

Board of County Commissioners Agenda Request

Date of Meeting: May 20, 2014

Date Submitted: May 7, 2014

To: Honorable Chairman and Members of the Board

From: Robert Presnell, County Administrator

Subject: Approval & Execution of Resolution 2014-010 and the Non-Exclusive Interlocal Subscription Agreement Granting Florida PACE Funding Agency the Authority to Offer Voluntary Financing through Non-ad valorem Special Assessments to Gadsden County Property Owners For Qualifying Improvements to Commercial Properties and Properties subject to Non-Conventional or “Jumbo Loans.”

Statement of Issue:

This agenda item seeks the Board’s approval of Resolution 2014-010 and execution of the Non-Exclusive Interlocal Subscription Agreement Granting Florida PACE Funding Agency the Authority to Offer Voluntary Financing through Non-ad valorem Special Assessments to Gadsden County Property Owners For Qualifying Improvements to Commercial Properties and Properties subject to Non-Conventional or “Jumbo Loans.” The qualifying improvements include clean energy, renewable energy and wind resistant improvements.

Background:

The Florida PACE (property assessed clean energy) Funding Agency represents the first truly statewide program designed by local governments, for local governments in order to immediately implement a PACE Program for residential and commercial property owners. Through this program, property owners are able to secure funding for qualifying improvements to their home or business which is repaid through assessments to their annual property tax bill. This special assessment funding being offered is strictly voluntary and authorized by general law.

When embraced by individual local governments, the Agency’s mission is to facilitate the provision, funding and financing of Qualifying Improvements through a uniform and efficient local platform. The Agency will facilitate the planning, development, financing, implementation, marketing and management of the PACE platform.

Currently, the Program is being utilized by Flagler and Nassau County. Financing has been structured and was made available beginning in June 2013. \$500 million in financing is currently available; however the Agency is authorized to issue \$2 billion in financing.

The Agency will not provide its services within the jurisdiction of any Local Government that does not desire and request to cooperatively enter into a subscription agreement. The Program allows Local Governments to participate in the advantages of a PACE program and access capital markets, without having to implement or deploy individual programs or individually seek capital for their constituents. The Agency seeks to be the best cost alternative for Local Government constituents, and is a transparent and accountable alternative available to Local Governments. The Agency was designed to insulate Local Governments from debt exposure or heavy use of staff time for the Program.

Any Local Government desiring to make available a PACE program will be able to “subscribe” to the uniform Program offered by the Agency. This subscription is in the form of a standard interlocal agreement which lays out the details involved. Essentially the very limited role for Local Government is to authorize the Agency to implement the Program in the Local Government’s jurisdiction and determine whether it or the Agency will execute financing agreements. In either event, the Financing Agreements will be prepared and provided by the Agency, to evidence the non-ad valorem assessments for Qualifying Improvements with willing property owners. All the other ministerial actions, activities and documentations (i.e., interface between interested property owners and qualified vendors, determining compliance with all requirements for a valid financing agreement, recording, assessment roll extension, etc.) will be performed by the Agency through its third party administrator.

If the Program is implemented, broad coverage of all statutorily eligible properties in the County is available. Alternatively, each Local Government can also start with commercial properties only, and later also expand to residential.

Analysis:

During the June 4, 2013 BOCC meeting, Jonathan Schaefer of the Florida PACE Funding Agency made a presentation on a new statewide program that enables residential and commercial property owners to make improvements to their home or business without using traditional financing options. During discussion, it was suggested by the Chair that the Agency’s request be added to a future meeting agenda, allowing the Board to take action on the matter.

At the July 16, 2013 BOCC meeting, the Board voted to approve the implementation of the PACE Program for commercial and jumbo loan projects only. The BOCC subsequently executed Resolution No. 2013-12 and a Subscription Agreement which did not specifically authorize commercial and jumbo loan projects only.

Resolution No. 2014-010 and the Subscription Agreement which it authorizes are substantively similar to Resolution 2013-12 and the prior Subscription Agreement, but specifically authorize commercial and jumbo loan projects only. Adoption and execution of Resolution No. 2014-010

and the authorized Subscription Agreement will therefore effectuate the Board's action at the July 16, 2013 BOCC meeting.

Fiscal Impact:

The County will not experience a fiscal impact as a result of the implementation of this Program. The costs and expenses associated with the Program will be paid by property owners who voluntarily enter into Financing Agreements to finance the cost of Qualifying Improvements.

Options:

Option 1: Board Direction

County Administrator's Recommendation

Option 1

Attachment:

1. Resolution 2014-010
2. Non-Exclusive Interlocal Subscription Agreement (clean and legislative strikethrough formats)
3. Minutes from July 16, 2013 BOCC meeting
4. PACE Executive Summary

RESOLUTION NO.: _____

A RESOLUTION OF BOARD OF COMMISSIONERS OF GADSDEN COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, NECESSARY TO SERVE AND ACHIEVE THE COMPELLING STATE INTEREST OF FINANCING ENERGY CONSERVATION AND EFFICIENCY IMPROVEMENTS, RENEWABLE ENERGY IMPROVEMENTS AND WIND RESISTANCE IMPROVEMENTS; CONFIRMING PRIOR ACTION AND AUTHORIZING THE EXECUTION OF A NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT WITH THE FLORIDA PACE FUNDING AGENCY; PURSUANT TO WHICH THE AGENCY WILL ADMINISTER A FINANCING PROGRAM FOR SUCH IMPROVEMENTS WITHIN THE BOUNDARIES OF THE COUNTY; AUTHORIZING AND DIRECTING COUNTY OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS TO TAKE SUCH ACTIONS AS MAY BE NECESSARY OR DESIRABLE IN FURTHERANCE OF THE PURPOSES HEREOF; PROVIDING FOR AUTHORITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 163.08, Florida Statutes (the "Supplemental Act"), authorizes counties, municipalities and certain separate interlocal local government entities to establish and administer financing programs pursuant to which owners of real property may obtain funding for energy conservation and efficiency, renewable energy and wind resistance improvements (as referred to therein, the "Qualifying Improvements"), and repay such funding through voluntary special assessments, sometimes referred to as non-ad valorem assessments ("Special Assessments"), levied upon the improved property pursuant to financing agreements between the owner thereof and the local government (the "Financing Agreements"); and

WHEREAS, pursuant to the Supplemental Act or as otherwise provided by law, local governments may enter into a partnership with other local governments for the purpose of providing and financing Qualifying Improvements, and a Qualifying Improvement program may be administered by a third party at the discretion of the local government; and

WHEREAS, installing Qualifying Improvements on existing structures can reduce the burdens resulting from fossil fuel energy production, including greenhouse gas reductions; and

WHEREAS, increased energy conservation, and installing wind resistance improvements on existing structures can reduce repair and insurance costs, and the burdens placed on surrounding properties resulting from high wind storms and hurricanes; and

WHEREAS, the Florida PACE Funding Agency (the "Agency"), is a separate legal entity and unit of local government, and was established by separate interlocal agreement for the express purpose of providing a scalable and uniform platform to facilitate the financing of Qualifying Improvements to local governments throughout Florida; and

WHEREAS, the mission of the Agency is to aspire to and undertake, cause and/or perform all such acts as are necessary to provide an open, competitive, uniform, efficient, and scalable statewide platform in Florida, so that, as embraced by individual local governments and interested property owners, the Agency can facilitate substantial local economic development and creation of jobs through the provision, funding and financing of energy conservation, renewable energy, and wind-resistance improvements to Florida properties (the "Agency's Program"); and

WHEREAS, the Agency has provided evidence to the County that: (1) the Agency's Program has assembled, at the Agency's sole cost and expense and not that of the taxpayers of Gadsden County, open public governance and oversight, staffing in the form of qualified third-party administration, active funding provider servicing oversight, dedicated Program counsel, and an independent institutional trustee, (2) that the Agency is immediately ready to commence

origination of such financing for Qualifying Improvements in Gadsden County, and (3) that the Agency presently has large scale long-term funding in place and available under an executed bond purchase agreement and trust indenture; and

WHEREAS, the availability of the non-exclusive Program offered by the Agency (without cost to, assumption of liability by or demand upon the credit of Gadsden County) and the voluntary participation in the Program by property owners will provide a heretofore unavailable and alternative financing option to finance and repay the costs to provide and install Qualifying Improvements to property owners desiring them in Gadsden County; and.

WHEREAS, the Agency now, by an through its funding provider, employs a second and redundant Qualifying Improvement review process to avoid fraud, Program misuse, or improvident funding - this additional review process is required by and not only serves the risk concerns of the funding provider, but serves to accomplish more careful, sober and proper use of this financing alternative in achieving the purposes of the Property Owner, the Agency, the County and the compelling State interests involved, while at the same time better protecting the interests of mortgage or other lien holders not on parity with taxes and assessments.

WHEREAS, the local platform offered by the Agency does not require exclusivity, has in fact attracted immediately available long-term capital that does not require any County financial back-up, is fundamentally designed to be the most market competitive program available in terms rates, offers significant advantages over other imitator programs or individualized local approaches, including, but not limited to, the most limited liability possible for local government subscribers to a platform uniform throughout Florida, the present demonstration of the

successful attraction of financial resources to begin funding immediately and to also fund growing demand, cost savings resulting from efficiencies of scale and reduced startup and implementation expenditures, high quality and very competitive set of program attributes and review processes which protect property owners and contractors alike, and the ability to foster locally advantageous statewide partnerships with commercial and industrial groups, educators, energy auditors, contractors, suppliers and installers; and

WHEREAS, this action confirms and is consistent with direction and authority provided on July 16, 2013, and recognizes the County is continues to be and is presently without adequate, currently available and recurring funds to establish a program similar to the Agency's Program or does not wish to use or risk taxpayer's funds to do so; and recognizes that if it does initiate its own program it may be necessary that it commit significant time, staffing and monetary resources derived from all taxpayers, and that if it borrows the moneys necessary for such purpose and secures repayment thereof by the proceeds derived from non-ad valorem assessments it imposes, it will likely face a demand from credit markets for an additional pledge of other County revenues; however, as an alternative or supplement to any other program or approach chosen by the County, the County can concurrently and presently authorize and approve the Agency to separately make the Agency's 'open' or non-exclusive Program and funding for Qualified Improvements immediately available to Property Owners and the local economy in Gadsden County; and

WHEREAS, the Agency is willing to focus only on commercial properties at the request and direction of the County, so the County can take a 'wait and see' approach for as long as it desires on owner-occupied residential properties; and

WHEREAS, the County finds that local needs and conditions reasonably warrant the establishment of the Agency's non-exclusive Program within the jurisdiction of the County as a direct and immediate means to non-exclusively and supplementally implement and advance positive local economic activity, job creation, energy efficiency, renewable energy and wind resistant activities; and.

WHEREAS, it is reasonable and in the interest of the health, safety, and welfare of the County and its inhabitants and taxpayers that the County subscribe to and authorize the availability of the Agency's Program within Gadsden County in the manner authorized herein by law;

WHEREAS, this Agreement provides an alternative, supplemental and non-exclusive means to achieve, *inter alia*, immediate and careful local economic development, commerce and local job creation, as well as the compelling State interests and public purposes described in the Supplemental Act.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF GADSDEN COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are incorporated in this Resolution as if fully set forth herein and are approved and adopted.

SECTION 2. NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT.

The Non-Exclusive Interlocal Subscription Agreement (“Subscription Agreement”), a copy of which is attached hereto as Exhibit A and incorporated herein, is hereby approved. The County Administrator or the County Administrator’s designee are hereby authorized and directed to execute the Subscription Agreement on behalf of the County. The County hereby delegates to the County Administrator, or his or her designee, the discretion and authority to allow the Agency to use and display the County logo or seal for communicative purposes associated with the Program. The County Administrator or the County Administrator’s designee, County Attorney, County staff, officials and agents are hereby authorized and directed to take such actions and execute and deliver such other documents as may be necessary or desirable in furtherance of the purposes set forth herein and in the Subscription Agreement.

SECTION 3. AUTHORIZATION. Through adoption of this Resolution and execution of the Subscription Agreement as provided hereunder, the County is expressly authorizing the Agency to provide its services, as set forth in the Agency's charter, within the County pursuant to the Subscription Agreement. This Resolution is and shall be deemed to constitute a resolution of the County authorizing the transfer of the function or power to provide the Agency’s services and conduct its affairs within the County to the Agency in conformance with Article VIII, Section 4 of the Florida Constitution. Adoption of this Resolution evidences the express authority and concurrent transfer of all necessary powers to the Agency, if required, and the covenant to cooperate by the County, so that the Agency may facilitate, administer, implement and assist in providing Qualifying Improvements, facilitate proper Financing

Agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop markets, structures and procedures to finance same, and to take any actions associated therewith or necessarily resulting from the mission of the Agency, as contemplated by the Supplemental Act as the same may be amended from time to time. All power and authority available to the Agency under its Charter and general law, including without limitation, Chapters 163, 189 and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency within the boundaries of the County.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

SECTION 5. REPEAL. This Resolution shall repeal and supersede Resolution No. 2013-12 and all prior resolutions and ordinances which are in conflict herewith.

[Remainder of page intentionally left blank.]

DULY ADOPTED in regular session this ____ day of _____ 20 ____.

GADSDEN COUNTY, a political
subdivision of the State of Florida

(SEAL)

By: _____
Chair, Board of County Commissioners

ATTEST:

Approved as to form:

Clerk

County Attorney

EXHIBIT A

NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT

**NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT
RELATING TO THE FUNDING AND FINANCING
OF QUALIFYING IMPROVEMENTS BY THE
FLORIDA PACE FUNDING AGENCY**

Between

GADSDEN COUNTY, FLORIDA,

and

THE FLORIDA PACE FUNDING AGENCY

TABLE OF CONTENTS

PAGE

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01.	DEFINITIONS	1
SECTION 1.02.	CONSTRUCTION.....	3
SECTION 1.03.	SECTION HEADINGS	3
SECTION 1.04.	FINDINGS	4

ARTICLE II
SUBSCRIPTION

SECTION 2.01.	AUTHORITY	6
SECTION 2.02.	CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED	6
SECTION 2.03.	ADOPTION OF RATES, FEES AND CHARGES	7
SECTION 2.04.	FINANCING AGREEMENTS.....	7
SECTION 2.05.	IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.....	8
SECTION 2.06.	COLLECTION OF SPECIAL ASSESSMENTS	8
SECTION 2.07.	PLEDGE OF PROCEEDS FROM NON-AD VALOREM ASSESSMENTS	8
SECTION 2.08.	CARBON OR SIMILAR CREDITS.....	9

ARTICLE III
GENERAL PROVISIONS

SECTION 3.01.	INTERLOCAL AGREEMENT PROVISIONS	10
SECTION 3.02.	DISCLOSURE.....	10
SECTION 3.03.	TERM OF AGREEMENT, DURATION OF AGREEMENT; EXCLUSIVITY	10
SECTION 3.04.	AMENDMENTS AND WAIVERS.....	11
SECTION 3.05.	NOTICES	12
SECTION 3.06.	QUALITY CONTROL AND COMMUNICATION.....	12
SECTION 3.07.	IMMUNITY; LIMITED LIABILITY	13
SECTION 3.08.	BINDING EFFECT	13
SECTION 3.09.	SEVERABILITY.....	13
SECTION 3.10.	EXECUTION IN COUNTERPARTS.....	14
SECTION 3.11.	APPLICABLE LAW	14
SECTION 3.12.	ENTIRE AGREEMENT	14

**NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT
RELATING TO THE FUNDING AND FINANCING
OF QUALIFYING IMPROVEMENTS BY THE
FLORIDA PACE FUNDING AGENCY**

THIS NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT is made and entered into as of _____ 1, ~~2013~~20 (the "Subscription Agreement"), by and between Gadsden County, a political subdivision of the State of Florida (the "Subscriber"), and the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government, established pursuant to Section 163.01(7)(g), Florida Statutes, (the "Agency"), by and through their respective governing bodies. The purpose of the Subscription Agreement is to secure, in an efficient and uniform manner, for the Property Owners (as hereinafter defined) within the jurisdiction and boundaries of the Subscriber the privileges, benefits, powers and terms provided for herein and by law, and particularly by Section 163.08, Florida Statutes, as amended (the "Supplemental Act"), relating to the voluntary determination by affected property owners to obtain and finance certain improvements to property for energy efficiency, renewable energy or wind resistance.

Formatted: Underline

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each party, the Subscriber and the Agency hereby agree, stipulate and covenant as follows:

**ARTICLE I
DEFINITIONS AND CONSTRUCTION**

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings as defined unless the context requires otherwise:

"Board of Directors" means the governing body of the Agency.

"Agency" means the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government. The name or acronym PACE is derived from the concept commonly referred to as 'property assessed clean energy' and relates hereto to the provisions of general law related to energy efficiency, renewable energy and wind resistance improvements encouraged by Section 163.08, Florida Statutes.

"Agency Charter Agreement" or **"Charter"** means, unless the context otherwise requires, the separate interlocal agreement ~~creating which created~~ and ~~establishing~~established

the Agency, including any amendments and supplements hereto executed and delivered in accordance with the terms thereof.

"**Financing Agreement**" means the agreement authorized hereunder and by the Act (specifically including section 163.08(4) thereof) between the Agency and a Property Owner providing for the funding to finance Qualifying Improvements and the imposition of ~~an Energy~~ non-ad valorem Special Assessment against ~~Assessed the~~ Property Owner's assessed property.

"**Financing Documents**" shall mean the resolution or resolutions duly adopted by the Agency, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or Obligations of the Agency and any agreement between the Agency and the Subscriber, pursuant to which the Subscriber and Property Owners obtain access to funds provided by the Agency.

"**Obligations**" shall mean a series of bonds, obligations or other evidence of indebtedness, including, but not limited to, notes, commercial paper, certificates or any other obligations of the Agency issued hereunder or pursuant hereto, or under any general law provisions, and pursuant to the Financing Documents. The term shall also include any lawful obligation committed to by the Agency or pursuant to an interlocal agreement with another governmental body or agency and/or warrants issued for services rendered or administrative expenses.

"**Pledged Funds**" shall mean (A) the revenues derived from Special Assessments and other moneys received by the Agency or its designee relating to some portion thereof, (B) until applied in accordance with the terms of the Financing Documents, all moneys in the funds, accounts and sub-accounts established thereby, including investments therein, and (C) such other property, assets and moneys of the Agency as shall be pledged pursuant to the Financing Documents; in each case to the extent provided by the Board of Directors pursuant to the Financing Documents. The Pledged Funds pledged to one series of Obligations may be different than the Pledged Funds pledged to other series of Obligations. Pledged Funds shall not include any general or performance assurance fund or account of the Agency.

"**Program**" means the program operated by the Agency to provide financing for Qualifying Improvements undertaken within the jurisdiction of the Subscriber. Unless determined otherwise by the Subscriber, the Agency's Program will be non-exclusive; and, the Subscriber may embrace or authorize any similar program under the Act as the Subscriber sees fit and in the interest of the public.

"**Property Owner**" means, collectively, all of the record owners of real property subject to a Financing Agreement.

"**Qualifying Improvements**" means those improvements for energy efficiency, renewable energy, or wind resistance described in the Supplemental Act authorized to be affixed and/or installed by the record owner of an affected property. The term does not include similar improvements underwritten or financed by local, state or federal programs including, but not limited to State Housing Initiatives Partnership or SHIP Program, which are not secured by a special or non-ad valorem assessment.

"Special Assessments" means the non-ad valorem assessments authorized by the Supplemental Act and levied by the Agency on property owned by participating property owner who has entered into a Financing Agreement with the Agency to fund the costs of Qualifying Improvements.

"Subscriber" means Gadsden County, Florida, a non-charter county and political subdivision of the State of Florida.

"Subscription Agreement" means this interlocal agreement, or if the context requires a similar interlocal agreement between the Agency and any municipality, county or other government or separate legal entity permitted by the Supplemental Act to enter into Financing Agreements as provided for therein. At a minimum, each such Subscription Agreement shall provide for (1) the authority of the Agency to act, provide its services, and conduct its affairs within the subscribing government's jurisdiction; (2) the Agency to facilitate the voluntary acquisition, delivery, installation or any other manner of provision of Qualifying Improvements to record owners desiring such improvements who are willing to enter into Financing Agreements as provided for in the Supplemental Act and agree to ~~impose~~the imposition of non-ad valorem assessments which shall run with the land on their respective properties; (3) the ~~local government (or the~~ Agency) to levy, impose and collect non-ad valorem assessments pursuant to such Financing Agreements; (4) the issuance of Obligations of the Agency to fund and finance the Qualifying Improvements; (5) for the proceeds of such non-ad valorem assessments to be timely and faithfully paid to the Agency; (6) the withdrawal from, discontinuance of or termination of the Subscription Agreement by either party upon reasonable notice in a manner not detrimental to the holders of any Obligations of the Agency or inconsistent with any Financing Documents; (7) and such other covenants or provisions deemed necessary and mutually agreed to by the parties to carry out the purpose and mission of the Agency.

"Supplemental Act" means the provisions of, and additional and supplemental authority described in, Section 168.08, Florida Statutes, as amended.

SECTION 1.02 CONSTRUCTION.

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Subscription Agreement; the term "heretofore" shall mean before the date this Subscription Agreement is executed; and the term "hereafter" shall mean after the date this Subscription Agreement is executed.

(B) Each recital, covenant, agreement, representation and warranty made by a party herein shall be deemed to have been material and to have been relied on by the other party to this Subscription Agreement. Both parties have independently reviewed this Subscription Agreement with their own counsel and covenant that the provisions hereof shall not be construed for or against either the Subscriber or the Agency by reason of authorship.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Interlocal Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Subscription Agreement nor affect its meaning, construction or effect.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The State has declared it the public policy of the State to develop energy management programs aimed at promoting energy conservation and wind resistance or 'hardening' programs achieving hurricane and wind damage mitigation.

~~(B)~~ Home and business energy consumption accounts for approximately 70% of the overall usage of electric energy.

~~(C)~~(B) The State of Florida has adopted a schedule for increasing the energy performance of buildings subject to the Florida Energy Efficiency Code for Building Construction Chapter 553, Florida Statutes.

(C) A significant contributor to statewide and local greenhouse gas emissions is the inefficient use of energy by existing building stock. Installing energy efficiency and renewable energy improvements on existing structures can reduce the burdens resulting from fossil fuel energy production, including greenhouse gas reductions and increased energy conservation.

(D) Reductions in greenhouse gas emissions will in all reasonable likelihood contribute to improved air quality, lower fossil fuels use, energy independence and security, promote the creation of jobs and economic development by stimulating "green industries" and save consumers money by reducing energy consumption.

(E) Provided, however, notwithstanding anything in this Subscription Agreement otherwise, the Agency shall not and is not authorized to act to finance or execute any Financing Agreement for any Qualifying Improvements on owner-occupied residential properties pursuant to this Subscription Agreement (except where the value of the subject residential property indicates a non-conventional or 'jumbo loan' might be involved). Unless and until authorized otherwise by subsequent written resolution or amendment, approved and adopted in the sole and exclusive discretion of the Subscriber, the Agency shall only act to finance and execute Financing Agreements for Qualified Improvements on commercial properties and properties subject to non-conventional or 'jumbo loans'. Commercial properties may include properties held for rent or lease to residential tenants by a landlord or non-resident property owner thereof. For the avoidance of doubt concerning whether or not a residential property is otherwise eligible because it is of high value and a reasonable candidate for a non-

conventional or 'jumbo loan', or owned by a residential landlord or property owner eligible to apply for financing of Qualifying Improvement as a commercial property for the purposes of this limitation, a letter, an email or other written memorialization from the County Administrator, or his designee, on behalf of the Subscriber shall be sufficient and final for such purposes

(F) Hardening improvements on properties by advancing resistance to wind damage is smart and proactive hurricane mitigation and attracts sustainable long term employment and uniquely local commerce. Such actions serve to avoid huge unbudgeted expenditures in reacting to climatic disasters such as hurricanes and storms, reduce insurance claims, reduce insurance rates, reduce risk and liability, and protect persons, and property, and improvements to real property.

~~(E)(G)~~ There exists a vast quantity of existing structures with many years of remaining life before replacement, and these structures are not nearly as energy efficient as typical newly constructed buildings, nor do many existing buildings have renewable energy systems installed to provide some or all of their electric energy needs, nor are these structures as well protected from wind and storm damage as they could be.

~~(F)~~ The State Legislature has determined there is a compelling state interest in enabling property owners to voluntarily finance Qualifying Improvements with local government assistance. A significant contributor to statewide and local greenhouse gas emissions is the inefficient use of energy by existing building stock.

~~(C)~~ Installing energy efficiency and renewable energy improvements on existing structures can reduce the burdens resulting from fossil fuel energy production, including greenhouse gas reductions and increased energy conservation.

(H) The actions authorized by the Supplemental Act, including the financing of Qualifying Improvements through the execution of Financing Agreements and the related imposition of a Special Assessment, are reasonable and are necessary for the prosperity and welfare of the State, the Subscriber and ~~to~~ its property owners and inhabitants.

(I) The expected life of energy efficiency, renewable energy, and wind resistance Qualifying Improvements may require a longer-term cost recovery period than offered by traditional equity financing may afford, necessitating an alternative financing option to pay the costs to install the Qualifying Improvements while sharing the costs of the Qualifying Improvements over the useful life of the Qualifying Improvements.

(I) Existing homeowners and business property owners may find it not cost effective to refinance their properties to install Qualifying Improvements and/or the lending markets may effectively discourage property owners from financing Qualifying Improvements with traditional equity financing options.

Non-Exclusive Interlocal Subscription Agreement
Gadsden County

Formatted: Tab stops: 3", Centered

Formatted: English (United States)

~~(J)(K) Reductions in greenhouse gas emissions will in all reasonable likelihood contribute to improved air quality, lower fossil fuels use, energy independence and security, promote the creation of jobs and economic development by stimulating "green industries" and save consumers money by reducing energy consumption.~~

~~(J)(L) Facilitating the provision of Qualifying Improvements, the funding, and the repayment by participating property owners through the use of Special Assessments not only will relieve burdens emanating from and provide benefits to assessed property in terms of increased value, use and enjoyment, but will serve the public interest by preserving and protecting the environment, implementing hurricane mitigation, and promoting reasonable, smart and local economic activity.~~

~~(K)(M) The Agency has secured a binding final judgment, binding and only advantageous to the Agency, which has statewide effect. Such judgment carefully relieves the Subscriber from cost and liability associated with implementation of the Agency's Program.~~

Formatted: Hyphenate, Tab stops: Not at -0.5"

Formatted: Not Expanded by / Condensed by

~~(L) Existing homeowners and business property owners may find it not cost effective to refinance their properties to install Qualifying Improvements and/or the current lending market may effectively discourage property owners from financing Qualifying Improvements with traditional equity financing options.~~

~~(M) The expected life of energy efficiency and renewable energy Qualifying Improvements may require a longer term cost recovery period than offered by traditional equity financing may afford, necessitating an alternative financing option to pay the costs to install the Qualifying Improvements while sharing the costs of the Qualifying Improvements over the useful life of the Qualifying Improvements.~~

~~(N) The Agency has provided evidence to the Subscriber that: (1) the Agency's Program has assembled, at the Agency's sole cost and expense, open public governance and oversight, staffing in the form of qualified third-party administration, active funding provider servicing oversight, dedicated Program counsel, and an independent institutional trustee. (2) that the Agency is immediately ready to commence origination of Special Assessments for Qualifying Improvements, and (3) that the Agency presently has large scale funding in place and available under an executed bond purchase agreement and trust indenture.~~

~~(N)(O) The availability of the Program and the non-exclusive Program offered by the Agency (without cost to, assumption of liability by or demand upon the credit of Gadsden County) and the voluntary participation in the Program by property owners Property Owners will provide a heretofore unavailable or alternative financing option to finance and repay the costs to provide and install Qualifying Improvements in Gadsden County.~~

~~(O)(P) The Subscriber is willing to facilitate or authorize the provision of financing to a property owner Property Owner who participates decides to participate in the Program requires by law using non-ad valorem assessments levied by the Agency on the property pursuant to the~~

Non-Exclusive Interlocal Subscription Agreement
Gadsden County

Formatted: English (United States)
Formatted: Tab stops: 3", Centered

Supplemental Act ~~and to which must~~ be collected pursuant to Chapter 197, Florida Statutes, ~~as such financing. Such collection method~~ minimizes risk of failure for non-payment and provides a more efficient, fair and cost effective means of enforcement of any Special Assessment to both the ~~property owner and the Subscriber~~ Property Owner and the Agency's funding providers. In addition, the Agency now, by an through its funding provider, employs a second and redundant Qualifying Improvement review process to avoid fraud, Program misuse, or improvident funding. This additional review process is required by and not only serves the risk concerns of the funding provider, but serves to accomplish more careful, sober and proper use of this financing alternative in achieving the purposes of the Property Owner, the Agency, the Subscriber and the compelling State interests involved.

(Q) The Subscriber is presently without adequate, currently available and recurring funds to establish a program similar to the Agency's Program; and recognizes that if it does initiate its own program it may be necessary that it commit time, staffing and monetary resources and that it borrow the moneys necessary for such purpose and secures repayment thereof by the proceeds derived from non-ad valorem assessments it imposes. However, alternatively and supplementally to any other program or approach chosen by the Subscriber, the Subscriber can concurrently and presently authorize and approve the Agency to separately make the Agency's non-exclusive Program and funding for Qualified Improvements immediately available to Property Owners and local economy in Gadsden County.

~~(P)(R)~~ The Subscriber finds that local needs and conditions warrant the establishment of the Agency's non-exclusive Program within the jurisdiction of the Subscriber as a direct and immediate means to non-exclusively implement and advance positive local economic activity, job creation, energy efficiency, renewable energy and wind resistant activities.

~~(Q)(S)~~ It is ~~necessary~~ reasonable and in the interest of the health, safety, and welfare of the Subscriber and its inhabitants that the Subscriber subscribe to the establishment availability of the Program within the Subscriber's jurisdiction. The Subscriber Agency is authorized hereby, by law and pursuant to the provisions of the Supplemental Act to undertake the Program.

Formatted: Hyphenate, Tab stops: Not at -0.5"

Formatted: Not Expanded by / Condensed by

~~(R) The Subscriber is without adequate, currently available and recurring funds to establish a program similar to the Program, and it is necessary and desirable and in the public interest that it either borrows the moneys necessary for such purpose and secures repayment thereof by the proceeds derived from the Special Assessments, or authorizes and approves the Agency to do so.~~

(T) This Agreement provides an alternative, supplemental and non-exclusive means to achieve, inter alia, immediate and careful local economic development, commerce and job creation, as well as the compelling State interests and public purposes described in the Supplemental Act.

~~(S)(U) The Agency has secured a binding final judgment, binding and only advantageous to the Agency, which has statewide effect. Such judgment carefully relieves the Subscriber from cost and liability associated with implementation of the Agency's Program.~~

Formatted: Hyphenate, Tab stops: Not at -0.5"

Formatted: Not Expanded by / Condensed by

Non-Exclusive Interlocal Subscription Agreement
Gadsden County

Formatted: Tab stops: 3", Centered

Formatted: English (United States)

[Remainder of page intentionally left blank.]

Formatted: Justified

Formatted: Tab stops: 3", Centered

Formatted: English (United States)

ARTICLE II SUBSCRIPTION

SECTION 2.01. AUTHORITY.

(A) The execution hereof has been duly authorized by the resolution of the governing bodies of each party hereto.

(B) The Agency by this Subscription Agreement is hereby authorized to act to provide its services, and conduct its affairs, within the boundaries of the Subscriber's jurisdiction.

(C) The execution of this Subscription Agreement evidences the express authority and concurrent transfer of all necessary powers to the Agency, and the covenant to reasonably cooperate by the Subscriber, so that the Agency may facilitate, administer, implement and ~~assist in providing~~provide Qualifying Improvements, facilitate Financing Agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop markets, structures and procedures to finance same, and to take any actions associated therewith or necessarily resulting there from, as contemplated by the Supplemental Act as the same may be amended from time to time.

(D) By resolution of the governing bodies of each of the parties and as implemented pursuant by this Subscription Agreement, all power and authority available to the Agency under its Charter and general law, including without limitation, Chapters 163, 189 and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency within the boundaries of the Subscriber.

(E) This Subscription Agreement may be amended only by written amendment hereto.

SECTION 2.02. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.

The Agency shall not be empowered or authorized in any manner to create a debt as against the State, county, or any municipality, and may not pledge the full faith and credit of the State, any county, or any municipality. All revenue bonds or debt obligations of the Agency shall contain on the face thereof a statement to the effect that the State, county or any municipality shall not be obligated to pay the same or the interest and that they are only payable from Agency revenues or the portion thereof for which they are issued and that neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law, the Charter Agreement, or this Subscription Agreement shall not directly or indirectly or contingently obligate the State, or any county or municipality to levy or to pledge any form of ad valorem taxation whatever therefore or to make any appropriation for their payment.

Formatted: Default Paragraph Font, Font: 10 pt

Formatted: Font: 12 pt, English (United States)

Formatted: Right

SECTION 2.03. ADOPTION OF RATES, FEES AND CHARGES.

(A) The Board of Directors may adopt from time to time by resolution such rates, fees or other charges for the provision of the services of the Agency to be paid by the record owner of any property, pursuant to a Financing Agreement described in the Supplemental Act.

(B) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of administering, managing, and providing for the services and administration of the activities of the Agency, to pay costs and expenses provided for by law or the Charter Agreement and the Financing Documents, and to pay the principal and interest on the Obligations as the same shall become due and reserves therefore, and to provide for necessary administration and reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in the Charter Agreement or this Subscription Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents.

(C) Such rates, fees and charges may vary from jurisdiction to jurisdiction, but shall be just and equitable and uniform at the time of imposition for the record owners in the same class of or within each subscribing local governmental jurisdiction electing to enter into any Financing Agreement described in the Supplemental Act and may be based upon or computed upon any factor (including, by way of example and not limitation, competitive or market conditions, distinguishing between residential and non-residential properties or uses, distinguishing between variable costs of administrative services over time) or combination of factors affecting the demand or cost of the services furnished or provided to administer the services and affairs of the Agency as may be determined by the Board of Directors from time to time.

(D) Notwithstanding anything in this Subscription Agreement to the contrary, the Agency may establish a general fund and/or performance assurance account into which moneys may be deposited from an annual surcharge upon the Special Assessments imposed, pledged to or collected by the Agency. Any moneys deposited to such general fund account from such a surcharge shall be considered legally available for any lawful purpose approved by the Board of Directors. Moneys in such general fund and/or performance assurance account may be used to pay for or reimburse initial costs and expenses advanced or associated with start-up costs, feasibility studies, economic analysis, financial advisory services, program development or implementation costs or enhancements, public education, energy audits, administration, quality control, vendor procurement, and any other purpose associated with the purpose or mission of the Agency approved by the Board of Directors.

SECTION 2.04. FINANCING AGREEMENTS.

(A) The Agency ~~is authorized to shall~~ prepare and provide to ~~the Subscriber~~ each participating property owner the form of the Financing ~~Agreements~~ Agreement which ~~comply~~ complies with the Supplemental Act and ~~are~~ is in accordance with the Financing Documents as designated by the Board of Directors from time to time.

~~(B) Upon presentation of fully executed Financing Agreements to the Agency with a good faith certificate of compliance with the provisions of the Supplemental Act, the Agency shall cause same to be promptly executed by a duly authorized Agency official. Such official shall be duly authorized in advance and appointed to act within clearly delegated parameters to avoid the necessity of having to place such matters on the agenda of the governing body of the Agency.~~

~~(B) The Agency, not the Subscriber, shall be solely responsible for all matters associated with origination, funding, financing, collection and administration of each of the Agency's authorized non-ad valorem assessments.~~

SECTION 2.05. IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.

(A) Upon execution by the record owners and the Agency, the Financing Agreement or a summary or memorandum thereof shall be recorded by the Agency within five (5) days of execution as required by Section 163.08(8), Florida Statutes. The recorded Financing Agreement, or summary or memorandum thereof, provides constructive notice that the non-ad valorem assessment to be levied on the subject property constitutes a lien of equal dignity to ad valorem taxes and assessments from the date of recordation.

(B) In a reasonably cooperative and uniform manner the Agency is authorized to and shall provide a digital copy to the property appraiser or tax collector of the recorded Financing Agreement or summary thereof, the most recent property identification number and annual amount of the non-ad valorem assessment along with such other efficient and reasonable information necessary for the tax collector to collect such amounts on behalf of the Agency pursuant to Sections 197.3632 and 163.08, Florida Statutes, as a non-ad valorem assessment.

SECTION 2.06. COLLECTION OF SPECIAL ASSESSMENTS.

(A) Subscriber ~~shall not agree (to the extent the Subscriber's agreement is required) to allow will require, if possible, and encourage~~ the tax collector or property appraiser to only impose, charge, or deduct ~~any amount exceeding~~ the minimum amount allowed by general law for the collection or handling of the Special Assessments which are the subject of this Subscription Agreement.

~~(B) Proceeds~~To advance Program acceptance and to minimize Program participation costs, and because each Property Owner is voluntarily undertaking to achieve and underwrite the compelling State interests described in the Supplemental Act, the Subscriber urges either the waiver of the Special Assessment provided such fees by the tax collector and property appraiser or a flat five dollar (\$5) fee per year per tax parcel for ~~herein~~such purposes which shall be paid ~~to by~~ the Agency ~~or via deduction, by~~ the institutional trustee required by the Financing Documents, or as otherwise reasonably agreed to by the Agency and these parties.

SECTION 2.07. PLEDGE OF PROCEEDS FROM NON AD VALOREM ASSESSMENTS.

(A) -The Agency will take such actions as are necessary for the lawful levy of the Special Assessments against all lands and properties specially benefitted by the acquisition, construction and financing of Qualifying Improvements. If any assessment made with respect to any property shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Agency or Subscriber shall be satisfied that any such assessment is so irregular or defective that the same cannot be enforced or collected, the Agency is authorized to take all necessary steps to cause a new assessment to be made for the whole or any part of any Qualifying Improvements or against any property specially benefitted by such improvement, to the extent and in the manner provided by law.

(B) Pursuant to the Financing Documents and this Subscription Agreement, the Agency shall irrevocably pledge and, to the fullest extent permitted by law, pledge and assign any and all revenues derived from Special Assessments to the repayment of any debt obligation issued by the Agency pursuant to the Financing Documents.

(C) The Subscriber ~~will~~shall not incur or ever be requested to authorize any obligations secured by Special Assessments associated with Qualifying Improvements ~~other than pursuant to imposed by the Financing Documents secured by a lien upon and pledge of the Special Assessments, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge associated with Qualifying Improvements having priority to or being on a parity with the lien of the Financing Documents upon the Special Assessments Agency.~~

(D) Each series of Financing Documents shall be secured forthwith equally and ratably by a pledge of and lien upon the Special Assessments. The obligations of the Agency under and pursuant to the Financing Documents shall not be or constitute general obligations or an indebtedness of the Subscriber as "bonds" within the meaning of the Constitution of Florida, but shall be payable from and secured solely by a lien upon and pledge of the Special Assessments as provided herein. Neither the Agency nor any holder of any debt obligation issued by the Agency pursuant to the Financing Documents shall ever have the right to compel the exercise of the ad valorem taxing power of the Subscriber or taxation in any form of property therein to pay any amount due under any Financing Documents or any Special Assessment. The Financing Documents shall not constitute a lien upon any property of or in the Subscriber except as to the respective Special Assessments in the manner provided herein and by law.

SECTION 2.08. CARBON OR SIMILAR CREDITS. The form of Financing Agreement in each instance shall provide for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to the Agency, with such revenues therefrom, if any ever materialize, to be used by the Agency to underwrite generally its operation, mission and purpose. The Financing Agreement, in each instance, shall separately and expressly confirm that consideration therefore is in the form and substance of economies of scale

*Non-Exclusive Interlocal Subscription Agreement
Gadsden County*

provided by the Agency and its programs and \$1 and other good and valuable consideration provided to and received by the Property Owner, or such other statement of consideration as shall be appropriate under the circumstances. By execution hereof any such interest in mitigation credits shall be assigned by the Subscriber to the Agency without any future action by the parties. Provided, however, the Subscriber shall upon request from time to time execute and deliver all such documents as may be reasonably required to further evidence the assignment and transfer of such interests to the Agency. Such credits expressly exclude investment tax credits available under the Internal Revenue Code or monetary rebates available to the Property Owner.

[Remainder of page intentionally left blank.]

**ARTICLE III
GENERAL PROVISIONS**

SECTION 3.01. INTERLOCAL AGREEMENT PROVISIONS. This Subscription Agreement constitutes a joint exercise of power, privilege or authority by and between the Subscriber and the Agency and shall be deemed to be an “interlocal agreement” within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended. This Interlocal Agreement shall be filed by the Agency with the Clerk of the Circuit Court of the county in which the Subscriber is located.

SECTION 3.02. DISCLOSURE.

(A) The Agency has provided a copy of (1) the Supplemental Act, (2) the Agency’s Charter Agreement, (3) the Final Judgment in *Fla. PACE Funding Agency v. State*, No. 2011-CA-1824 (Fla. 2d Cir. Ct. 2011), and (4) other relevant disclosure information and background materials to the Subscriber prior to execution hereof. Subscriber, through its own staff and advisors, has independently reviewed and considered the foregoing and other relevant information of its choosing.

(B) The objective of the Agency’s mission is to offer a uniform, standardized and scalable approach that provides efficiencies and economies of scale intended to attract voluntary financing of Qualifying Improvements and stimulate a substantial and meaningful flow of private sector economic activity and new job creation. In doing so, each subscribing local government by entering into a subscription agreement of this nature authorizes the availability of the Agency’s uniform program to property owners in the subscribing jurisdiction. Accordingly, the Agency has engaged, and may engage in the future, various advisors, consultants, attorneys or other professionals or firms with recognized expertise necessary to accomplish the Agency’s mission.

(C) Each of the various advisors, consultants, attorneys or other professionals engaged by the Agency has been, and shall in the future be, disclosed to the Subscriber. The Subscriber and Agency recognize, consider and acknowledge the fact or possibility that one or more of the various professionals or firms may serve as the advisor to the Agency in its mission, and to the Subscriber or another client in providing other similar professional services, outside of the provision, funding and financing of Qualifying Improvements. Such circumstance is acceptable and will not be construed as a conflict, be objected to unreasonably, nor be used as the basis for its disqualification of such professionals or firms from any continued or future representation of either party hereto which can otherwise be resolved by a reasonable waiver.

SECTION 3.03. TERM OF AGREEMENT; DURATION OF AGREEMENT; EXCLUSIVITY.

(A) The term of this Interlocal Agreement shall commence as of the date first above written, and initially continue for the next three (3) full fiscal years (ending September 30)

following execution hereof. The term of this Agreement shall then be renewed for successive three-year periods, unless either party provides notice to the other in writing of intent to terminate not later than 180 days prior to the end of any three-year term, or as otherwise agreed to by the parties in writing. Provided, however either party may unilaterally terminate this Agreement prior to any Financing Agreements being executed or, if earlier, the issuance of any Obligations of the Agency secured by Pledged Revenues derived from within the jurisdiction or boundaries of the Subscriber.

(B) In the event of any termination hereunder, and so long as the Agency has Obligations outstanding which are secured by Pledged Revenues derived from Financing Agreements relating to any properties within the jurisdiction or boundaries of the Subscriber, or the Agency has projects for Qualified Improvements underway therein, the applicable provisions, authority and responsibility under this Agreement reasonably necessary to carry out the remaining aspects of the Program and responsibilities of Agency then underway, shall remain in effect and survive such termination until such time as those obligations and all associated remaining Program responsibilities are fulfilled (including, but not limited to the collection of assessments in due course).

(C) In light of the unique nature of the Agency's program and in recognition of the capital investment made by the Agency and its contracting parties, and in order to maximize the benefits of a uniform implementation of a program under the Supplemental Act, the Subscriber covenants that it will not terminate this Agreement without cause, ~~or. Provided,~~ however, the Agency's powers to be employed and exercised hereunder shall be non-exclusive, and the Subscriber is free to and reserves the right to enter into or otherwise commence another program for financing Qualified Improvements using non-ad valorem assessments either under the Supplemental Act or pursuant to its home rule powers ~~so long as the Agency is actively operating and performing its obligations hereunder and pursuant to the Financing Documents~~ upon written notice to the Agency of its decision to do so.

SECTION 3.04. AMENDMENTS AND WAIVERS.

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Subscription Agreement shall be binding unless executed in writing by the Subscriber and Agency.

(B) To the extent the Agency has no outstanding bonds, Obligations or other evidence of indebtedness, this Subscription Agreement may be amended or modified or provisions hereto waived upon the written consent of all parties hereto.

(C) To the extent the Agency has outstanding bonds, Obligations or other evidence of indebtedness arising from Financing Agreements relating to properties within the jurisdiction or boundaries of the Subscriber, this Subscription Agreement may not be amended or modified in any way that is materially adverse to holders of such bonds, Obligations or other evidence of indebtedness without the consent in writing of the holders of at least two-thirds (2/3) or more in principal amount of such bonds, Obligations or other evidence of indebtedness

(exclusive of any warrants issued by the Agency) then outstanding, or any insurer duly authorized to provide such consent on behalf of such holders.

SECTION 3.05. NOTICES.

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered (or confirmed electronic facsimile transmission) or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for “next business day” service) to the parties at the following addresses:

Subscriber: Gadsden County
ATTN: County Administrator
~~Edward J. Butler Governmental Complex~~
~~9 East 10 E. Jefferson Street, 2nd Floor (P.O. Box 1649)~~
Quincy, Florida 32351

With a copy to: Gadsden County
ATTN: County Attorney
~~Edward J. Butler Governmental Complex~~
~~9 East 10 E. Jefferson Street, 2nd Floor (P.O. Box 1649)~~
Quincy, Florida 32351

Agency: Executive Director
Florida PACE Funding Agency
c/o City of Kissimmee
101 North Church Street, Fifth Floor
Kissimmee, Florida 34741

With a copy to: ~~Registered Agent~~Program Counsel for the Florida PACE Funding Agency
~~101 N. Monroe St., Suite 900~~
~~P.O. Box 14043~~
Tallahassee, Florida ~~32301~~32317-4043

(B) Any of the parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or confirmed electronic facsimile transmission) or three days after the date mailed.

SECTION 3.06. QUALITY CONTROL AND COMMUNICATION. For quality control purposes the Agency and Subscriber desire, and the Agency covenants to develop, implement and employ policies, systems and procedures which are within industry standards; with such standards being reasonably expected to change and evolve over time. An ongoing positive and informal line of communication between staff and agents for the parties is

encouraged. At any time, notwithstanding lack of default or lack of material breach hereunder, the Subscriber is encouraged to objectively and specifically communicate to the Agency in writing as provided for herein any concerns, suggestions or disapproval with performance, policies, systems or procedures being employed by the Agency. The Agency through its administrator, Executive Director, or a duly authorized designee, will promptly respond in writing to all such communications (reasonably within fifteen (15) days of receipt of any such written communication, but sooner if necessary) and follow-up accordingly; and, also promptly communicate any such response, follow-up, and all related communication to the Board of Directors for review.

SECTION 3.07. IMMUNITY; LIMITED LIABILITY.

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Subscription Agreement.

(B) The Subscriber and Agency are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the incorporators or members of the Agency shall not be held jointly liable for the torts of the officers or employees of the Agency, or any other tort attributable to the Agency, and that the Agency alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. The Subscriber and Agency acknowledge and agree that the Agency shall have all of the privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. Nothing in this Subscription Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(C) Neither the Subscriber, nor the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency, except to the extent otherwise mutually and expressly agreed upon, and neither the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency have any authority or power to otherwise obligate either the Subscriber, the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency in any manner.

SECTION 3.08. BINDING EFFECT. —This Subscription Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns.

SECTION 3.09. SEVERABILITY In the event any provision of this Subscription Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 3.10. EXECUTION IN COUNTERPARTS.—— This Subscription Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 3.11. APPLICABLE LAW. The exclusive venue of any legal or equitable action that arises out of or relates to this Subscription Agreement shall be the appropriate state court in Leon County. In any such action, Florida law shall apply and the parties waive any right to jury trial.

SECTION 3.12. ENTIRE AGREEMENT. —This Subscription Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof, except as specifically set forth herein.

[Remainder of page intentionally left blank.]

Non-Exclusive Interlocal Subscription Agreement
Gadsden County

IN WITNESS WHEREOF, the undersigned have caused this Non-Exclusive Subscription Agreement to be duly executed and entered into as of the date first above written.

Formatted: Font: 10 pt, Italic, English (United States)
Formatted: Right

~~BOARD OF COUNTY COMMISSIONERS~~
~~OF GADSDEN COUNTY,~~
~~FLORIDA~~ political subdivision of the State
of Florida

(SEAL)

By: _____
~~Douglas M. Croley~~ _____, Chair

Attest:

Approved as to form ~~by the County~~
~~Attorney:~~

Nicholas Thomas, Clerk

Deborah ~~Mimis~~ Menhis, County Attorney

IN WITNESS WHEREOF, the undersigned have caused this Interlocal Agreement to be duly executed and entered into as of the date first above written.

THE FLORIDA PACE FUNDING AGENCY

(SEAL)

By: _____
Michael H. Steigerwald, Executive Director

ATTEST:

Donald T. Smallwood, Assistant Secretary

**NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT
RELATING TO THE FUNDING AND FINANCING
OF QUALIFYING IMPROVEMENTS BY THE
FLORIDA PACE FUNDING AGENCY**

Between

GADSDEN COUNTY, FLORIDA,

and

THE FLORIDA PACE FUNDING AGENCY

TABLE OF CONTENTS

PAGE

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01.	DEFINITIONS	1
SECTION 1.02.	CONSTRUCTION.....	3
SECTION 1.03.	SECTION HEADINGS.....	3
SECTION 1.04.	FINDINGS.....	4

ARTICLE II
SUBSCRIPTION

SECTION 2.01.	AUTHORITY	6
SECTION 2.02.	CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.....	6
SECTION 2.03.	ADOPTION OF RATES, FEES AND CHARGES.....	7
SECTION 2.04.	FINANCING AGREEMENTS.....	7
SECTION 2.05.	IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.....	8
SECTION 2.06.	COLLECTION OF SPECIAL ASSESSMENTS.....	8
SECTION 2.07.	PLEDGE OF PROCEEDS FROM NON-AD VALOREM ASSESSMENTS.....	8
SECTION 2.08.	CARBON OR SIMILAR CREDITS	9

ARTICLE III
GENERAL PROVISIONS

SECTION 3.01.	INTERLOCAL AGREEMENT PROVISIONS	10
SECTION 3.02.	DISCLOSURE	10
SECTION 3.03.	TERM OF AGREEMENT, DURATION OF AGREEMENT; EXCLUSIVITY	10
SECTION 3.04.	AMENDMENTS AND WAIVERS.....	11
SECTION 3.05.	NOTICES.....	12
SECTION 3.06.	QUALITY CONTROL AND COMMUNICATION	12
SECTION 3.07.	IMMUNITY; LIMITED LIABILITY	13
SECTION 3.08.	BINDING EFFECT	13
SECTION 3.09.	SEVERABILITY	13
SECTION 3.10.	EXECUTION IN COUNTERPARTS	14
SECTION 3.11.	APPLICABLE LAW	14
SECTION 3.12.	ENTIRE AGREEMENT	14

**NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT
RELATING TO THE FUNDING AND FINANCING
OF QUALIFYING IMPROVEMENTS BY THE
FLORIDA PACE FUNDING AGENCY**

THIS NON-EXCLUSIVE INTERLOCAL SUBSCRIPTION AGREEMENT is made and entered into as of _____, 20__ (the "Subscription Agreement"), by and between Gadsden County, a political subdivision of the State of Florida (the "Subscriber"), and the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government, established pursuant to Section 163.01(7)(g), Florida Statutes, (the "Agency"), by and through their respective governing bodies. The purpose of the Subscription Agreement is to secure, in an efficient and uniform manner, for the Property Owners (as hereinafter defined) within the jurisdiction and boundaries of the Subscriber the privileges, benefits, powers and terms provided for herein and by law, and particularly by Section 163.08, Florida Statutes, as amended (the "Supplemental Act"), relating to the voluntary determination by affected property owners to obtain and finance certain improvements to property for energy efficiency, renewable energy or wind resistance.

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration each to the other, receipt of which is hereby acknowledged by each party, the Subscriber and the Agency hereby agree, stipulate and covenant as follows:

**ARTICLE I
DEFINITIONS AND CONSTRUCTION**

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings as defined unless the context requires otherwise:

"Board of Directors" means the governing body of the Agency.

"Agency" means the Florida PACE Funding Agency, a separate legal entity and public body and unit of local government. The name or acronym PACE is derived from the concept commonly referred to as 'property assessed clean energy' and relates hereto to the provisions of general law related to energy efficiency, renewable energy and wind resistance improvements encouraged by Section 163.08, Florida Statutes.

"Agency Charter Agreement" or **"Charter"** means, unless the context otherwise requires, the separate interlocal agreement which created and established the Agency, including any amendments and supplements hereto executed and delivered in accordance with the terms thereof.

"Financing Agreement" means the agreement authorized hereunder and by the Act (specifically including section 163.08(4) thereof) between the Agency and a Property Owner providing for the funding to finance Qualifying Improvements and the imposition of a non-ad valorem Special Assessment against the Property Owner's assessed property.

"Financing Documents" shall mean the resolution or resolutions duly adopted by the Agency, as well as any indenture of trust, trust agreement, interlocal agreement or other instrument relating to the issuance or security of any bond or Obligations of the Agency and any agreement between the Agency and the Subscriber, pursuant to which the Subscriber and Property Owners obtain access to funds provided by the Agency.

"Obligations" shall mean a series of bonds, obligations or other evidence of indebtedness, including, but not limited to, notes, commercial paper, certificates or any other obligations of the Agency issued hereunder or pursuant hereto, or under any general law provisions, and pursuant to the Financing Documents. The term shall also include any lawful obligation committed to by the Agency or pursuant to an interlocal agreement with another governmental body or agency and/or warrants issued for services rendered or administrative expenses.

"Pledged Funds" shall mean (A) the revenues derived from Special Assessments and other moneys received by the Agency or its designee relating to some portion thereof, (B) until applied in accordance with the terms of the Financing Documents, all moneys in the funds, accounts and sub-accounts established thereby, including investments therein, and (C) such other property, assets and moneys of the Agency as shall be pledged pursuant to the Financing Documents; in each case to the extent provided by the Board of Directors pursuant to the Financing Documents. The Pledged Funds pledged to one series of Obligations may be different than the Pledged Funds pledged to other series of Obligations. Pledged Funds shall not include any general or performance assurance fund or account of the Agency.

"Program" means the program operated by the Agency to provide financing for Qualifying Improvements undertaken within the jurisdiction of the Subscriber. Unless determined otherwise by the Subscriber, the Agency's Program will be non-exclusive; and, the Subscriber may embrace or authorize any similar program under the Act as the Subscriber sees fit and in the interest of the public.

"Property Owner" means, collectively, all of the record owners of real property subject to a Financing Agreement.

"Qualifying Improvements" means those improvements for energy efficiency, renewable energy, or wind resistance described in the Supplemental Act authorized to be affixed and/or installed by the record owner of an affected property. The term does not include similar improvements underwritten or financed by local, state or federal programs including, but not limited to State Housing Initiatives Partnership or SHIP Program, which are not secured by a special or non-ad valorem assessment.

"Special Assessments" means the non-ad valorem assessments authorized by the Supplemental Act and levied by the Agency on property owned by participating property

owner who has entered into a Financing Agreement with the Agency to fund the costs of Qualifying Improvements.

“Subscriber” means Gadsden County, Florida, a non-charter county and political subdivision of the State of Florida.

“Subscription Agreement” means this interlocal agreement, or if the context requires a similar interlocal agreement between the Agency and any municipality, county or other government or separate legal entity permitted by the Supplemental Act to enter into Financing Agreements as provided for therein. At a minimum, each such Subscription Agreement shall provide for (1) the authority of the Agency to act, provide its services, and conduct its affairs within the subscribing government’s jurisdiction; (2) the Agency to facilitate the voluntary acquisition, delivery, installation or any other manner of provision of Qualifying Improvements to record owners desiring such improvements who are willing to enter into Financing Agreements as provided for in the Supplemental Act and agree to the imposition of non-ad valorem assessments which shall run with the land on their respective properties; (3) the Agency to levy, impose and collect non-ad valorem assessments pursuant to such Financing Agreements; (4) the issuance of Obligations of the Agency to fund and finance the Qualifying Improvements; (5) for the proceeds of such non-ad valorem assessments to be timely and faithfully paid to the Agency; (6) the withdrawal from, discontinuance of or termination of the Subscription Agreement by either party upon reasonable notice in a manner not detrimental to the holders of any Obligations of the Agency or inconsistent with any Financing Documents; (7) and such other covenants or provisions deemed necessary and mutually agreed to by the parties to carry out the purpose and mission of the Agency.

“Supplemental Act” means the provisions of, and additional and supplemental authority described in, Section 168.08, Florida Statutes, as amended.

SECTION 1.02 CONSTRUCTION.

(A) Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms, shall refer to this Subscription Agreement; the term “heretofore” shall mean before the date this Subscription Agreement is executed; and the term “hereafter” shall mean after the date this Subscription Agreement is executed.

(B) Each recital, covenant, agreement, representation and warranty made by a party herein shall be deemed to have been material and to have been relied on by the other party to this Subscription Agreement. Both parties have independently reviewed this Subscription Agreement with their own counsel and covenant that the provisions hereof shall not be construed for or against either the Subscriber or the Agency by reason of authorship.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Interlocal Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall

neither constitute a part of this Subscription Agreement nor affect its meaning, construction or effect.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The State has declared it the public policy of the State to develop energy management programs aimed at promoting energy conservation and wind resistance or 'hardening' programs achieving hurricane and wind damage mitigation.

(B) Home and business energy consumption accounts for approximately 70% of the overall usage of electric energy. The State of Florida has adopted a schedule for increasing the energy performance of buildings subject to the Florida Energy Efficiency Code for Building Construction Chapter 553, Florida Statutes.

(C) A significant contributor to statewide and local greenhouse gas emissions is the inefficient use of energy by existing building stock. Installing energy efficiency and renewable energy improvements on existing structures can reduce the burdens resulting from fossil fuel energy production, including greenhouse gas reductions and increased energy conservation.

(D) Reductions in greenhouse gas emissions will in all reasonable likelihood contribute to improved air quality, lower fossil fuels use, energy independence and security, promote the creation of jobs and economic development by stimulating "green industries" and save consumers money by reducing energy consumption.

(E) Provided, however, notwithstanding anything in this Subscription Agreement otherwise, the Agency shall not and is not authorized to act to finance or execute any Financing Agreement for any Qualifying Improvements on owner-occupied residential properties pursuant to this Subscription Agreement (except where the value of the subject residential property indicates a non-conventional or 'jumbo loan' might be involved). Unless and until authorized otherwise by subsequent written resolution or amendment, approved and adopted in the sole and exclusive discretion of the Subscriber, the Agency shall only act to finance and execute Financing Agreements for Qualified Improvements on commercial properties and properties subject to non-conventional or 'jumbo loans'. Commercial properties may include properties held for rent or lease to residential tenants by a landlord or non-resident property owner thereof. For the avoidance of doubt concerning whether or not a residential property is otherwise eligible because it is of high value and a reasonable candidate for a non-conventional or 'jumbo loan', or owned by a residential landlord or property owner eligible to apply for financing of Qualifying Improvement as a commercial property for the purposes of this limitation, a letter, an email or other written memorialization from the County Administrator, or his designee, on behalf of the Subscriber shall be sufficient and final for such purposes

(F) Hardening improvements on properties by advancing resistance to wind damage is smart and proactive hurricane mitigation and attracts sustainable long term employment and uniquely local commerce. Such actions serve to avoid huge unbudgeted expenditures in reacting to climatic disasters such as hurricanes and storms, reduce insurance claims, reduce insurance rates, reduce risk and liability, and protect persons, and property, and improvements to real property.

(G) There exists a vast quantity of existing structures with many years of remaining life before replacement, and these structures are not nearly as energy efficient as typical newly constructed buildings, nor do many existing buildings have renewable energy systems installed to provide some or all of their electric energy needs, nor are these structures as well protected from wind and storm damage as they could be.

(H) The State Legislature has determined there is a compelling state interest in enabling property owners to voluntarily finance Qualifying Improvements with local government assistance. The actions authorized by the Supplemental Act, including the financing of Qualifying Improvements through the execution of Financing Agreements and the related imposition of a Special Assessment, are reasonable and are necessary for the prosperity and welfare of the State, the Subscriber and its property owners and inhabitants.

(I) The expected life of energy efficiency, renewable energy, and wind resistance Qualifying Improvements may require a longer-term cost recovery period than offered by traditional equity financing may afford, necessitating an alternative financing option to pay the costs to install the Qualifying Improvements while sharing the costs of the Qualifying Improvements over the useful life of the Qualifying Improvements.

(J) Existing homeowners and business property owners may find it not cost effective to refinance their properties to install Qualifying Improvements and/or the lending markets may effectively discourage property owners from financing Qualifying Improvements with traditional equity financing options.

(K) Facilitating the provision of Qualifying Improvements, the funding, and the repayment by participating property owners through the use of Special Assessments not only will relieve burdens emanating from and provide benefits to assessed property in terms of increased value, use and enjoyment, but will serve the public interest by preserving and protecting the environment, implementing hurricane mitigation, and promoting reasonable, smart and local economic activity.

(L) The Agency has secured a binding final judgment, binding and only advantageous to the Agency, which has statewide effect. Such judgment carefully relieves the Subscriber from cost and liability associated with implementation of the Agency's Program.

(M) The Agency has provided evidence to the Subscriber that: (1) the Agency's Program has assembled, at the Agency's sole cost and expense, open public governance and

oversight, staffing in the form of qualified third-party administration, active funding provider servicing oversight, dedicated Program counsel, and an independent institutional trustee, (2) that the Agency is immediately ready to commence origination of Special Assessments for Qualifying Improvements, and (3) that the Agency presently has large scale funding in place and available under an executed bond purchase agreement and trust indenture.

(N) The availability of the non-exclusive Program offered by the Agency (without cost to, assumption of liability by or demand upon the credit of Gadsden County) and the voluntary participation in the Program by Property Owners will provide a heretofore unavailable or alternative financing option to finance and repay the costs to provide and install Qualifying Improvements in Gadsden County.

(O) The provision of financing to a Property Owner who decides to participate in the Program requires by law using non-ad valorem assessments levied by the Agency on the property pursuant to the Supplemental Act which must be collected pursuant to Chapter 197, Florida Statutes. Such collection method minimizes risk of failure for non-payment and provides a more efficient, fair and cost effective means of enforcement of any Special Assessment to both the Property Owner and the Agency's funding providers. In addition, the Agency now, by an through its funding provider, employs a second and redundant Qualifying Improvement review process to avoid fraud, Program misuse, or improvident funding. This additional review process is required by and not only serves the risk concerns of the funding provider, but serves to accomplish more careful, sober and proper use of this financing alternative in achieving the purposes of the Property Owner, the Agency, the Subscriber and the compelling State interests involved.

(P) The Subscriber is presently without adequate, currently available and recurring funds to establish a program similar to the Agency's Program; and recognizes that if it does initiate its own program it may be necessary that it commit time, staffing and monetary resources and that it borrow the moneys necessary for such purpose and secures repayment thereof by the proceeds derived from non-ad valorem assessments it imposes. However, alternatively and supplementally to any other program or approach chosen by the Subscriber, the Subscriber can concurrently and presently authorize and approve the Agency to separately make the Agency's non-exclusive Program and funding for Qualified Improvements immediately available to Property Owners and local economy in Gadsden County.

(Q) The Subscriber finds that local needs and conditions warrant the establishment of the Agency's non-exclusive Program within the jurisdiction of the Subscriber as a direct and immediate means to non-exclusively implement and advance positive local economic activity, job creation, energy efficiency, renewable energy and wind resistant activities.

(R) It is reasonable and in the interest of the health, safety, and welfare of the Subscriber and its inhabitants that the Subscriber subscribe to the availability of the Program within the Subscriber's jurisdiction. The Agency is authorized hereby, by law and pursuant to the provisions of the Supplemental Act to undertake the Program.

(S) This Agreement provides an alternative, supplemental and non-exclusive means to achieve, *inter alia*, immediate and careful local economic development, commerce and job creation, as well as the compelling State interests and public purposes described in the Supplemental Act.

[Remainder of page intentionally left blank.]

ARTICLE II SUBSCRIPTION

SECTION 2.01. AUTHORITY.

(A) The execution hereof has been duly authorized by the resolution of the governing bodies of each party hereto.

(B) The Agency by this Subscription Agreement is hereby authorized to act to provide its services, and conduct its affairs, within the boundaries of the Subscriber's jurisdiction.

(C) The execution of this Subscription Agreement evidences the express authority and concurrent transfer of all necessary powers to the Agency, and the covenant to reasonably cooperate by the Subscriber, so that the Agency may facilitate, administer, implement and provide Qualifying Improvements, facilitate Financing Agreements and non-ad valorem assessments only on properties subjected to same by the record owners thereof, develop markets, structures and procedures to finance same, and to take any actions associated therewith or necessarily resulting there from, as contemplated by the Supplemental Act as the same may be amended from time to time.

(D) By resolution of the governing bodies of each of the parties and as implemented pursuant by this Subscription Agreement, all power and authority available to the Agency under its Charter and general law, including without limitation, Chapters 163, 189 and 197, Florida Statutes, shall be deemed to be authorized and may be implemented by the Agency within the boundaries of the Subscriber.

(E) This Subscription Agreement may be amended only by written amendment hereto.

SECTION 2.02. CREATION OF STATE, COUNTY OR MUNICIPAL DEBTS PROHIBITED.

The Agency shall not be empowered or authorized in any manner to create a debt as against the State, county, or any municipality, and may not pledge the full faith and credit of the State, any county, or any municipality. All revenue bonds or debt obligations of the Agency shall contain on the face thereof a statement to the effect that the State, county or any municipality shall not be obligated to pay the same or the interest and that they are only payable from Agency revenues or the portion thereof for which they are issued and that neither the full faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds. The issuance of revenue or refunding bonds under the provisions of law, the Charter Agreement, or this Subscription Agreement shall not directly or indirectly or contingently obligate the State, or any county or municipality to levy or to pledge any form of ad valorem taxation whatever therefore or to make any appropriation for their payment.

SECTION 2.03. ADOPTION OF RATES, FEES AND CHARGES.

(A) The Board of Directors may adopt from time to time by resolution such rates, fees or other charges for the provision of the services of the Agency to be paid by the record owner of any property, pursuant to a Financing Agreement described in the Supplemental Act.

(B) Such rates, fees and charges shall be adopted and revised so as to provide moneys, which, with other funds available for such purposes, shall be at least sufficient at all times to pay the expenses of administering, managing, and providing for the services and administration of the activities of the Agency, to pay costs and expenses provided for by law or the Charter Agreement and the Financing Documents, and to pay the principal and interest on the Obligations as the same shall become due and reserves therefore, and to provide for necessary administration and reasonable margin of safety over and above the total amount of such payments. Notwithstanding any other provision in the Charter Agreement or this Subscription Agreement, such rates, fees and charges shall always be sufficient to comply fully with any covenants contained in the Financing Documents.

(C) Such rates, fees and charges may vary from jurisdiction to jurisdiction, but shall be just and equitable and uniform at the time of imposition for the record owners in the same class of or within each subscribing local governmental jurisdiction electing to enter into any Financing Agreement described in the Supplemental Act and may be based upon or computed upon any factor (including, by way of example and not limitation, competitive or market conditions, distinguishing between residential and non-residential properties or uses, distinguishing between variable costs of administrative services over time) or combination of factors affecting the demand or cost of the services furnished or provided to administer the services and affairs of the Agency as may be determined by the Board of Directors from time to time.

(D) Notwithstanding anything in this Subscription Agreement to the contrary, the Agency may establish a general fund and/or performance assurance account into which moneys may be deposited from an annual surcharge upon the Special Assessments imposed, pledged to or collected by the Agency. Any moneys deposited to such general fund account from such a surcharge shall be considered legally available for any lawful purpose approved by the Board of Directors. Moneys in such general fund and/or performance assurance account may be used to pay for or reimburse initial costs and expenses advanced or associated with start-up costs, feasibility studies, economic analysis, financial advisory services, program development or implementation costs or enhancements, public education, energy audits, administration, quality control, vendor procurement, and any other purpose associated with the purpose or mission of the Agency approved by the Board of Directors.

SECTION 2.04. FINANCING AGREEMENTS.

(A) The Agency shall prepare and provide to each participating property owner the form of the Financing Agreement which complies with the Supplemental Act and is in accordance with the Financing Documents as designated by the Board of Directors from time to time.

(B) The Agency, not the Subscriber, shall be solely responsible for all matters associated with origination, funding, financing, collection and administration of each of the Agency's authorized non-ad valorem assessments.

SECTION 2.05. IMPOSITION OF SPECIAL ASSESSMENTS PURSUANT TO FINANCING AGREEMENTS.

(A) Upon execution by the record owners and the Agency, the Financing Agreement or a summary or memorandum thereof shall be recorded by the Agency within five (5) days of execution as required by Section 163.08(8), Florida Statutes. The recorded Financing Agreement, or summary or memorandum thereof, provides constructive notice that the non-ad valorem assessment to be levied on the subject property constitutes a lien of equal dignity to ad valorem taxes and assessments from the date of recordation.

(B) In a reasonably cooperative and uniform manner the Agency is authorized to and shall provide a digital copy to the property appraiser or tax collector of the recorded Financing Agreement or summary thereof, the most recent property identification number and annual amount of the non-ad valorem assessment along with such other efficient and reasonable information necessary for the tax collector to collect such amounts on behalf of the Agency pursuant to Sections 197.3632 and 163.08, Florida Statutes, as a non-ad valorem assessment.

SECTION 2.06. COLLECTION OF SPECIAL ASSESSMENTS.

(A) Subscriber will require, if possible, and encourage the tax collector or property appraiser to only impose, charge, or deduct the minimum amount allowed by general law for the collection or handling of the Special Assessments which are the subject of this Subscription Agreement.

(B) To advance Program acceptance and to minimize Program participation costs, and because each Property Owner is voluntarily undertaking to achieve and underwrite the compelling State interests described in the Supplemental Act, the Subscriber urges either the waiver of such fees by the tax collector and property appraiser or a flat five dollar (\$5) fee per year per tax parcel for such purposes which shall be paid by the Agency via deduction, by the institutional trustee required by the Financing Documents, or as otherwise reasonably agreed to by the Agency and these parties.

SECTION 2.07. PLEDGE OF PROCEEDS FROM NON AD VALOREM ASSESSMENTS.

(A) The Agency will take such actions as are necessary for the lawful levy of the Special Assessments against all lands and properties specially benefitted by the acquisition, construction and financing of Qualifying Improvements. If any assessment made with respect to any property shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Agency or Subscriber shall be satisfied that any such assessment is so irregular or defective that the same cannot be enforced or collected, the Agency is

authorized to take all necessary steps to cause a new assessment to be made for the whole or any part of any Qualifying Improvements or against any property specially benefitted by such improvement, to the extent and in the manner provided by law.

(B) Pursuant to the Financing Documents and this Subscription Agreement, the Agency shall irrevocably pledge and, to the fullest extent permitted by law, pledge and assign any and all revenues derived from Special Assessments to the repayment of any debt obligation issued by the Agency pursuant to the Financing Documents.

(C) The Subscriber shall not incur or ever be requested to authorize any obligations secured by Special Assessments associated with Qualifying Improvements imposed by the Agency.

(D) Each series of Financing Documents shall be secured forthwith equally and ratably by a pledge of and lien upon the Special Assessments. The obligations of the Agency under and pursuant to the Financing Documents shall not be or constitute general obligations or an indebtedness of the Subscriber as "bonds" within the meaning of the Constitution of Florida, but shall be payable from and secured solely by a lien upon and pledge of the Special Assessments as provided herein. Neither the Agency nor any holder of any debt obligation issued by the Agency pursuant to the Financing Documents shall ever have the right to compel the exercise of the ad valorem taxing power of the Subscriber or taxation in any form of property therein to pay any amount due under any Financing Documents or any Special Assessment. The Financing Documents shall not constitute a lien upon any property of or in the Subscriber except as to the respective Special Assessments in the manner provided herein and by law.

SECTION 2.08. CARBON OR SIMILAR CREDITS. The form of Financing Agreement in each instance shall provide for the transfer of any carbon or similar mitigation credits derived from Qualifying Improvements to the Agency, with such revenues therefrom, if any ever materialize, to be used by the Agency to underwrite generally its operation, mission and purpose. The Financing Agreement, in each instance, shall separately and expressly confirm that consideration therefore is in the form and substance of economies of scale provided by the Agency and its programs and \$1 and other good and valuable consideration provided to and received by the Property Owner, or such other statement of consideration as shall be appropriate under the circumstances. By execution hereof any such interest in mitigation credits shall be assigned by the Subscriber to the Agency without any future action by the parties. Provided, however, the Subscriber shall upon request from time to time execute and deliver all such documents as may be reasonably required to further evidence the assignment and transfer of such interests to the Agency. Such credits expressly exclude investment tax credits available under the Internal Revenue Code or monetary rebates available to the Property Owner.

[Remainder of page intentionally left blank.]

**ARTICLE III
GENERAL PROVISIONS**

SECTION 3.01. INTERLOCAL AGREEMENT PROVISIONS. This Subscription Agreement constitutes a joint exercise of power, privilege or authority by and between the Subscriber and the Agency and shall be deemed to be an “interlocal agreement” within the meaning of the Florida Interlocal Cooperation Act of 1969, as amended. This Interlocal Agreement shall be filed by the Agency with the Clerk of the Circuit Court of the county in which the Subscriber is located.

SECTION 3.02. DISCLOSURE.

(A) The Agency has provided a copy of (1) the Supplemental Act, (2) the Agency’s Charter Agreement, (3) the Final Judgment in *Fla. PACE Funding Agency v. State*, No. 2011-CA-1824 (Fla. 2d Cir. Ct. 2011), and (4) other relevant disclosure information and background materials to the Subscriber prior to execution hereof. Subscriber, through its own staff and advisors, has independently reviewed and considered the foregoing and other relevant information of its choosing.

(B) The objective of the Agency’s mission is to offer a uniform, standardized and scalable approach that provides efficiencies and economies of scale intended to attract voluntary financing of Qualifying Improvements and stimulate a substantial and meaningful flow of private sector economic activity and new job creation. In doing so, each subscribing local government by entering into a subscription agreement of this nature authorizes the availability of the Agency’s uniform program to property owners in the subscribing jurisdiction. Accordingly, the Agency has engaged, and may engage in the future, various advisors, consultants, attorneys or other professionals or firms with recognized expertise necessary to accomplish the Agency’s mission.

(C) Each of the various advisors, consultants, attorneys or other professionals engaged by the Agency has been, and shall in the future be, disclosed to the Subscriber. The Subscriber and Agency recognize, consider and acknowledge the fact or possibility that one or more of the various professionals or firms may serve as the advisor to the Agency in its mission, and to the Subscriber or another client in providing other similar professional services, outside of the provision, funding and financing of Qualifying Improvements. Such circumstance is acceptable and will not be construed as a conflict, be objected to unreasonably, nor be used as the basis for its disqualification of such professionals or firms from any continued or future representation of either party hereto which can otherwise be resolved by a reasonable waiver.

SECTION 3.03. TERM OF AGREEMENT; DURATION OF AGREEMENT; EXCLUSIVITY.

(A) The term of this Interlocal Agreement shall commence as of the date first above written, and initially continue for the next three (3) full fiscal years (ending September 30)

following execution hereof. The term of this Agreement shall then be renewed for successive three-year periods, unless either party provides notice to the other in writing of intent to terminate not later than 180 days prior to the end of any three-year term, or as otherwise agreed to by the parties in writing. Provided, however either party may unilaterally terminate this Agreement prior to any Financing Agreements being executed or, if earlier, the issuance of any Obligations of the Agency secured by Pledged Revenues derived from within the jurisdiction or boundaries of the Subscriber.

(B) In the event of any termination hereunder, and so long as the Agency has Obligations outstanding which are secured by Pledged Revenues derived from Financing Agreements relating to any properties within the jurisdiction or boundaries of the Subscriber, or the Agency has projects for Qualified Improvements underway therein, the applicable provisions, authority and responsibility under this Agreement reasonably necessary to carry out the remaining aspects of the Program and responsibilities of Agency then underway, shall remain in effect and survive such termination until such time as those obligations and all associated remaining Program responsibilities are fulfilled (including, but not limited to the collection of assessments in due course).

(C) In light of the unique nature of the Agency's program and in recognition of the capital investment made by the Agency and its contracting parties, and in order to maximize the benefits of a uniform implementation of a program under the Supplemental Act, the Subscriber covenants that it will not terminate this Agreement without cause. Provided, however, the Agency's powers to be employed and exercised hereunder shall be non-exclusive, and the Subscriber is free to and reserves the right to enter into or otherwise commence another program for financing Qualified Improvements using non-ad valorem assessments either under the Supplemental Act or pursuant to its home rule powers upon written notice to the Agency of its decision to do so.

SECTION 3.04. AMENDMENTS AND WAIVERS.

(A) Except as otherwise provided herein, no amendment, supplement, modification or waiver of this Subscription Agreement shall be binding unless executed in writing by the Subscriber and Agency.

(B) To the extent the Agency has no outstanding bonds, Obligations or other evidence of indebtedness, this Subscription Agreement may be amended or modified or provisions hereto waived upon the written consent of all parties hereto.

(C) To the extent the Agency has outstanding bonds, Obligations or other evidence of indebtedness arising from Financing Agreements relating to properties within the jurisdiction or boundaries of the Subscriber, this Subscription Agreement may not be amended or modified in any way that is materially adverse to holders of such bonds, Obligations or other evidence of indebtedness without the consent in writing of the holders of at least two-thirds (2/3) or more in principal amount of such bonds, Obligations or other evidence of indebtedness (exclusive of any warrants issued by the Agency) then outstanding, or any insurer duly authorized to provide such consent on behalf of such holders.

SECTION 3.05. NOTICES.

(A) All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered (or confirmed electronic facsimile transmission) or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for “next business day” service) to the parties at the following addresses:

Subscriber: Gadsden County
ATTN: County Administrator
10 E. Jefferson Street (P.O. Box 1649)
Quincy, Florida 32351

With a copy to: Gadsden County
ATTN: County Attorney
10 E. Jefferson Street (P.O. Box 1649)
Quincy, Florida 32351

Agency: Executive Director
Florida PACE Funding Agency
c/o City of Kissimmee
101 North Church Street, Fifth Floor
Kissimmee, Florida 34741

With a copy to: Program Counsel for the Florida PACE Funding Agency
P.O. Box 14043
Tallahassee, Florida 32317-4043

(B) Any of the parties may, by notice in writing given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand (or confirmed electronic facsimile transmission) or three days after the date mailed.

SECTION 3.06. QUALITY CONTROL AND COMMUNICATION. For quality control purposes the Agency and Subscriber desire, and the Agency covenants to develop, implement and employ policies, systems and procedures which are within industry standards; with such standards being reasonably expected to change and evolve over time. An ongoing positive and informal line of communication between staff and agents for the parties is encouraged. At any time, notwithstanding lack of default or lack of material breach hereunder, the Subscriber is encouraged to objectively and specifically communicate to the Agency in writing as provided for herein any concerns, suggestions or disapproval with performance, policies, systems or procedures being employed by the Agency. The Agency through its administrator, Executive Director, or a duly authorized designee, will promptly respond in writing to all such communications (reasonably within fifteen (15) days of receipt of any such

written communication, but sooner if necessary) and follow-up accordingly; and, also promptly communicate any such response, follow-up, and all related communication to the Board of Directors for review.

SECTION 3.07. IMMUNITY; LIMITED LIABILITY.

(A) All of the privileges and immunities from liability and exemptions from laws, ordinances and rules which apply to the activity of officials, officers, agents or employees of the parties shall apply to the officials, officers, agents or employees thereof when performing their respective functions and duties under the provisions of this Subscription Agreement.

(B) The Subscriber and Agency are and shall be subject to Sections 768.28 and 163.01(9)(c), Florida Statutes, and any other provisions of Florida law governing sovereign immunity. Pursuant to Section 163.01(5)(o), Florida Statutes, and this covenant of the parties hereto, the local governments who are either or both the incorporators or members of the Agency shall not be held jointly liable for the torts of the officers or employees of the Agency, or any other tort attributable to the Agency, and that the Agency alone shall be liable for any torts attributable to it or for torts of its officers, employees or agents, and then only to the extent of the waiver of sovereign immunity or limitation of liability as specified in Section 768.28, Florida Statutes. The Subscriber and Agency acknowledge and agree that the Agency shall have all of the privileges and immunities from liability and exemptions from laws, ordinances, rules and common law which apply to the municipalities and counties of the State. Nothing in this Subscription Agreement is intended to inure to the benefit of any third-party for the purpose of allowing any claim, which would otherwise be barred under the doctrine of sovereign immunity or by operation of law.

(C) Neither the Subscriber, nor the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency shall in any manner be obligated to pay any debts, obligations or liabilities arising as a result of any actions of the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency, except to the extent otherwise mutually and expressly agreed upon, and neither the Agency, the Board of Directors or any other agents, employees, officers or officials of the Agency have any authority or power to otherwise obligate either the Subscriber, the local governments who are either or both the incorporators or members of the Agency, nor any subsequently subscribing or participating local government in the affairs of the Agency in any manner.

SECTION 3.08. BINDING EFFECT. This Subscription Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns.

SECTION 3.09. SEVERABILITY In the event any provision of this Subscription Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 3.10. EXECUTION IN COUNTERPARTS. This Subscription Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 3.11. APPLICABLE LAW. The exclusive venue of any legal or equitable action that arises out of or relates to this Subscription Agreement shall be the appropriate state court in Leon County. In any such action, Florida law shall apply and the parties waive any right to jury trial.

SECTION 3.12. ENTIRE AGREEMENT. This Subscription Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof, except as specifically set forth herein.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Non-Exclusive Subscription Agreement to be duly executed and entered into as of the date first above written.

GADSDEN COUNTY, political subdivision
of the State of Florida

(SEAL)

By: _____
ERIC F. HINSON, Chair

Attest:

Approved as to form:

Nicholas Thomas, Clerk

Deborah Minnis, County Attorney

IN WITNESS WHEREOF, the undersigned have caused this Interlocal Agreement to be duly executed and entered into as of the date first above written.

THE FLORIDA PACE FUNDING AGENCY

(SEAL)

By: _____
Michael H. Steigerwald, Executive Director

ATTEST:

Donald T. Smallwood, Assistant Secretary

Hearings to Adopt the Fiscal Year 2013-14 Gadsden County Budget

Mr. Presnell introduced the above item and stated this was for approval of the millage rate for the TRIM notification and he explained the millage rate was staying the same.

UPON MOTION BY COMMISSIONER TAYLOR AND SECOND BY COMMISSIONER MORGAN, THE BOARD VOTED 4-1 TO APPROVE THIS MATTER. COMMISSIONER HOLT OPPOSED.

14. Discussion of the Emergency Management Inter-Local Agreement between The Gadsden County Sheriff's Office and Gadsden County Board of County Commissioners

Mr. Presnell introduced the above item and stated this was for discussion and overview of the emergency management inter-local agreement between the Gadsden County Sheriff's Office and the Gadsden County Board of County Commissioners that was recently approved on April 16, 2013.

MAJOR SHAWN WOOD, 312 Marion Street, Chattahoochee, FL appeared before the Board to answer questions that the Commissioners had.

Commissioner Hinson stated he had recently attended the Emergency Management conference and discussed issues from the conference.

Commissioner Taylor stepped out at this juncture of the meeting.

Commissioner Taylor returned at this juncture of the meeting.

Chair Croley stated the main thing they were attempting was to get the emergency management plan done.

Commissioner Taylor stated she could not remember what changes were made and what issues held this up for so long.

Ms. Minnis said the entire agreement was a new product.

Commissioner Morgan said Major Wood had commented about having a healthy fund budget for local disasters.

14a Request Approval of Shawn Wood as the Emergency Management Director

Mr. Presnell introduced the above item and stated this was to request approval of Shawn Wood as the Emergency Management Director pursuant to section 3(ii) of the interlocal agreement between the County and the Sheriff's Office.

Commissioner Taylor gave Major Wood different emergency scenarios and asked him to give steps from his training to ensure safety of the citizens.

UPON MOTION BY COMMISSIONER HOLT AND SECOND BY COMMISSIONER HINSON, THE BOARD VOTED 4-1 TO APPROVE THIS MATTER. COMMISSIONER TAYLOR OPPOSED.

15. Approval and Execution of Resolution 2013-012 and a Subscription Agreement Granting Florida PACE Funding Agency the Authority to Offer Voluntary Financing to Gadsden County

Property Owners for Qualifying Improvements to their Home or Business

Mr. Presnell introduced the above item and said it was for Board approval of Resolution 2013-012 and for the execution of a Subscription Agreement granting the Florida PACE Funding Agency to offer voluntary financing opportunities to property owners for qualifying improvements to their home or business.

David Ash, representing SAIC (a third party administrator), Mark Lawson, Esquire, (special Counsel) and Lisa Miller (a former Deputy Insurance Commissioner), representing PACE, appeared before the Board to answer questions the Board might have.

Commissioner Taylor said she had problems because if they gave PACE the ok to go further, they had no input over the matter and had no way to protect the citizens.

Commissioner Morgan asked why penalize a good number of people in the community who are responsible, tax-paying citizens because there might be some that are irresponsible and said this program could benefit a lot of citizens that live in older homes.

There was discussion among the Board concerning the pros and cons of the program.

Mr. Lawson and Mr. Ash addressed questions the Board had and stated people who were eligible for this program were people who were responsible and had paid their bills and the maximum amount that could be borrowed against the property was 20% of the assessed value of the property. He added this was not just for residential and added the initial project funding would only be available for commercial and jumbo or non-conforming loans.

Commissioner Morgan stepped out at this juncture of the meeting.

Commissioner Hinson asked if this was available for residential loans at this time.

Mr. Lawson stated the funding was not available immediately, only for non-conforming and commercial at this time.

Commissioner Morgan returned at this juncture of the meeting.

COMMISSIONER MORGAN MADE A MOTION TO APPROVE, MOTION DIED FOR LACK OF SECOND.

UPON MOTION BY COMMISSIONER HINSON AND SECOND BY COMMISSIONER HOLT FOR COMMERCIAL AND JUMBO LOAN PROJECTS ONLY, THE BOARD 4-1 VOTED TO APPROVE THIS MATTER. COMMISSIONER TAYLOR OPPOSED.

COUNTY ADMINISTRATOR

16. Update on Board Requests

Mr. Presnell mentioned thank you cards to the Board received from kids that attended 4-H camp in Madison County.

EXECUTIVE SUMMARY

Background

1. This is a follow-up to the County Commission's direction and authorization on July 16, 2013. The Florida PACE Funding Agency has waited to bring this forward until it can assure funding is immediately in place. As of March 13, 2014, the Agency has up to \$200 million to immediately fund improvements in Florida communities. This has actually taken some time to carefully accomplish, and represents a national break-through in stable funding for programs of this nature.

2. As directed by the County Commission, the program will only open to commercial properties. The Agency has received expressed immediate interest from local contractors, including Rob Olen, from Independent Green Technology, Honeywell related interests, and other commercial providers. This will hopefully bring jobs and commercial development back to Gadsden County.

3. The Florida PACE Funding Agency is actually a local governmental entity that presents an innovative opportunity to immediately implement a PACE Program for property owners. The acronym PACE generally refers to "property assessed clean energy". The Program parameters are broadly outlined in section 163.08, Florida Statutes. The special assessments being offered to interested property owners are strictly voluntary and authorized by general law.

4. The Florida PACE Funding Agency PACE program and the documentation are 'open' and non-exclusive. Gadsden County can participate in the advantages of a PACE program and access capital markets, without having to implement or deploy individual programs or individually seek capital from our treasury for our constituents. But, because the Agency advances an 'open' or 'non-exclusive' program, any county or city can bring in another PACE funding provider, or start their own local program at any time. The Agency embraces competition, seeks to be the best program and best cost alternative for Local Government constituents, and is simply a transparent and accountable alternative available to Gadsden County. The County will control absolutely whether or not it wants to approve another program. And, there may be good reasons why it might or might not want to do so.

5. Three important points: (1) the Agency's Program has assembled, at the Agency's sole cost and expense, open public governance and oversight, staffing in the form of qualified third-party administration, an active funding provider with redundant servicing oversight, dedicated Program counsel, and an independent institutional trustee, -- all in place; (2) the Agency is immediately ready to commence

origination of job-creating applications from interested property owners and contractors (that means 'right now') for funding for Qualifying Improvements, and (3) the Agency presently has large scale and long-term funding in place and available under an executed bond purchase agreement and trust indenture.

6. Based upon respect for the County and the State Constitution, the Agency (and any other governmental provider) needs to effectively be invited by resolution to come to the Gadsden County before it can commence its funding operations in Gadsden County. The Agency's mission is to facilitate the provision, funding, and financing of Qualifying Improvements through a uniform and efficient local platform capable of securing economies of scale and uniform implementation on a regional or statewide basis. Qualifying Improvements that can be financed include clean energy, renewable energy and wind resistant improvements of all kinds voluntarily requested by property owners.

7. The Florida PACE Funding Agency PACE Program provides an immediate opportunity to create private sector wind hardening, clean energy and renewable energy jobs and economic activity in the Gadsden County community.

8. Because the Agency is a special purpose local government, no procurement process is required by law – as well, the County can at the same time engage one or more programs, or do its own – that is what 'open' or 'non-exclusive means'. However, the Agency did undertake an extensive procurement process, involving a Request for Information, and then a Request for Proposals and even engaged in a multiple-party negotiation before contracting with Leidos.

9. The attached resolution and short interlocal agreement is called a "subscription approach" approved last July by the County Commission, and is attractive to create markets with little or no costs to Local Government treasuries. As well, the Agency was designed to insulate Local Governments from debt exposure or the heavy use of staff time for the Program. Local contractors and vendor of Qualifying Improvements also enjoy the advantages of a statewide platform and its uniform processes. Finally, the Program provides certainty as to both the nature of the assessments and the impact or reactions from mortgage lenders doing business in Florida, as well as the court approved absence of any liability exposure on subscribing or incorporating Local Governments.

10. Any county or a city desiring to make available a PACE program, can simply "subscribe" to the uniform Program offered by the Agency. This is done by

entering into a short and concise interlocal agreement which lays out the details involved. Essentially the very limited role for Local Government is to authorize the Agency to implement the Program. Financing Agreements, to be executed interested property owners will be prepared and provided by the Agency to the property owners, and then recorded to evidence the non-ad valorem assessments for Qualifying Improvements. This is done only with willing property owners who meet the underwriting guidelines of the Agency's funding-servicer. This protects the bond purchasers, the Agency (and the local County or City Commission) from reputational risk from fraud and abuse. All of the ministerial actions and activities and documentation (e.g., interface between interested property owners and qualified vendors, determining compliance with all requirements for a valid financing agreement, recording, assessment roll extension, etc.) will be performed by the Agency through its third party administrator, Leidos Engineering. Leidos is a world-wide solutions-focused business that employs over 20,000 people and has several offices throughout Florida.

11. The Agency is a qualified governmental issuer of debt obligations including revenue bonds and has no authority to create any debt against the State of Florida or any subscribing Local Governments. The ability of the Agency to issue debt has been judicially validated on a statewide basis. This program absolutely does not involve any debt which could be the responsibility of or needs to be issued by the County.

12. After a rigorous procurement process, the Agency selected Leidos Engineering as its third party administrator to accomplish its Program objectives. Leidos has steadfastly assisted the Agency in getting the Agency's originations going and securing strong independent market funding.

13. Staff and counsel have been provided the various detailed disclosure materials, the Agency's Charter, the \$2 billion Final Judgment in validation in favor of the Agency, proof of immediately available long-term funding availability, and considered the experience and competency of the professionals being used by the Agency, including Leidos.

Program Objectives

1. Right now – ready for fast launch of a complete Program for your local Community, which is uniform statewide, but creates local jobs and opportunities!
2. No financial risk to the Agency or Gadsden County, the financing is carefully underwritten by Leidos and an ‘investor-servicer’ to make sure that fraud, improper participation and abuse are eliminated.
3. An effective Program that enables interested local governments, like Gadsden County, to immediately subscribe and participate with minimal effort, expense or liability.
4. An effective Program that enables interested commercial property owners to quickly and easily transact for Qualifying Improvements. The program can open to owner-occupied residential owners anytime in the future at the sole discretion of the County.
5. An efficient Program that operates smoothly within the unique Florida uniform tax bill collection and enforcement processes for non-ad valorem assessments.
6. Efficient cooperation and communication between the program administrator, property owners, vendors, and the Agency; provision for good and continuous communications with Local Governments on Program status, with very little or no cost to the general taxpayers. A direct communications commitment in the interlocal agreement with and between the County, the Agency and its program administrator.
7. Short and long-term job creation and material sales at the local level, in a way that encourages use of local vendors.
8. Commitment to environmental stewardship and smart wind-hardening that is hard to finance.
9. Commitment to customer service by Leidos, a well-known third party administrator (to the subscribing Local Governments, property owners, vendors and the Agency).

Recommendation

Execute the (updated as directed by the County Commission) Resolution No. 2013-12 and execution of the attached standard subscription agreement (both attached); which will provide availability of the Florida PACE Funding Agency's PACE Program and voluntary financing opportunities to commercial property owners within the entire geographic boundaries of Gadsden County.