment of the C-PACER financing is between a private lender and a property owner, when the lender's lien against the property is filed, with no obligation on the part of the County.

The County's Program exists as a function of Washington's C-PACER legislation and the rules 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.

1.3 The Snohomish County C-PACER Program Guide

The Snohomish County C-PACER Program Guide (Program Guide) was prepared as required by Chapter 36.165 RCW and in accordance with SCC 2.900.030. The Program Guide establishes guidelines, specifications, and processes, and contains standard application forms and other documents consistent with the administration of the Snohomish County C-PACER Program. In accordance with SCC 2.900.030, the Program Guide was approved by the Snohomish County Council by Motion No. **22-XXX**

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

on DATE.

2. Definitions

The following terms are defined for the purposes of the Snohomish County C-PACER Program. Additional terms are defined in the Program Guide.

“Assessment Agreement” means a voluntary agreement between Snohomish County and the Property Owner whereby the County agrees to place a lien on the property to secure the property owner’s obligation to repay the financing to the Capital Provider.

“Capital Provider” means any private entity or the entity’s designee, successor or assign that makes or funds financing under the C-PACER program.

“CNR Director” means the Director of the Snohomish County Conservation and Natural Resources, their designee, or a third-party administrator approved by the Snohomish County Council.

“Eligible Property” means privately-owned commercial, industrial, or agricultural real property or multifamily residential real property with five or more dwelling units. Eligible property may be owned by any type of business, corporation, individual, or nonprofit organization permitted by state law.

“Financing” means an investment from a Capital Provider to a Property Owner to finance or refinance a Qualified Project.

“Financing Agreement” means the contract under which a Property Owner agrees to repay a Capital Provider for the C-PACER financing including, but not limited to, details of any finance charges, fees, debt servicing, accrual of interest and penalties, and any terms relating to treatment of prepayment and partial payment of the C-PACER financing.

“Lien” means the lien recorded at the County on the Eligible Property to secure the financing debt owed to the Capital Provider, which remains on the property until paid in full.

“Project Application” means an application submitted to the County to demonstrate that a proposed project qualifies for financing and for a lien. The specific documents to be submitted are described in detail in Chapter 6.

“Property Owner” means the record owner of title to an Eligible Property.

“Qualified Improvements” are defined in Chapter 5 of this Program Guide.

“Qualifying Costs” are the following costs for a Qualified Project that can be C-PACER financed:

- Materials and labor necessary for installation or modification of a Qualified Improvement;
- Permit fees;
- Inspection fees;
- Lender’s fees;

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

- 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.

“Qualified Project” means a project approved by the CNR Director involving the installation or modification of a Qualified Improvement, including new construction or the adaptive reuse of Eligible Property with a Qualified Improvement, and which meets the further requirements set forth in Chapter 5 of this Program Guide.

"Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.

"Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

3. Geographic Boundaries

The Snohomish County C-PACER Program is available for all Eligible Properties within incorporated and unincorporated Snohomish County. Qualified Projects must be located wholly within the jurisdiction of Snohomish County.

4. Administration of Program

The CNR Director is responsible for administration of the Snohomish County C-PACER Program. Additional details are provided in subsequent chapters.

Consistent with SCC 2.900.110, the County, as part of its administration of the C-PACER Program, shall not:

- Enforce any privately financed debt;
- Use public funds to fund or repay any loan between a capital provider and property owner;
- Make the issuance of a permit, license, or other authorization from the County to a person who owns property in the County contingent on the person entering into a written contract to repay the financing of a qualified project under chapter 36.165 RCW; or
- Compel a person who owns property in the county to enter into a written contract to repay the financing of a qualified project under chapter 36.165 RCW.

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

The CNR Director, as part of their administration of the C-PACER program, will:

- Accept Project Application documents (Attachments 1-4 of this Program Guide) from applicants for prospective C-PACER projects. See Chapter 6 for more detail.
- Review the Project Application to determine conformance with the Application Checklist (Attachment 1).
- Approve or disapprove the Project Application and communicate the decision to the Property Owner.
- Signs the Closing Documents (Attachments 5 – 7 of this Program Guide). See Chapter 6 for more detail.
- Transmit the Closing Documents to the County Auditor for recording.
- Collect the Program Administration Fee.

5. Qualified Improvements, Qualified Projects, Qualifying Costs, and Eligible Property,

This chapter sets forth the details for Qualified Improvements, Qualified Projects, and Qualified Costs in the Snohomish County C-PACER Program, and the basis for determining whether a real property is an Eligible Property.

5.1 Qualified Improvements

RCW 36.165.010(11) defines a "Qualified improvement" as a permanent improvement affixed to real property and intended to: (a) Decrease energy consumption or demand through the use of efficiency technologies, products, or activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy, including but not limited to a product, device, or interacting group of products or devices on the customer's side of the meter that generates electricity, provides thermal energy, or regulates temperature; (b) decrease water consumption or demand and address safe drinking water through the use of efficiency technologies, products, or activities that reduce or support the reduction of water consumption, allow for the reduction in demand, or reduce or eliminate lead from water which may be used for drinking or cooking or (c) increase resilience, including but not limited to seismic retrofits, flood mitigation, stormwater management, wildfire and wind resistance, fire detection and suppression, energy storage, and microgrids.

A Qualified Improvement means a permanent improvement affixed to the real property that falls within at least one of the following categories, and is certified in accordance with the requirements set forth in Chapter 7:

- An Energy Efficiency Improvement, which decreases electricity consumption, electricity demand, or greenhouse gas emissions through the use of efficiency technologies, products, or activities that reduce or support the reduction of electricity consumption or demand. Energy Efficiency Improvements shall not

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

include the installation, maintenance, or repair of equipment that burns fossil fuels with the exception of Renewable Energy Improvements as defined below.

- An Electrification Improvement, which eliminates the combustion of fossil fuels by the use of electricity for space or water heating.
- Electric Vehicle Charging Infrastructure, which supports electrification of the transportation sector and the reduction of greenhouse gas emissions.
- A Renewable Energy Improvement, which supports the production of clean, renewable energy resource as defined in the [Clean Energy Transformation Act](#) (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.
- A Water Conservation Improvement, which decreases water consumption or demand or addresses safe drinking water through the use of efficiency technologies, products, or activities that reduce or support the reduction of water consumption, allow for the reduction in water demand, or reduce or eliminate lead from water which may be used for drinking or cooking
- A Resiliency Improvement, which increases building or community resiliency and thus reduces potential public risk or need for emergency response, including but not limited to seismic retrofits, flood mitigation, stormwater management, fire detection and suppression, wildfire and wind resistance, energy storage, and energy microgrids.

5.2 Qualified Projects

RCW 36.165.030(1) requires that, at a minimum, the Property Owner must demonstrate the proposed project meets the following criteria:

- the project provides a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk;
- for an existing building: (i) where energy or water usage improvements are proposed, certification by a licensed professional engineer, or other professional listed in the Program Guide, stating that the proposed qualified improvements will either result in more efficient use or conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water, or (ii) where resilience improvements are proposed, certification by a licensed professional engineer stating that the qualified improvements will result in improved resilience;
- for new construction, certification by a licensed professional engineer stating that the proposed qualified improvements will enable the project to exceed the energy efficiency or water efficiency or renewable energy or renewable water or resilience requirements of the current building code.

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

Qualified Project means a project approved by the CNR Director involving the installation or modification of a Qualified Improvement, including new construction or the adaptive reuse of Eligible Property with a Qualified Improvement. Qualified Projects include the following:

- 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: water; wind; solar energy; geothermal energy; renewable natural gas; renewable hydrogen; wave, ocean, or tidal power; biomass energy that is derived from forest and field residue, not derived from crops raised on land cleared from old growth or first-growth forests and biodiesel fuel.
 - 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.
- 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 the municipality's final inspection report, certificate of occupancy or other government-issued document establishing the authorization to use the Qualified Improvement.

Ground leases on Eligible Property are allowed, so long as all requirements of Chapter 2.900 SCC and Chapter 36.165 RCW are met, including requiring the Property Owner to enter into an Assessment Agreement. On ground-leased property the assessment and C-PACER Lien encumber the fee interest in the property, not the ground leasehold.

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

5.3 Qualifying Costs

As defined in Chapter 2 of this Program Guide, Qualifying Costs for a Qualified Project that can be C-PACER financed include:

- Materials and labor necessary for installation or modification of a Qualified Improvement;
- Permit fees;
- Inspection fees;
- Lender’s 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.

5.4 Eligible Property

RCW 36.165.010(5) and SCC 2.900.120(4) define “Eligible Property” in part as “privately-owned commercial, industrial or agricultural real property or multifamily residential real property with five or more dwelling units.”

A real property is an Eligible Property if it consists of one or more lots with a zoning category and land use category for which nonprohibited use(s) include commercial, industrial, agricultural, or multifamily residential with five or more dwelling units, based on the zoning and land use codes of the municipality in which the Eligible Property resides.

6. C-PACER Process

6.1 Documents Required for the C-PACER Process

This chapter describes the steps in the C-PACER process, starting with the Property Owner and Capital Provider preparing a Project Application, to the Property Owner submitting to the CNR Director written verification that the Qualified Project was properly completed and is operating as intended.

The C-PACER Act intends to reduce the administrative burden on participating counties as much as possible. Thus, the CNR Director 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

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

proposed C-PACER transaction. All applicants are encouraged to review this Program Guide, the Project Application Checklist (Attachment 1), and the other attachments to ensure that the types of information the County will rely upon to process the Application are present in the completed Application.

The Program Guide contains eight attachments that must be prepared during the course of this process:

Application Documents:

- Project Application Checklist (Attachment 1)
- Lien Holder Consent to C-PACER Assessment and Lien (Attachment 2)
- Certification of Qualified Improvements (Attachment 3)
- Certificate of Capital Provider Qualification (Attachment 4)

Closing Documents:

- Assessment Agreement for C-PACER Financing (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)

Post-construction Certification:

- Certificate of C-PACER Improvements Completion (Attachment 8)

The Property Owner or Capital Provider may substitute one or more similar forms for Attachments 1 – 8, contingent on approval from CNR prior to submittal. Any substitute form must contain all information required in the related Attachment. The County retains the right to require the use of any or all Attachments without substitution for a specific project.

6.2 Steps in the C-PACER Process

Step 1 –Preparation of Application Documents

The Property Owner and the Capital Provider prepare a Project Application, which consists of the following attachments plus all other information and documentation needed to complete these documents:

- Project Application Checklist (Attachment 1)
- Lien Holder Consent to C-PACER Assessment and Lien (Attachment 2)
- Certification of Qualified Improvements (Attachment 3)
- Certificate of Capital Provider Qualification (Attachment 4)

Step 2 –Submittal of Application Documents to CNR

Snohomish County C-PACER Program Guide 9-2022 EXECUTIVE REVIEW DRAFT

The Property Owner submits the documents described in Step 1 with all additional required information to the CNR Director. Electronic documents are strongly preferred, but paper documents are acceptable.

Step 3 – Review of Application Documents

The CNR Director reviews the Project Application, and within 15 business days the CNR Director will either approve or disapprove the Project Application and notify the Property Owner in writing of the determination.

“Approval” of the Project Application means the CNR Director determined the Project Application is complete, the documents conform to the requirements of this Program Guide, and that all required information is provided and is sufficient to demonstrate that the proposed project meets the requirements of RCW 36.165.030(1)(a) - (c) (see initial text in Chapter 5). ***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.***

“Disapproval” of the Project Application means the CNR Director has determined the Project Application is not complete, the documents do not conform to the requirements of this Program Guide, and/or that all required information is not provided and/or is not sufficient to demonstrate that the proposed project meets the requirements of RCW 36.165.030(1)(a)-(c). Disapproved Project Applications will be returned to the Property Owner with information about which items from the Project Application are deficient.

If the CNR Director has received an unusually high number of applications, or if review is delayed because of some force majeure event, the CNR Director may notify the Property Owner that the application review and determination will be delayed by no more than 15 additional business days.

A final decision on the eligibility of a proposed improvement may be appealed within 30 days, as provided in SCC 2.900.080.

Step 4 – Preparation of Closing Documents

The Property Owner and Capital Provider prepare the following Closing Documents:

- Assessment Agreement for C-PACER Financing (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)

Step 5 – Signing Closing Documents and Transmittal to Auditor

The Property Owner presents the Closing Documents to the CNR Director for review. The CNR Director reviews them either approves them as ready for final signature or returns them to the Property Owner for revision and resubmittal. When the CNR Director has approved the Closing Documents as ready to sign, the CNR Director, Property Owner, and Capital Provider sign them, and the Property Owner pays the C-

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

PACER Program Administration Fee to the CNR Director. This fee is established by the CNR Director in accordance with authority given under SCC 2.900.070.

After the Closing Documents are signed, the CNR Director transmits them to the County Auditor for recording, in accordance with SCC 2.900.060.

Step 6 –Recording Closing Documents on Title

The Auditor records the Closing Documents.

Following these steps, the Capital Provider will disburse funds in accordance with the Financing Agreement. These latter actions do not involve Snohomish County and thus are not described here in detail.

Step 7 – Certification of Project after Completion

Following completion of the project, the Property Owner prepares the Certificate of C-PACER Improvements Completion (Attachment 8) and submits it to the CNR Director.

7. Certification Responsibilities, Criteria and Required Credentials

The criteria for a Qualified Improvement are set forth in Chapter 5.1. Chapter 7 describes the criteria by which a Qualified Improvement must be certified, and the credentials a person or entity must have to certify Qualified Improvements. The certifications and credentials are documented by means of Attachment 3 of the Project Application. These certifications are the basis by which the Property Owner demonstrates, as required by 36.165.030(1)(a), The Property Owner demonstrates satisfaction of the required standards in RCW 36.165.030(1) using Attachment 3. The Property Owner must also attest, in Attachment 1, that all proposed Qualified Improvements will be permanent improvements affixed to the real property.

7.1 Qualified Improvements on Existing Buildings

7.1.1 Energy Efficiency, Electrification, Electric Vehicle Charging Infrastructure, Renewable Energy, or Water Conservation

Certification criteria

The certification must state that the proposed Qualified Improvements will:

(a) provide a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk; AND

(b) result in more efficient use or conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water.

Required credentials for certification

The certification must be performed by a licensed professional engineer or an individual or firm accredited by one of the following:

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

- 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

Additional required credentials for certification of Renewable Energy Improvements that are solar photovoltaics, or Electric Vehicle Charging Infrastructure Improvements

The certification must be performed by a professional engineer licensed to practice electrical engineering, or an individual or firm accredited by one of the following:

- North American Board of Certified Energy Practitioners (NABCEP) PV design specialist certification
- Building Energy Assessment Professional (BEAP)
- Building Energy Modeling Professional (BEMP)
- Certified Energy Manager (CEM)
- Certified Measurement and Verification Professional (CMVP)
- Certified Energy Auditor (CEA)

Additional required credentials for certification Water Conservation Improvements that reduce lead in water

The certification must be performed by a licensed professional engineer or an individual or firm with a Water Quality Association Professional Certification.

7.1.2 Resiliency Improvements

Certification criteria

The certification must state that the Qualified Improvements will:

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

(a) provide a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk; AND

(b) result in improved resiliency, including but not limited to seismic improvements, flood mitigation, stormwater management, wildfire and wind resistance, fire detection and suppression, energy storage, microgrids.

Required credentials for certification

The certification must be performed by a licensed professional engineer.

7.2 Qualified Improvements in New Construction

Certification criteria

The certification must state that each proposed Qualified Improvement will enable the project to exceed all applicable code requirements for energy efficiency, renewable energy, water conservation, and resiliency in the jurisdiction in which the property is located and that the project provides a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk.

Required credentials for certification

The certification must be performed by a licensed professional engineer.

8. Interest Rates

Interest rates are negotiated in a Financing Agreement between the Property Owner and the Capital Provider. Snohomish 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.

9. 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.

10. Enforcement of C-Pacer Liens

The assessment and C-PACER lien shall be assigned by the County to the capital provider as provided in chapter 36.165 RCW and chapter 2.900 SCC. The C-PACER lien, as assigned to the capital provider, shall maintain the same precedence and priority and characteristics as set forth in RCW 36.165.060. Billing, collection, and enforcement of delinquent C-PACER liens or C-PACER assessment installments, including through foreclosure, are the responsibility of the capital provider.

The C-PACER lien may be enforced with respect to delinquent C-PACER assessment installments by the capital provider at any time after one year from the date of

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

delinquency, and may be foreclosed in the same manner as a mortgage lien under chapter 61.12 RCW, except that no sale of the property shall discharge or in any manner affect the priority of the C-PACER lien with respect to installments not yet due and payable at the time of sale and no deficiency judgment may be sought by the capital provider with respect to any unpaid assessment at the time of sale.

As provided in RCW 36.165.060, the participation of the County Sheriff in any such foreclosure action shall not be deemed in violation of, or inconsistent with, the Program and provisions of chapter 36.165 RCW and chapter 2.900 SCC limiting the role of the county in the enforcement of a C-PACER lien.

The capital provider may pursue other enforcement methods authorized under chapter 36.165 RCW, as it may be amended.

11. Fees

SCC 2.900.070 states: “[a]s authorized in Chapter 36.165 RCW, the executive shall establish an application fee that achieves cost recovery for program implementation and operation. The executive may adjust the fee as necessary to comply with this section.”

The Property Owner will pay Snohomish County an application fee of \$1500 at the time of closing. This fee comprises estimates of the average hourly rate for CNR employees x the average time to review the application, plus the Auditor’s Office fee for recording the Closing Documents on the property title.

If Snohomish County delegates administration of the program to a third party, the fees 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.

12. Term of an Assessment, and 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.

13. Written Consent From Lienholder(s) Required

Before a capital provider may enter into a financing agreement to provide financing of a qualified project to the record owner of any eligible property, the capital provider must obtain written consent from any holder of a lien, mortgage, or security interest in the real property that the property may participate in the program and that the C-PACER lien will take precedence over all other liens except for a lien for taxes as described in RCW 36.165.060. The County may rely on the capital provider’s representations as to the identity and existence of any lienholders affected by the C-PACER lien. The County has no duty or obligation to obtain a title report or otherwise determine the identity or existence of any lienholders affected by the C-PACER lien.

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Before a capital provider may enter into a financing agreement to provide financing of a qualified project to the record owner of any multifamily residential real property with five or more dwelling units, the capital provider must obtain written consent from any and all holders of affordable housing covenants, restrictions or regulatory agreements in the real property that the property may participate in the program and that the C-PACER lien will take precedence over all other liens except for taxes as described in RCW 36.165.060. The County may rely on the capital provider's representations as to the identity and existence of any holders of affordable housing covenants, restrictions or regulator agreements affected by the C-PACER lien. The County has no duty or obligation to obtain a title report or otherwise determine the identity or existence of any holders of affordable housing covenants, restrictions or regulatory agreements affected by the C-PACER lien.

14. Provisions for Marketing and Participant Education

This Program Guide will be made available to the public on the Snohomish County C-PACER website. Snohomish 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. Snohomish County encourages other stakeholders to develop and share materials to promote the education about and use of the Snohomish County C-PACER program to serve the public benefit of health and safety.

15. County Liability or Financial Responsibility

Neither Snohomish 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 Snohomish County Authority

Snohomish County may not enforce any privately financed debt under this Program. Neither the State of Washington nor Snohomish 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 Snohomish County, nor shall Snohomish County pledge, offer, or encumber its full faith and credit for any lien amount through this Program. Snohomish County shall not make the issuance of a permit, license, or other authorization from the County to a person who owns property in the County contingent on the person entering into a written contract to repay the financing of a qualified project under chapter 36.165 RCW, nor will the County compel a person who owns property in the county to enter into a written contract to repay the financing of a qualified project under chapter 36.165 RCW.

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Program Attachments

- **Attachment 1: Project Application Checklist**
- **Attachment 2: Lien Holder Consent to C-PACER Assessment and Lien; Notice**
- **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**

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

ATTACHMENT 1: Project Application Checklist

Attachment 1 must be filled out completely and signed by the Property Owner and Capital Provider. It contains information about the project, which is supplemented by

Attachment 2 - LIEN HOLDER CONSENT TO C-PACER ASSESSMENT AND LIEN AND

Attachment 3 – CERTIFICATION OF QUALIFIED IMPROVEMENTS.

Together, Attachments 1 – 3 constitute the Project Application.

Information Type	Applicant-Provided Information <i>Completed by Applicant</i>	Accepted Documentation <i>Provided by Applicant</i>	Received / reviewed <i>Completed by Snohomish County or Third-Party Program Administrator</i>
PROPERTY ADDRESS Snohomish County Parcel Number(S)		DEED or TITLE INSURANCE REPORT or ASSESSOR / TREASURER OFFICIAL RECORD <i>The address must be within Snohomish County.</i>	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

<p>PROPERTY OWNER</p>	<p>Legal name(s) of Owner(s) (LIST ALL):</p> <p>Name of contact person:</p> <p>Phone number:</p> <p>Email address:</p>	<p>DEED TITLE INSURANCE REPORT All names must match exactly what is on the Title Insurance Report.</p> <p><i>If the name(s) is different:</i></p> <p><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></p>	
<p>QUALIFYING PROPERTY</p>	<p>Is this property:</p> <p><input type="checkbox"/> Commercial</p> <p><input type="checkbox"/> Agricultural</p> <p><input type="checkbox"/> Industrial</p> <p><input type="checkbox"/> Multi-family of 5+ units</p>	<p>ASSESSOR / TREASURER OFFICIAL RECORDS APPRAISAL ZONING REPORT GROUND LEASE (if applicable)</p>	
<p>QUALIFYING OWNER</p>	<p>Is property owned by a:</p> <p><input type="checkbox"/> Limited liability company</p> <p><input type="checkbox"/> General or limited partnership</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Individual/Sole proprietorship</p> <p><input type="checkbox"/> Trust</p>	<p>If property is held by a limited liability company, general or limited partnership or a corporation, the applicant should include a copy of the certificate of formation, organization, incorporation or similar document and a good standing certificate/certificate of existence from the state or organization and, if not organized in Washington, a certificate of registration to conduct business in Washington as a foreign entity.</p> <p>If a trust, a copy of the trust agreement or a trustees' certificate.</p>	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

		<p>If an individual, a copy of a valid driver’s license.</p> <p>If the application is to be signed by a party other than the applicant, then, in addition to the foregoing, a power of attorney or corporate resolution authorizing said party.</p>	
<p>CAPITAL PROVIDER</p>	<p>Legal Name:</p> <p>Name of contact person:</p> <p>Phone number:</p> <p>Email address:</p> <p>Evidence of qualifications:</p> <p><input type="checkbox"/> Registered capital provider in more than 2 states</p> <p><input type="checkbox"/> Federal or state-chartered bank, Community Development Financial Institution, or credit union</p> <p><input type="checkbox"/> I am a Washington-based capital provider and submitting additional information, attached.</p>	<p>1. If a federal or state-chartered bank, or credit union, the certificate of organization or similar document.</p> <p>2. If not an entity in #1, evidence of registration as a capital provider in two states.</p> <p>3. If a private company, whose principal place of business is located in the state of Washington, wishes to be a capital provider, and the person or company is not an entity in #1 or #2 above, documentation that: the entity is qualified to do business in the State of Washington, maintains any necessary licenses or permits necessary to conduct its business in the State of Washington, and one of the following: A copy of the most recent (within the last year) audited financial statement; OR Copy of the most recent (within the last year) Federal or Washington state financial institution regulatory filing.</p> <p><i>NOTE: if audit is unqualified or the entity is not in good standing with any regulatory filing, application may be denied.</i></p>	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Proposed Qualified Improvements

Below are two tables for describing the proposed Qualified Improvements – Table 1 is for existing buildings; Table 2 is for new construction. Complete the tables below, as relevant, to identify each proposed Qualified Improvement. Add table rows as necessary. For each proposed Qualified Improvement, include an Attachment 3 form completed by the person authorized to certify the proposed Qualified Improvement. A single Attachment 3 form may be used for multiple certifications provided by one person.

The certification(s) contained in Attachment 3 of this Project Application, taken together, constitute demonstration that the project provides a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk, as required by RCW 36.165.030(1)(a).

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Table 1 - Qualified Improvement – Existing Buildings

QI #	Qualified Improvement Type (check all that apply)	Description of specific Qualified Improvement (e.g., replaced HVAC system)	Specific public benefit certified (check all that apply)	Name of person providing certification in Attachment 3
1	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
2	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
3	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

	() resiliency		() reduced public health risk () reduced public emergency response risk	
4	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
5	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
6	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

			() reduced public emergency response risk	
7	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
8	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
9	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Table 2 - Qualified Improvements – New Construction

QI #	Qualified Improvement Type (check all that apply)	Description of specific Qualified Improvement (e.g.,)	Specific public benefit certified (check all that apply)	Name of person providing certification in Attachment 3
1	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
2	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
3	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

	<input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
4	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
5	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk <input type="checkbox"/> reduced public emergency response risk	
6	<input type="checkbox"/> energy efficiency <input type="checkbox"/> electrification <input type="checkbox"/> electric vehicle charging <input type="checkbox"/> renewable energy <input type="checkbox"/> water conservation <input type="checkbox"/> resiliency		<input type="checkbox"/> energy resource conservation <input type="checkbox"/> water resource conservation <input type="checkbox"/> reduced public health risk	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

			() reduced public emergency response risk	
7	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
8	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	
9	() energy efficiency () electrification () electric vehicle charging () renewable energy () water conservation () resiliency		() energy resource conservation () water resource conservation () reduced public health risk () reduced public emergency response risk	

**Snohomish County C-PACER Program Guide
9-2022 EXECUTIVE REVIEW DRAFT**

Attestations By Property Owner

_____ The property on which the proposed project will occur lies entirely within the boundaries of Snohomish County (including both incorporated and unincorporated areas)

_____ All proposed Qualified Improvements listed in this Attachment will be permanent improvements affixed to the real property.

All Lienholder Consent Forms have been signed by all lienholders, and are included in Attachment 2

The capital provider must obtain written consent from any holder of a lien, mortgage, or security interest in the real property and from any and all holders of affordable housing covenants, restrictions, or regulator agreements in the real property, if applicable, that the property may participate in the C-PACER Program and that the C-PACER lien will take precedence over all other liens except for taxes as described in RCW 36.165.060. The capital provider is solely responsible for identifying all lienholders and for notifying the County of the identity of the lienholders. By submitting this application, the capital provider agrees to indemnify the County from any and all claims that may be asserted by a lienholder, known or unknown, on an eligible property. The capital provider attests that all lienholder consent forms have been signed by all lienholders as required under RCW 36.165.070 and SCC 2.900.040 and are included in Attachment 2

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 information attached to this application and understand the risks of participating in the C-PACER Program; further, that the applicants affirm that the County shall incur no liability for enacting this program, nor shall the County, its governing body, executives, or employees be personally liable as a result of exercising any rights or responsibilities granted under this C-PACER Program.

Signatures Appear on Following Page

APPLICATION FORM SIGNED AND DATED

ON BEHALF OF PROPERTY OWNER: _____

NAME & TITLE: _____

ON BEHALF OF PROPERTY OWNER: _____

NAME & TITLE: _____

ON BEHALF OF PROPERTY OWNER: _____

NAME & TITLE: _____

ON BEHALF OF CAPITAL PROVIDER: _____

NAME AND TITLE: _____ **TO BE COMPLETED BY AUTHORIZED COUNTY OFFICIAL**

APPLICATION: _____ APPROVED _____ DENIED

ON BEHALF OF COUNTY: _____

NAME AND TITLE: _____

APPLICATION FORM SIGNED AND DATED

ON BEHALF OF PROPERTY OWNER: _____

NAME & TITLE: _____

ON BEHALF OF CAPITAL PROVIDER: _____

ATTACHMENT 2: Lien or Other Obligation Holder Consent to C-PACER Assessment and Lien; Notice

Property/Loan Information

Eligible Property Address:

Parcel Number:

Lien or Other Obligation Holder NAME:

Loan Number:

This Lien or Other Obligation Holder Consent 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 Snohomish County C-PACER program (the "Program").

RECITALS

A. The Holder is in receipt of written notice ("the 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 Chapter 36.165 of the Revised Code of Washington (RCW) and chapter 2.900 of the Snohomish County Code (SCC) that will be permanent improvements affixed to the Property and that will be financed by participating in the Program.

B. The Holder understands that, as a result of the Property Owner's participation in the Program, which will involve an Assessment Agreement between Snohomish County and the Property Owner, and a Financing Agreement between the Property Owner and [REDACTED] (the "C-PACER Capital Provider"), that the C-PACER Assessment and Lien against the Property, as described in those documents (the "C-PACER Assessment"), will be levied on the Property, and that the C-PACER lien 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 and RCW 36.165.060.

CONSENT AND ACKNOWLEDGEMENT

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

- (i) Confirms it received the Notice.
- (ii) Consents to the Property’s participation in the Program.
- (iii) Agrees the C-PACER lien will take precedence over all other liens except for a lien for taxes as described in RCW 36.165.060.

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 representations and acknowledgements of the Holder set forth in this Consent and Acknowledgement. The Recitals are integrated into and made a part of this Consent and Acknowledgment.

Holder:

By:

Signature:

Title:

Date:

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

_____, _____.

By: _____

**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 statute (chapter 36.165 RCW) (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. Snohomish County, where the subject property is located, established a C-PACER program within its jurisdiction under chapter 2.900 of the Snohomish County Code (SCC) 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 Snohomish County as a voluntary assessment and lien (“the C-PACER lien”) on the Property. The annual assessment payments relating to that lien is repaid to, and collected by, the private Capital Provider, which Capital Provider has the responsibility of administering the Property Owner’s C-PACER obligation. Assessments have long been used to pay for improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other 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 chapter 36.165 RCW, 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, that lien, like other government-imposed liens, moves into a superior position above other obligations, except for property taxes and other qualifying government obligations.

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

- The property is located in Snohomish County, Washington, a county that has passed a resolution authorizing a C-PACER program;
- The property is an agricultural, commercial, or industrial property, or multi-family property of 5 or more dwelling units;
- The proposed measures reduce energy consumption, reduce water consumption, increase the production of on-site renewable energy, reduce lead in potable water, and/or increase the resiliency of the property, as defined in the C-PACER Act;
- The proposed measures are permanent improvements affixed to the property; and
- The Property Owner receives consent of the current mortgage/lien holder(s) and the holders of certain other obligations as described in RCW 36.165.070 and SCC 2.900.040.

What should your Financial Institution know?

Property Owner has indicated its intention to apply for C-PACER financing for improvements on the Property. The C-PACER financing will be levied on the Property pursuant to an Assessment Agreement between the Property Owner and the County, 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 and receive consent from you that the Property may participate in the program and that the C-PACER lien will take precedence over all other liens except for a lien for taxes as described in RCW 36.165.060;
- ii. request confirmation from your Financial Institution (a current mortgage/lien or other obligation holder) that the levy of the 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 C-PACER Act and the County's Assessment Agreement with the Property Owner, the C-PACER private Capital Provider financing payments will be collected in installments consistent with RCW 36.165.060; 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 Snohomish 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 3: Certification of Qualified Improvements

This Attachment is a certification for one or more Qualified Improvements (QIs) listed in Attachment 1, Tables 1 and 2. As stated in Attachment 1, the Property Owner must provide an Attachment 3 form completed by the person certifying the QI. A single Attachment 3 form may be used for multiple certifications provided by one person. Multiple Attachment 3 documents may be necessary.

Person and Organization Certifying Qualified Improvement(s):

Name of person: _____

Organization (if any): _____

Address: _____

Phone: _____

Email: _____

Qualified Improvements on Existing Buildings (add rows as needed)

QI # from Table 1	QI description	Credential required to certify this QI, per Program Guide Chapter 7

I attest by my signature that the following are true:

1. I have all of the credentials listed above, or represent an organization with those credentials, and the scope of practice for those credentials allows me to certify the Qualified Improvements listed above.
2. My certification statements above are based on my review of all relevant documents needed to make the certification (for example, equipment specifications, design drawings, engineering report, modeling results, permit applications, ASHRAE Level 1 assessment/energy assessment, etc.).
3. The proposed Qualified Improvements will result in one or more of the following (check all that apply)
 - more efficient use or conservation of energy or water

- () reduction of greenhouse gas emissions
- () addition of renewable sources of energy or water
- () improved resiliency

4. The project provides a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk.

Qualified Improvements in New Construction (add rows as needed)

QI # from Table 2	QI description

I attest by my signature that the following are true:

1. I am a professional engineer, and my licensed scope of practice allows me to certify the Qualified Improvements listed above.
2. My certification statements above are based on my review of all relevant documents needed to make the certification (for example, equipment specifications, design drawings, engineering report, modeling results, permit applications, ASHRAE Level 1 assessment/energy assessment, etc.).
3. The proposed Qualified Improvements will exceed all applicable code requirements for energy efficiency, renewable energy, water conservation, and resiliency in the jurisdiction in which the property is located.
4. The project provides a benefit to the public, in the form of energy or water resource conservation, reduced public health risk, or reduced public emergency response risk.

STATEMENTS OF CREDENTIALS

Professional Engineering License, if applicable

Name: _____

License Number _____

State of Licensure _____

Affix stamp here:

Other credentials required for certifying Qualified Improvements listed above

Name: _____

Organization / type of credential: _____

Credential Number (if any) _____

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, 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, 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:

Assessment Agreement for C-PACER Financing

COUNTY OF Snohomish 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 this [] day of [], 20xx , (the "**Effective Date**") by and between Snohomish County, 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**").

RECITALS

WHEREAS, the County has, effective December 26, 2021, established the Commercial Property Assessed Clean Energy and Resiliency Program (the "**Program**") through the adoption of Ordinance No. 21-097 ("**County Ordinance**") to allow the financing of certain renewable energy, energy and water efficiency, and resiliency improvements ("**Qualified Improvements**"), through the levy of contractual assessments pursuant to chapter 36.165 RCW (the "**C-PACER Act**"); and

WHEREAS, the purpose and method of approval of C-PACER financing under the Program are described in the Program Guide, as the same may have been amended from time to time prior to the Effective Date of this Agreement (the "**Program Guide**"); and

WHEREAS, the Property is located wholly within the boundaries of Snohomish County and the County has established the Program for eligible properties within its jurisdiction; 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 Guide, 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 (the "**Financing Agreement**") between the Property Owner and a capital provider (the "**Capital Provider**") and under which the Property Owner agrees to repay such Capital Provider; and

WHEREAS, pursuant to chapter 36.165 RCW, 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 that this Agreement be assigned to the Capital Provider; and

WHEREAS, the Property Owner voluntarily and willingly agrees to have an assessment levied on the Property and to enter into this Agreement 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; and

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 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 Snohomish County Auditor’s Office, together with a copy of this Agreement, pursuant to chapter 36.165 RCW, 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. The C-PACER lien takes precedence over all other liens except for a lien for taxes as described in RCW 36.165.060.

(b) The execution and delivery of this Agreement by the parties authorizes and effectuates the levy 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 accruing on the amounts due on the terms and provisions of the Financing Agreement. In addition, under those circumstances, the C-PACER Lien may be foreclosed in the manner specified in Section 4, below.

(e) The Assessment and the C-PACER Lien shall be assigned, pursuant to the Assignment of Assessment Agreement (the “**Assignment**”), by the County 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. Billing, collection, and enforcement of delinquent C-PACER liens, or C-PACER assessment installments, including through foreclosure, are the responsibility of the Capital Provider, not the County.

(b) The Property Owner acknowledges that if any Assessment Installment is not paid when due, the C-PACER lien may be enforced by the Capital Provider at any time after one year from the date of delinquency, and may be foreclosed in the same manner as a mortgage lien under chapter 61.12 RCW, except that no sale of the property shall discharge or in any manner affect the priority of the C-PACER lien with respect to installments not yet due and payable at the time of sale, as provided in RCW 36.165.060, and no deficiency judgment may be sought by the Capital Provider with respect to any unpaid assessment at the time of sale.

(c) As permitted by RCW 36.165.060, Property Owner expressly consents to prosecution of said action of foreclosure by Capital Provider in accordance with the terms of the Financing Agreement.

(d) The County shall have no obligation to prosecute such foreclosure on behalf of the Capital Provider, or to otherwise participate in such foreclosure. The participation of the County Sheriff in any such foreclosure action shall not be deemed in violation of, or inconsistent with, the provisions of chapter 36.165 RCW limiting the role of the County in the enforcement of a C-PACER lien.

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 value of those parcels, 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 Snohomish County Auditor'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 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 County, the Property Owner 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 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. With exception of Section 9, any assignee shall be a party to this Agreement and shall have all of the rights 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 chapter 36.165 RCW, the County shall incur no liability as a result of any provision of this Agreement or for enacting the Program, 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.

Section 10. Indemnification. Property Owner agrees to defend, indemnify and hold the County, its elected officials, 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 and the C-PACER Lien. 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 commissioners, employees, agents or contractors. The obligations in this provision shall survive any termination or assignment of this Agreement.

Section 11. 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 Snohomish County.

Section 12. 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 13. 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 and the Property Owner have caused this Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first above written.

COUNTY:

Snohomish County, State of Washington

By: _____

Its: _____

PROPERTY OWNER:

[_____]

By: _____

Its: _____

STATE OF WASHINGTON)

)

COUNTY OF _____)

This record was acknowledged before me on _____, 20__

by _____ [,

the _____,

of _____]

WITNESS my hand and official seal.

Signature: _____ (seal)

STATE OF WASHINGTON)

)

COUNTY OF _____)

This record was acknowledged before me on _____,

by _____,

the _____, of _____ County, Washington.

WITNESS my hand and official seal.

Signature: _____ (seal)

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								

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

[see following page]

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) SNOHOMISH 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

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 SNOHOMISH County

(GRANTEE) SNOHOMISH 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	SNOHOMISH 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 above written.

GRANTEE:

County of SNOHOMISH, State of Washington

By: _____
Its: _____

GRANTOR:

[PROPERTY OWNER]

By: _____
Its: _____

STATE OF WASHINGTON)
)
COUNTY OF _____)

This record was acknowledged before me on _____, 20__, by

{the _____,

of _____}[Only if authorized party who is not the Property
Owner]

WITNESS my hand and official seal.

Signature: _____ (seal)

STATE OF WASHINGTON)
)
COUNTY OF _____)

This record was acknowledged before me on _____, by
_____,
_____, of _____ County, Washington.

WITNESS my hand and official seal.

Signature: _____ (seal)

RETURN NAME and ADDRESS

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

[see following page]

Please Type or Print Neatly and Clearly All Information

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

Reference Number(s) of Related Documents

Grantor(s)/Assignor [SNOHOMISH COUNTY]

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

Legal Description (Exhibit A)(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 and between Snohomish County, Washington ("Assignor") and [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 Snohomish 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. Assignee acknowledges and agrees it is solely responsible for identifying all lienholders and all holders of affordable housing covenants, restrictions, or regulator agreements on the subject property and for notifying Assignor of the identity of same. Assignee indemnifies Assignor from any and all claims that may be asserted by a lienholder or holder of affordable housing covenants, restrictions, or regulator agreements, known or unknown, on the subject property.

Assignee is solely responsible for all enforcement as contemplated in chapter 36.165 RCW. 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 as a mortgage lien under chapter 61.12 RCW, except that no sale of the property shall discharge or in any manner affect the priority of the C-PACER lien with respect to installments not yet due and payable at the time of sale, as provided in RCW 36.165.060, and no deficiency judgment may be sought by the Assignee with respect to any unpaid assessment at the time of sale. Assignor shall have no obligation to prosecute such foreclosure on behalf of Assignee, or to otherwise participate in such foreclosure.

Signatures appear on following page

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

“ASSIGNOR”

SNOHOMISH COUNTY, WASHINGTON

By: _____

Name: _____

Title: _____

STATE OF WASHINGTON)
: ss.
SNOHOMISH COUNTY)

This record was acknowledged before me on _____, by
_____, the
_____, of _____ County, Washington.

WITNESS my hand and official seal.

Signature: _____ (seal)

“ASSIGNEE”

[CAPITAL PROVIDER OR DESIGNEE]

By: _____

Name: _____

Title: _____

STATE OF _____)

: ss.

COUNTY OF _____)

On [MONTH] ____, 20__ personally appeared before me, _____, who duly acknowledged to me that he/she executed the foregoing instrument on behalf of [CAPITAL PROVIDER OR DESIGNEE] in his/her capacity as _____ of [CAPITAL PROVIDER OR DESIGNEE]

NOTARY PUBLIC

EXHIBIT A
LEGAL DESCRIPTION

[INSERT]

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]