



## **ATTACHMENT 2b: Notice of Proposed C-PACER Assessment and Request for Consent of Lien or Other Obligation Holder to C-PACER Assessment and C-PACER Lien**

*This document is optional and provided for use by the borrower as needed.*

**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.

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

### ***Background on C-PACER in Washington***

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

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

Through the C-PACER Program, the financing for qualifying projects is provided by a private Capital Provider, and the principal amount is recorded by King County as a voluntary assessment and lien ("the C-PACER lien") on the Property. The annual assessment payments relating to that lien are repaid to, and collected by, the private Capital Provider, which Capital Provider has the responsibility of administering the Property Owner's C-PACER obligation. Similar to government-imposed assessments, the C-PACER obligations remain with a property upon its sale, until the financing is fully repaid, at which point the C-PACER lien and assessment are retired.

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

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

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

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

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

***What should your Financial Institution know?***

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

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

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

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

Execution and Return of Consent. The Property Owner would appreciate your executing the attached Consent Form for the King 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):