

**AMENDMENT TO
OPERATING AGREEMENT BETWEEN
CONTRA COSTA COUNTY AND PACE PROVIDER FOR
PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING**

This Amendment (“Amendment”) to the Operating Agreement Between Contra Costa County and PACE Provider for Property Assessed Clean Energy (PACE) Financing Agreement ("Agreement") is entered into _____, 2016, between Contra Costa County, a political subdivision of the State of California (the “County”), and the Western Riverside Council of Governments, a California limited joint powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the “PACE Provider”).

RECITALS

A. Effective January 11, 2016, the County and the PACE Provider entered into the Agreement, which authorizes the PACE Provider to establish a Property Assessed Clean Energy (PACE) financing program in Contra Costa County. PACE financing is a method of providing loans to property owners to finance permanent energy efficiency improvements on real property. A property owner who obtains a PACE loan repays the loan by entering into an agreement that allows an assessment to be levied on the property. These assessments are known as voluntary contractual assessments.

B. The Agreement requires the PACE Provider to provide certain disclosures to Program Participants. A Program Participant is a property owner who enters into a voluntary contractual assessment with the PACE Provider.

C. The parties wish to amend the Agreement to modify the PACE Provider’s disclosure requirements.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. Section 3 of the Agreement is amended to read as follows:

3. Disclosure Requirements.

The PACE Provider shall do all of the following:

- a. Disclose in writing to potential Program Participants the financial risks associated with PACE Financing, including the risks associated with federal regulation and administration of mortgage financing and the position of the

Federal Housing Finance Agency (FHFA) on PACE lending. The disclosure materials must include the disclosures contained in the HERO Financing Program Application, which is attached and incorporated herein as Attachment A.

- b. Require potential Program Participants to sign a written acknowledgment of the Federal Housing Finance Agency (FHFA) position on PACE liens.
- c. Require Program Participants who own non-residential properties to obtain written consent to participate in the PACE Program from lenders who have made loans to the Program Participant where the property serves as security for the loan.
- d. Provide federal Truth in Lending Act disclosure details to the applicant specific to the requested amount of the financing. The details shall be provided to the applicant on the HERO Estimated Financing Summary, which is attached and incorporated herein as Attachment B, and the Final Payment Summary, which is attached and incorporated herein as Attachment C.
- e. Advise potential Program Participants of available state or federal rebate or incentive programs.
- f. Require each Program Participant to obtain from the County all building permits for improvements.
- g. The PACE Provider may recommend that property owners consult with a tax professional prior to claiming any tax deductions associated with the project.

2. In all other respects, the terms of the Agreement are ratified and confirmed.

PACE PROVIDER

CONTRA COSTA COUNTY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____