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NOTICE AND CONFIRMATION OF SURCHARGE

Effective on _____, 20__ (the “Effective Date”). Alexandre A. Espinosa, the undersigned Authorized Representative (Director of the Department of Finance or the Director’s designee) of Montgomery County, Maryland (the “County”), pursuant to Montgomery County’s C-PACE Program established under Article 5, Chapter 18A, as amended (the “County Ordinance”), and the County Contract between the County and PACE Financial Servicing, LLC (“PFS”) dated November 13, 2015, hereby confirms that, as of the effective levy year [LEVY YEAR] and each year thereafter for the term defined in the C-PACE Loan Financing Agreement, a surcharge shall be placed on the real property tax bill on account [ACCOUNT NUMBER] with respect to certain real property commonly referred to as [PROPERTY ADDRESS] in Montgomery County, Maryland, as described more particularly in **Exhibit A** attached hereto (the “Property”).

[PROPERTY OWNER] (the “Property Owner”) is participating in the C-PACE Program authorized by the Montgomery County Code and has entered into a C-PACE Loan Financing Agreement with [LENDER] (the “Lender”) dated [DATE OF AGREEMENT]. Pursuant to the Confirmation of Eligibility and Acknowledgment of C-PACE Program Project Approval executed by the Program Manager (as defined below) and the Property Owner (attached hereto as **Exhibit B**), the Property Owner and the Program Manager have confirmed that the Property Owner meets the eligibility requirements to participate in the C-PACE Program.

The amount and repayment of the surcharge, as determined by Lender and provided to the County, are as follows: an installment plan for the payment of the surcharge based on the principal amount of [AMOUNT OF SURCHARGE], with interest thereon at a fixed rate equal to [INTEREST RATE] per annum, plus any capitalized interest or any additional fees and expenses agreed upon in the C-PACE Loan Financing Agreement, with equal installments of principal and interest due and payable pursuant to **Exhibit C**. As evidenced in **Exhibit C**, the term of the loan will be [TERM OF LOAN]. The prepayment requirements and/or prepayment premium that apply are as follows: the Property Owner may prepay the outstanding amount (principal and the accrued interest as of the date of prepayment) of the surcharge in whole or in part subject to the payment by the Property Owner of certain prepayment penalties. [INSERT PREPAYMENT DETAILS]

The County maintains ultimate administrative oversight and control of the C-PACE Program. The County may choose to designate, under contract, the administrative function of the Program to a third-party designee (a “Program Manager”). As of the Effective Date, PFS is the Program Manager. In the event that a Program Manager ceases to perform some, or all, of the administrative duties, the County will continue to perform these duties as defined above and under Article 5, Chapter 18A-36 of the County Code until a new Program Manager is selected.

The County must collect the amount financed through a surcharge on the property owner’s real property tax bill and forward payments received by the County to PFS or then current Program Manager or, if there is no Program Manager, to the Lender within 30 days after payment is received.

Any delinquent surcharge and accrued interest and penalty is a first lien on the qualified property on which it is imposed from the date it becomes payable until paid.

Any delinquent surcharge collected through the County Tax Sale process must be forwarded to PFS or then current Program Manager or, if there is no Program Manager, to the Lender no later than 30 days after payment is received.

[Signature Page Follows]

EXHIBIT A

PROPERTY DESCRIPTION

The land referred to herein below is situated in the [CITY or PROVINCE], County of Montgomery, State of Maryland and is described as follows:

Parcel ID#:

EXHIBIT B

**CONFIRMATION OF ELIGIBILITY AND ACKNOWLEDGEMENT OF C-PACE
PROGRAM PROJECT APPROVAL**

EXHIBIT C

SURCHARGE PAYMENT SCHEDULE