



# **The Good, the Bad & the Ugly, Property Assessed Clean Energy (PACE) Financing**

Presented by  
LEGAL EDUCATION DEPARTMENT  
of  
Attorneys' Title Fund Services, Inc.

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# The Good, the Bad & the Ugly, of PACE Financing

Updated

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Senior Legal Education Attorney

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## Overview

- Good – background
  - Benefits of PACE financing
- Bad – unseen hurdles
  - Issues associated with PACE financing
- Ugly – Informing parties
  - Lack of knowledge across the board
- Example
- What to do



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# The Good

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## What is PACE?

- Long-term financing mechanism underwritten by government for
  - Energy efficiency
  - Renewable energy &
  - Water conservation projects
- Intended to be low-cost
- For properties
  - Commercial
  - Nonprofit
  - Residential



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## What is PACE?

- National initiative
- State has to pass legislation authorizing municipalities to establish PACE programs
- Municipalities have to pass ordinances to participate
  - Not all municipalities in Florida participate
  - Programs are established locally
  - New areas are added frequently



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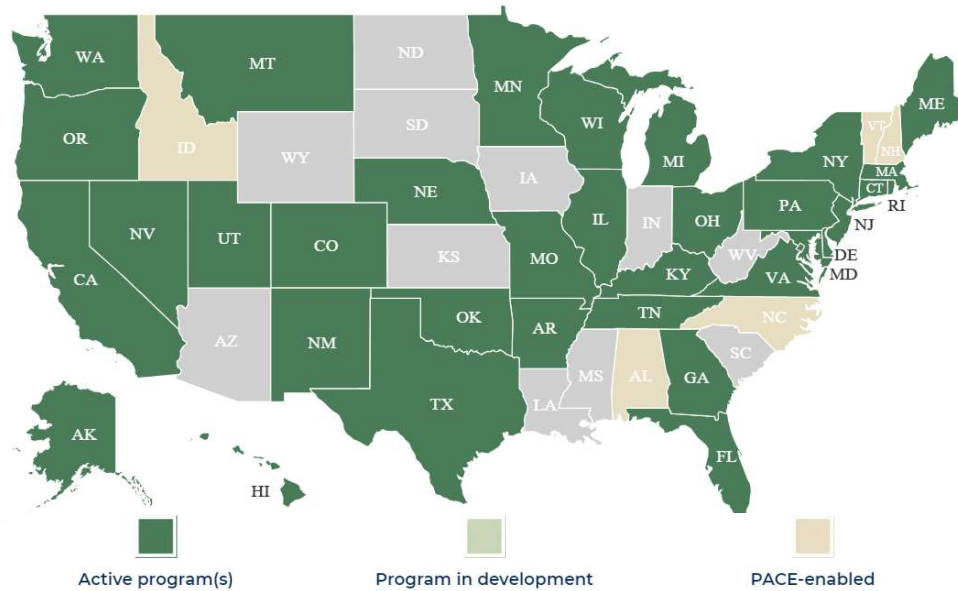
## What is PACE?

- Improvements – generally
  - Heating & air conditioning
  - Solar
  - Cool roofing
  - Windows & doors



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## Which States Have Approved PACE Financing?

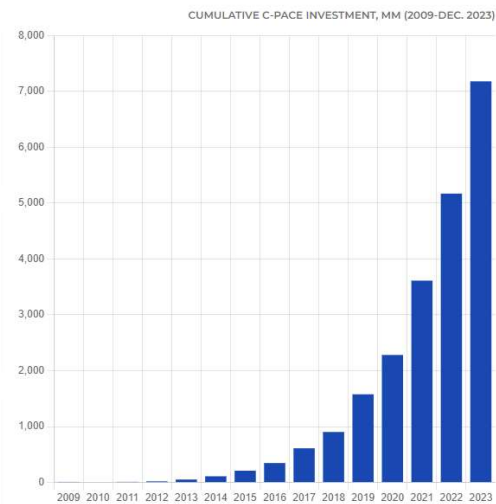


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## Commercial PACE (C-PACE) Programs



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## Residential PACE Programs

Florida, California & Missouri only

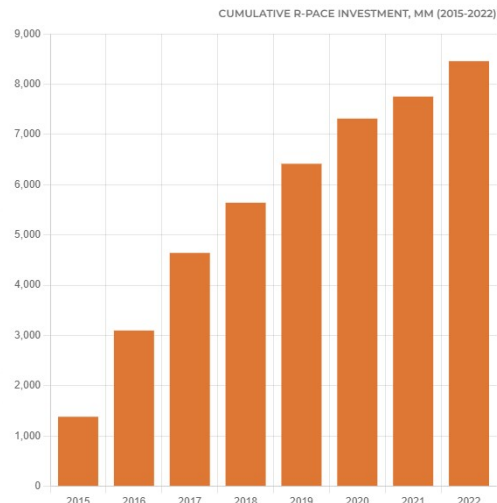
**\$8,460**    **344,000**

investment (MM)

home upgrades

**137,000**

job-years created



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## PACE Details

- Generally, up to 20 years financing
  - Paid in annual installments
  - Assessed as a non-ad valorem tax
  - May be administered by private entity
  - Assumable with no approval
  - Duration – pursuant to Agreement or Addendum
- May be combined with other incentive programs

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## PACE Details



Voluntary for all parties



May cover 100% of project's hard & soft costs



Residential or commercial applications do not consider credit report

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## PACE Details

- Finance up to 20% of just value
  - Exception to exceed if energy audit demonstrates annual energy savings equals or exceed annual assessment
  - All financing (mortgages & PACE financing) not to exceed FMV of real property
  - No adjustable rates
  - No negative amortization

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# PACE in Florida

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## Definitions – Sec. 163.08 F.S.

- (1) “Commercial property”
- (2) “Program administrator” (PA)
- (3) “Property owner”
- (4) “Qualifying improvement”
  - (a) For improvements on residential property
  - (b) For installing or constructing improvements on commercial property
- (5) “Qualifying improvement contractor” (QIC)
- (6) “Residential property”.
- (7) “Third-party administrator”

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## PACE in Florida – Secs. 163.08 – 163.082 F.S.

- PA (program administrator) is
  - County
  - Municipality or
  - Dependent special district
- PA must be authorized by
  - County or
  - Municipality
- County or municipality may deauthorize (3<sup>rd</sup> party administrator) by through repeal of ordinance or resolution
  - Recorded financing agreement in place when deauthorization becomes effective shall continue

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## PACE in Florida

- Local government
  - Pass ordinance or resolution
  - May levy non-ad valorem assessments
  - Collected pursuant to Sec. 197.3632 F.S.
- **Not subject to discount for early payment**
  - **November vs. March**
    - R-PACE Sec. 163.081(1)(e) F.S.; C-PACE Sec. 163.082(1)(e) F.S.
- May be administered by
  - For-profit entity or
  - Not-for-profit organization

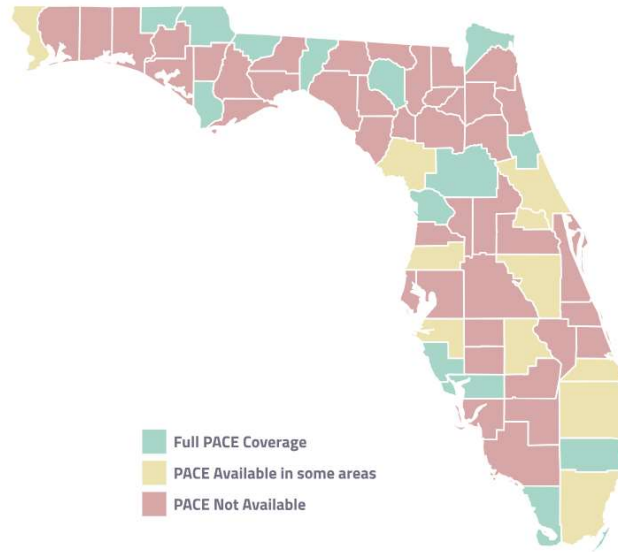
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## Which Municipalities have Approved PACE Financing?

- 38 Counties
- [www.floridapace.gov](http://www.floridapace.gov)



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## PACE Approved Capital Providers in Florida

- Bayview PACE
- Castle Green Finance
- Counterpoint SRE
- Ebee Management Group
- Enhanced Capital
- Forbright
- Imperial Ridge Real Estate Capital
- Inland Green Capital LLC
- LordCap Green
- North Bridge
- Nuveen Green Capital
- PACE Equity
- Peachtree Group
- Petros PACE Financing
- Poppy Bank
- Rockwood Group
- Sustainable Equity LLC
- Twain Financial Partners
- White Oak

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## PACE 3<sup>rd</sup> Party Administrators in Florida

- Residential



- Commercial



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# Residential PACE Programs (R-PACE)

Sec. 163.081 F.S.

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# Qualified Improvements

R-PACE

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## R-PACE in Florida – Sec. 163.08 (4)(a) F.S.

- Qualified improvements for residential property

1. Central sewage
2. Roof
3. Flood and water damage mitigation



4. Windows or doors
5. Energy-efficient heating, cooling, or ventilation systems
6. Insulation
7. Energy-efficient water heaters
8. Permanent generator
9. Renewable energy improvements

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## R-PACE in Florida – Sec. 163.08 (4)(a) F.S.

- Repair, replace or improve
  1. Central sewerage system
  2. Roof, roof deck, secondary water barrier, install wind-resistant shingles, gable-end bracing, reinforce roof-to-wall connections
  3. Mitigation & resiliency improvements that qualify for reductions in flood insurance premiums, including raising a structure, constructing a flood diversion apparatus, drainage gate, or seawall repair, replacement or improvement, flood-damage-resistant building materials; or making electrical, mechanical, plumbing, or other improvements that reduce flood damage

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## R-PACE in Florida – Sec. 163.08 (4)(a) F.S.

4. Replacing windows or doors, garage doors, with energy-efficient, impact-resistant, wind-resistant, or hurricane windows or doors or installing storm shutters
5. Installing energy-efficient heating, cooling, or ventilation systems
6. Replacing or installing insulation
7. Replacing or installing energy-efficient water heaters
8. Installing & affixing a permanent generator
9. Providing a renewable energy system in which the electrical, mechanical, or thermal energy is produced from solar, geothermal, bioenergy, wind, or hydrogen

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# Qualifying & Requirements for R-PACE Financing

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## R-PACE Qualifying & Requirements - Obligators

- Only for the owner(s)
- Sufficient resources to complete
- Total of any non-ad valorem (PACE) not more than 20% of just value of property
  - May exceed the limit with written consent of mortgage holder or loan servicer
- Loan may not have negative amortization, balloon payment or prepayment fees or fines

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## R-PACE Qualifying & Requirements - Obligators

- All property taxes paid & not delinquent in past 3 years
- No fine or fee related to zoning or code enforcement, unless qualifying improvement will remedy
- No involuntary liens
- No default or delinquency in past 3 years
- Current on all mortgage debt
- Owner not in bankruptcy within the last 5 years, unless discharges or dismissed more than 2 years ago



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## R-PACE Qualifying & Requirements - Obligators

- Property not subject to home equity conversion or reverse mortgage product
- Total annual payment for all financing agreement not to exceed 10% of owner's annual household income
- If qualifying improvement is \$10,000 or more, owner must be notified in writing best practice is to obtain more than one estimate from different approved contractors
- No PACE financing for improvement of less than \$2,500
  - Sec. 163.081(2) - (3) F.S.



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## R-PACE Requirements – Disclosure

- Must be acknowledged by owner in writing
- Estimate of
  - Total amount to be financed including fees & interest
  - Annual
    - Non-ad valorem assessment
    - Percentage
    - Costs to be paid
  - Total average monthly equivalent amount of funds to be saved to pay annual costs
  - Due date of first payment



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## R-PACE Requirements – Disclosure

- Terms & schedule in financing agreement
- Interest charged
- Description of qualifying improvement
- Financing agreement may be canceled within 3 business days after signing with no penalty
- May repay at any time without penalty, fees or fines other than administrative costs
- If owner sells or refinances, may be required to pay off in full



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## R-PACE Requirements – Disclosure

- Assessment to be collected with property taxes
- Potential utility or insurance savings are not guaranteed
  - And will not reduce the assessment amount
- Failure to pay may result in penalties, fees, attorney fees, court costs & the issuance of a tax certificate which could resulting loss of the property & could affect owner's credit rating
  - Sec. 163.081(4) F.S.

## R-PACE Owner's Requirement

- Requires owner to give written notice of intent to enter into the financing agreement
  - At least 5 business days prior to entering agreement
  - Must include
    - Maximum amount to be financed
    - Amount of any fees
    - Interest
    - Maximum annual assessment
  - Sec. 163.081(5) F.S.



## R-PACE Owner's Requirement

- Acceleration or unilateral modification of existing loan/mortgage can not be solely due to entering a PACE agreement
- Owner must give proof of such notice to PA
  - Sec. 163.081(5) F.S.



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## R-PACE Owner's Requirement in Sale

- Requires owner to give written disclosure of assessment to prospective purchaser at or before execution of contract
  - Sec. 163.081(8) F.S.



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## **Requirements – Disclosure to Buyer**

### **QUALIFYING IMPROVEMENTS**

The property being purchased is subject to an assessment on the property pursuant to Sec. 163.081, Florida Statutes. The assessment is for qualifying improvement to the property and is not based on the value of the property. You are encouraged to contact the property appraiser's office to learn more about this and other assessments that may be provided by law.

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# **Commercial PACE Programs (C-PACE)**

Sec. 163.082 F.S.

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# Qualified Improvements

C-PACE

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## C-PACE in Florida – Sec. 163.08 (4)(b) F.S.

- “Qualifying improvement”
  - For installing or constructing improvements on commercial property:
    1. Waste system improvements
    2. Making resiliency improvements
    3. Energy conservation and efficiency improvements
    4. Renewable energy improvements
    5. Water conservation efficiency improvements

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## C-PACE in Florida

- Improvements to:

1. Sewage system
2. Fortification of the roof & roof deck, secondary water barrier, flood & water damage mitigation
3. Reduce consumption of all kinds of energy
4. Any system that uses solar, geothermal, bioenergy, wind or hydrogen energy
5. Reduce consumption of water



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# Qualifying & Requirements for PACE Financing

C-PACE

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## C-PACE Qualifying & Requirements - Obligators

- Only with property owner
- Must have consent of lienholder & servicers
- Sufficient resources to complete
- All property taxes paid
- Current on all mortgage debt, including the subject property
- No involuntary liens more than \$5,000
- No default or delinquency in past 3 years
- Owner not in bankruptcy
  - Sec. 163.082(2) – (4) F.S.



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## C-PACE Requirements – Disclosure

- Estimate of
  - Total amount to be financed including fees & interest
  - Annual
    - Non-ad valorem assessment
    - Percentage
    - Costs to be paid
  - Due date of first payment
- Terms & schedule in financing agreement
- Interest charged
- Description of qualifying improvement
- Any prepayment penalties, fees or fines
  - Sec. 163.082(5) F.S.



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## What is the Good?

- Easy 100% financing for qualified improvements
- No out-of-pocket costs
- Extended terms for financing
- Delayed first payment
- Now more disclosures
- R-PACE may be canceled in 3 business days



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## The Bad

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## Critical Issues

- Will cause
  - Escrow shortage first year
  - Significant adjustment to escrow payments
- Now however, notice of such is now made in R-PACE



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## Critical Issues

- Annual assessment - \$6,000.00
  - From recorded agreement
  - First year escrow will be \$6,000.00 short
    - Required to pay shortage PLUS
  - Escrow for following year monthly increased of \$500.00



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[https://animals.fandom.com/wiki/File:Gray\\_Wolf\\_Watching.jpg](https://animals.fandom.com/wiki/File:Gray_Wolf_Watching.jpg)

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## Critical Issues

- Priority
  - Superior to all private liens including
    - Purchase money mortgages
    - Deeds of trust
    - Other security instruments
- Now in C-PACE all lenders must consent to PACE



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## Critical Issues

- Annual payment as non-ad valorem tax
  - No foreclosure for non-payment
  - Tax sale for non-payment
  - Notice of such is now required for R-PACE
- Length of financing is limited to
  - 20 years for R-PACE
  - 30 years for C-PACE
  - No extensions




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## Critical Information

- Properties encumbered with PACE obligation
  - Not eligible for FHA-insured mortgages
- Refinance
  - Must payoff PACE obligation
- Not eligible for FHA-insured HECM
  - Home Equity Credit Mortgage



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-4000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date:** December 7, 2017

**Mortgage Letter 2017-18**

**To:** All FHA-approved Mortgagees  
All Direct Endorsement Underwriters  
All FHA Roster Appraisers  
All FHA Roster Inspectors  
All FHA-approved 203(k) Consultants  
All HUD-approved Housing Counselors  
All HUD-approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

**Subject** Property Assessed Clean Energy (PACE)

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## Critical Information

- If a mortgage cannot be FHA insured
  - Lender will not be able to sell loan on secondary market
- Recorded “Summary Memorandum of Agreement” may not contain accurate annual assessment
  - Signed & recorded prior to improvements
  - Owner may not use all available funds
- However, owner may request an “Addendum to Financing Agreement” to be calculated & recorded

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# Payoff Statement

- 1. Does not indicate if current year assessment sent to tax collector
  - If sent, then this payoff letter is short one year's payment
- 2. If, applicable, pay special tax assessment for fiscal year (July 1 – June 30) directly to County Tax Collector
  - Will not know if sent or not – tax collector cannot help
- 3. Once payoff payment & current special tax assessments is received & cleared then lien will be released
  - May not receive release until April the following year
- **UPDATE: FLTA announced in July 2019 that Ygreen stated that their payoff quotes will now include the next year's taxed amount giving a complete payoff**
  - **PROCEED WITH CAUTION**

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Payoff Statement		Ygrene PROPERTY TRUST FUND	PAYOFF QUOTE	Dated: 2/4/2021
PROPERTY INFORMATION		PROPERTY OWNER(S):		
PARCEL NUMBER:				
<b>PAYMENT INSTRUCTIONS</b> <b>ACCEPTABLE PAYMENT METHODS: CASHIERS CHECK OR ESCROW CHECKS</b> <b>NO PERSONAL CHECKS WILL BE ACCEPTED.</b> <b>PLEASE REMIT PAYMENT BY U.S. OR CERTIFIED MAIL OR OVERNIGHT DELIVERY SERVICE TO:</b> PLEASE MAKE YOUR CHECK PAYABLE TO: <u>ZIONS BANK AS TRUSTEE FOR GREEN CORRIDOR PACE</u> ZIONS BANK, NATIONAL ASSOCIATION ATTENTION: CORPORATE TRUST DEPARTMENT 550 SOUTH HOPE STREET, SUITE 2875 LOS ANGELES, CA 90071				
<b>FOOTNOTES:</b>		<b>REMAINING BALANCE<sup>1</sup></b> \$20,765.42 \$165.00 <b>\$20,930.42</b>  <b>\$21,048.13</b>		
<b>PROJECT ID</b>				
<b>PAYOFF PROCESS</b>				
<b>TOTAL PAYOFF A</b>				
<b>TOTAL PAYOFF A</b>				
<b>REMITTER INFORM.</b>		<b>NOTICE:</b> Payments will be validated by Zions Bank prior to acceptance. Any changes or modifications to this document will void the quote. <u>Payments received without a copy of this payoff quote will be returned.</u> Please allow 3 to 4 weeks to record the Satisfaction of Agreement with the County. Please note that Zions Bank does not participate in the process of the Satisfaction of Agreement. Please contact Ygrene Customer Care for questions regarding this quote at 866-634-1358. <b>Ultimately the property owner is responsible for ensuring the property taxes are paid correctly and on time.</b>		
		<small>Please contact Ygrene Customer Care for questions regarding this quote at 866-634-1358.            Ultimately the property owner is responsible for ensuring the property taxes are paid correctly and on time.</small>		

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# Payoff Statement



## PAYMENT STUB

(Please include with check remittance)

**TOTAL PAYOFF AMOUNT IS \$35,648.81 AND IS VALID THROUGH 6/25/2022**

WIRE PAYMENT INSTRUCTIONS		MAIL IN PAYMENT INSTRUCTIONS	
BANK NAME AND ADDRESS:	Manufacturers & Traders Trust Company Wilmington, DE 19801	Please make check payable to: FLORIDA PACE FUNDING AGENCY. Make the check in the amount of \$35,648.81. Write your Parcel ID (APN) and Assessment Contract ID on the check. Please mail to:	
ABA ROUTING #:	031100092	Wilmington Trust, N.A.	
ACCOUNT #:	142100-002	Attn: Corporate Trust	
ACCOUNT NAME:	FLORIDA PFG	213 Market Street	
Ref:	Assessment Payoff [REDACTED]	Harrisburg, PA 17101	

ABA ROUTING #: 031100092  
ACCOUNT #: 142100-002  
ACCOUNT NAME: FLORIDA PFG  
Ref: Assessment Payoff [REDACTED]

Wilmington Trust, N.A.  
Attn: Corporate Trust  
213 Market Street  
Harrisburg, PA 17101



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# Payoff Statement



PAGE ASSESSMENT PAY-OFF STATEMENT	
STATEMENT DATE: 08/18/19	ORIGINAL ASSESSMENT: \$12,475.84
PAYOFF AMOUNT: \$12,475.84	ASSESSMENT DATE: 08/18/19
VALID THROUGH: 12/31/2019	ASSESSMENT CONTRACT ID: [REDACTED]
COUNTY: Berks	WARD ID: [REDACTED]
PROPERTY OWNER: DAVID	
PARCEL ID: [REDACTED]	
PROPERTY ADDRESS: [REDACTED]	

PAYOFF BREAKDOWN	
Proposed Assessment Principal:	\$12,475.84
Delinquent Assessment Installments:	
Processing/Processing Fee:	\$100.00
Assessment Fee:	

**Please Note: This assessment will be enrolled for the 2019 tax year on 9/1/2019. The payoff calculation is not reduced by the amount of the assessment payment for the 2019 tax year, which is due by 3/31/2020. We will make every effort to remove your assessment from the tax roll. If we are unable to remove your assessment from the tax roll, when we receive the assessment payment from the tax collector we will remit the funds to you, net of any collection costs of the Agency, the tax collector and the property appraiser in accordance with the instructions from the property owner.**

Wilmington Trust, N.A. -  
Attn: Corporate Trust  
213 Market Street  
Harrisburg, PA 17101

ABA  
Account No.  
Account Name  
Reference

Property Owner Signature \_\_\_\_\_ Date \_\_\_\_\_  
Representative Initials \_\_\_\_\_

**Please Note: This assessment will be enrolled for the 2019 tax year on 9/1/2019. The payoff calculation is not reduced by the amount of the assessment payment for the 2019 tax year, which is due by 3/31/2020. We will make every effort to remove your assessment from the tax roll. If we are unable to remove your assessment from the tax roll, when we receive the assessment payment from the tax collector we will remit the funds to you, net of any collection costs of the Agency, the tax collector and the property appraiser in accordance with the instructions from the property owner.**



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- Because the PACE assessment appears on the tax bill

\$299.00

\$2,362.02

**\$2,661.02**

BROWARD COUNTY		2018 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments			Folio: 34332 39,442.45	
Property ID Number	Escrow Code	Assessed Value	Exemptions	Taxable Value	Mileage Code	
484117-04-0640	CL-0031455	See Below	See Below	See Below	2812	
GORMAN, ANNE MATTHEW QUIDINE 10971 NW 38 CT CORAL SPRINGS, FL 33065-2702						PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT.
10971 NW 38 CT THE WININGS 70-48 B LOT 14 BLK B						SEE US FOR RECEIPT FILED BY CORELOGIC

Taxing Authority	AD VALOREM TAXES			Taxes Levied
	Mileage	Assessed Value	Exemptions	
BROWARD COUNTY GOVERNMENT				
COUNTYWIDE SERVICES	5.47820	320,290	0	1,754.93
VOTED DEBT	0.18980	320,290	0	60.79
BROWARD CO SCHOOL BOARD				
GENERAL FUND	4.77500	339,440	0	1,620.82
CAPITAL OUTLAY	1.50000	339,440	0	509.16

## RATE

## AMOUNT

\$299.00

\$2,362.02

\$2,661.02

\$9,442.45

BROWARD COUNTY		2018 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments		Folio: 245332 \$9,442.45	
		Paid 11/27/2018 Receipt #		EEX-18-00000499 Paid By CORELOGIC	
Make checks payable to: BROWARD COUNTY TAX COLLECTOR GOVERNMENTAL CENTER ANNEX 116 S. ANDREWS AVENUE, ROOM # 4100 FORT LAUDERDALE, FL 33301-1895					
		<div style="border: 1px solid black; padding: 2px; display: inline-block;">             Property ID Number              484117-04-0640           </div>			
PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT					
GORMAN, ANNE MATTHEW QUIDINE 10971 NW 38 CT CORAL SPRINGS, FL 33065-2702					

BROWARD TAXES ONLINE AT: broward-county-taxes.com	
If Postmarked By	Please Pay
Nov 30, 2018	\$2661.02
Please Pay Only One Amount	

## What is the Bad?

- First year escrow shortage
- Increase monthly payment
- Super priority – no foreclosure – tax sale
- No extensions of financing
- Recorded Summary Memorandum of Agreement is not signed by owner
- Payoff statement may be inaccurate, impossible to verify
- Buyer will pay more in escrow
- Buyer may not qualify for new loan
- R-PACE must payoff
  - If refinancing with FHA insured loan
  - If buyer is obtaining a new FHA insured loan

# The Ugly

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**Everyone is in  
the Dark**

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# Sellers

- Owner/Seller did not
  - Read
  - Listen and/or
  - Understand PACE

- b. **Tax Sale.** The Property Owner acknowledges that if any assessment installment is not paid when due, the enforcement and collection procedures set forth in the Uniform Assessment Collection Act (Section 197.3632, Florida Statutes) may be employed which could result in a sale of tax certificates for the Property and the ultimate sale of the Property for the payment of the delinquent assessment installments, associated penalties, interest and other costs.
- c. **Interest Rate.** You will be charged a fixed interest rate on your total financed amount. Your interest rate will be provided in your financing documents and may be subject to change until you have signed financing documents.
- d. **Program Administration Fee.** At the time of closing, the Program will charge a one-time program administration fee of 4.99% of the Project Cost to cover the cost of administering the Program. This fee will be included in the principal amount of the assessment.

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# Sellers

- Owners/Sellers are surprised by, (but should not be)
  - First year tax assessment
    - Lender required payment of shortage
  - Increase in escrow payment

NON - AD VALOREM TAXES			
Levying Authority		Rate	Amount
14 Lighthouse Point Solid Waste		@ 469.6800	469.68
14 Lighthouse Pt Fire Protection			134.50
GRC PACE Green Corridor			2,075.66
LP Lighthouse Point Stormwater		@ 60.0000	60.00

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## Sellers

- Owners/Sellers are surprised by, (but should not be)
  - Required to payoff
    - Refinance or
    - Selling

IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WHERE THE PROPERTY WAS ENCUMBERED BY A NON-AD VALOREM ASSESSMENT SUCH AS THE NON AD-VALOREM ASSESSMENTS THAT WILL BE IMPOSED AS A RESULT OF ENTERING INTO THIS FINANCING AGREEMENT. THIS MAY MEAN THAT PROPERTY OWNER(S) WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY THE ENTIRE AMOUNT OF SUCH ASSESSMENT AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

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## Sellers



- Seller may not
  - Inform real estate agent of PACE financing
  - Potential buyers of PACE financing, as required by statute
  - Understand that it will need to be paid at closing

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## Real Estate Agents

- Are unaware of PACE financing altogether
- May price property including improvements & then expect buyer to assume PACE financing
  - Buyer pays twice
- Example
  - FMV home prior to improvements - \$300,000
  - Improvements cost \$30,000 (windows)
  - FMV post improvements \$335,000
  - Price home at \$335,000 & expect buyer to pay \$30,000 PACE financing

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## Real Estate Agents

- May not know the meaning of GRC PACE Green Corridor as a tax
- May not be aware of statutory required disclosure
- Fail to inquire as to which improvement were made
- Due to lack of understanding
  - Price home as improved and then expect buyer to assume PACE financing

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## Real Estate Agents

- May believe that is “just an assessment”
  - Subject to Paragraph 9. Closing costs (f) Special Assessments

(f) **SPECIAL ASSESSMENTS:** At Closing, Seller shall pay: (i) the full amount of liens imposed by a public body (“public body” does not include a Condominium or Homeowner’s Association) that are certified, confirmed and ratified before Closing; and (ii) the amount of the public body’s most recent estimate or assessment for an improvement which is substantially complete as of Effective Date, but that has not resulted in a lien being imposed on the Property before Closing. Buyer shall pay all other assessments. If special assessments may be paid in installments **(CHECK ONE):**  
☐ (a) Seller shall pay installments due prior to Closing and Buyer shall pay installments due after Closing. Installments prepaid or due for the year of Closing shall be prorated.  
☐ (b) Seller shall pay the assessment(s) in full prior to or at the time of Closing.  
**IF NEITHER BOX IS CHECKED, THEN OPTION (a) SHALL BE DEEMED SELECTED.**  
This Paragraph 9(f) shall not apply to a special benefit tax lien imposed by a community development district (CDD) pursuant to Chapter 190, F.S., which lien shall be prorated pursuant to STANDARD K.

- Current FR/Bar Rider EE. has not been updated with new language (next slide)

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## Buyer

- Proper disclosure by seller may not be understood
- May cause overvaluation
  - Assume PACE assessment
  - Pay full value for improved property
- R-PACE
  - **QUALIFYING IMPROVEMENTS.**--The property being purchased is subject to an assessment on the property pursuant to s. 163.081, Florida Statutes. The assessment is for a qualifying improvement to the property and is not based on the value of the property. You are encouraged to contact the property appraiser’s office to learn more about this and other assessments that may be provided by law.

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## Buyer

- Recent improvements may not show on tax bill
  - Up to 18-month lag
- May agree to assume
- Assumption may cause debt to income issues with new loan
  - Causing buyer not to qualify for new loan
  - New lender will require payoff, if aware of priority of PACE financing

IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNERS OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WHERE THE PROPERTY WAS ENCUMBERED BY A NON-AD VALOREM ASSESSMENT SUCH AS THE NON AD-VALOREM ASSESSMENTS THAT WILL BE IMPOSED AS A RESULT OF ENTERING INTO THIS FINANCING AGREEMENT. THIS MAY MEAN THAT PROPERTY OWNER(S) WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY THE ENTIRE AMOUNT OF SUCH ASSESSMENT AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

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## Buyer

- Even when the seller will pay the PACE financing in full
- New lender
  - Will see old tax bill
  - May require escrow to be paid for the PACE non-ad valorem tax
- Buyer will have to
  - Have additional cash flow to qualify for loan
  - Pay the inflated escrow for at least a year

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## Closing Agents

- May not understand PACE assessment
- May just pro-rate PACE assessment
- May not pay off PACE financing
- May not hold escrow for final payment
- May show as a B-II exception
  - Object & make them pay it off
  - **Fund products always make PACE assessments a B-I requirement**

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## Lender

- Lenders are unaware
  - Only 3 states have R-PACE
  - It is called a Summary Memorandum of Agreement
  - Will not recognize as a super priority financing
    - Unaware to call for payoff

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## Lender

- If not paid off
  - Will not be able to sell loan to Fannie Mae/ Freddie Mac
    - **Fund products always make PACE assessments a B-I requirement**
  - New loan will be in second place

7. Policy must insure that the security instrument constitutes a valid first mortgage lien on the borrower's fee simple (or acceptable leasehold) estate in the mortgaged premises, unless other lien position is specified in the Closing Instructions.

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## Additional Troubles

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[illegible]

# TRIM Notice

- Page one
  - Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice
- Page two
  - **Your final tax bill may contain non-ad valorem assessments which may not be reflected on this notice**

# Some Help

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## Summary Memorandum of Agreement is Recorded

- PACE financing is titled Summary Memorandum of Agreement
  - R-PACE - Sec. 168.081 (7) F.S.
  - C-PACE – Sec. 168.082 (6) F.S.
- Shall be recorded within 10 days after execution of the agreement (R-PACE 10 days after the 3 day right to cancel)
  - Provides constructive notice that assessment constitutes a lien of equal dignity to county taxes from the date recorded
- Does not require borrower's signature
- Will state approved maximum annual assessment

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## Addendum to Financing Agreement

- Borrower may request to have an addendum to financing agreement recorded
  - Section 6 of Florida Home Energy Renovation Opportunity (HERO) Program Financing Agreement
- Does not require borrower's signature
- Will update annual assessment
- Remember to include additional charges for payoff

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**FOR IMMEDIATE RELEASE:**  
March 4, 2019

**MEDIA CONTACT:**  
Office of Communications  
Tel: (202) 435-7170

### CONSUMER FINANCIAL PROTECTION BUREAU ISSUES ADVANCE NOTICE OF PROPOSED RULEMAKING ON PROPERTY ASSESSED CLEAN ENERGY FINANCING

**WASHINGTON, D.C.** – Today the Consumer Financial Protection Bureau (Bureau) issued an Advance Notice of Proposed Rulemaking (ANPR) on residential Property Assessed Clean Energy (PACE) financing.

"Today's action is the next step in the Bureau's efforts to implement the Economic Growth, Regulatory Relief and Consumer Protection Act as expeditiously as possible," said CFPB Director Kathleen L. Kraninger. "I look forward to reviewing the comments in response to the questions we are asking to facilitate the required rulemaking."

The Economic Growth, Regulatory Relief, and Consumer Protection Act, signed into law in May 2018, directed the Bureau to prescribe certain regulations for PACE financing.

The Bureau will consider the information it receives in response to today's ANPR to develop a Notice of Proposed Rulemaking. The information solicited will enable the Bureau to better understand the market and unique nature of PACE financing. This will help the Bureau formulate proposed regulations that not only would achieve statutory objectives but also would reflect a careful consideration of costs and benefits.

The public will have 60 days to comment after publication of the ANPR in the Federal Register.

**The ANPR is available at:**  
[https://files.consumerfinance.gov/f/documents/cfpb\\_anpr\\_residential-property-assessed-clean-energy-financing.pdf](https://files.consumerfinance.gov/f/documents/cfpb_anpr_residential-property-assessed-clean-energy-financing.pdf)

###

*The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](http://consumerfinance.gov).*

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## New Statutes

- Offer
  - Separate commercial from residential agreements
    - Commercial
      - Lenders must consent
    - Residential
      - Limited to 10% of owners' annual household income
  - More clarity
  - More disclosures
- Qualified improvement contractors
- Limits on advertising
- Some Financial Agreements may not be enforceable



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## New Statutes – Qualified Improvement Contractors

- For R-PACE, Sec. 183.083 F.S.
- Contractors to be register
- Contractor may only perform such work that said contractor is licensed, registered and permitted to conduct
- Must be in good standing
  - No outstanding complaints
  - Comply with all federal, state & local laws



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## New Statutes - Limits on Advertising

- All involved may not suggest or imply
  - PACE is a government assistance program
  - Qualifying improvements are free or provided at no costs
  - PACE is free or provided at no cost
  - PACE does not require repayment of financial obligation
  - Represent PACE payment as tax deductible
- All involved may not
  - Provide the amount of equity of the property
  - Provide owner with direct cash or other thing of material value conditioned upon entering into
  - Financing agreement



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## New Statutes - Limits on Advertising

- Qualified improvement contract or (QIC) may not
  - Advertise the availability of PACE or
  - Solicit program participation unless
    - QIC is registered by PA to
      - Participate in program &
      - Is in good standing with the PA
  - Provide a different price of qualified improvement under R-PACE then QIC would otherwise provide



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## New Statutes - Limits on Advertising

- PA may not
  - Provide QIC the amount the owner is eligible for the qualifying improvement
  - Provide any payment, fee or kickback to QIC for referral
  - Reimburse a QIC for expenses in advertising, marketing campaigns & materials
- PA may
  - Provide QIC with information to facilitate installation of qualified improvement
  - Offer promotions of reduced fees or interest rates
    - Must be reflected in the financing agreement
    - Nondiscriminatory basis
    - Not provided to owner as cash consideration



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## New Statutes – Unenforceable Agreements

- Sec. 163.085 F.S.
- Recorded financing agreement
  - May not be removed from attachment if owner fraudulently obtained financing
- Financing agreement may not be enforced & recorded financing agreement may be removed from attachment to property and deemed null & void if
  - Residential owner canceled within the 3-business day period
  - Non-owner obtained financing agreement
    - Court order may hold non-owner personally liable for debt
  - PA, 3<sup>rd</sup> party PA or QIC approved or obtained funding through fraudulent means



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## New Statutes – Unenforceable Agreements

- IF QIC initiated work under a contract deemed unenforceable, the QIC
  - May not receive compensation for work under financing agreement
  - Must restore property to original condition at no cost to owner
  - Must immediately return any funds, property & other consideration given by owner

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## New Statutes – Unenforceable Agreements

- If QIC delivered chattel or fixtures to property, the QIC has 90 days from the date the contract was executed to retrieve said chattel or fixtures provided that
  - Fulfilled other requirements of paragraphs (3)(a) & (b) of this section
  - Said items can be removed at QIC expense without damage to property
- QIC fails to comply, owner may retain said items
- Contract that is otherwise unenforceable under this section remains enforceable
  - If owner waives her/her right to cancel the contract or canceled financing agreement and then allow QIC to proceed with qualifying improvement

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# Examples

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Instr# 115475521 , Page 1 of 4, Recorded 11/30/2018 at 03:51 PM  
Broward County Commission

**GREEN CORRIDOR**

RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:  
Ygrene Energy Fund Florida, LLC  
3350 Mary Street #124  
Miami, FL 33133

Between Assent, You List a Fee Recipient's Use Only

**SUMMARY MEMORANDUM OF AGREEMENT**

This Summary Memorandum of Agreement, dated 08/20/2018, is between the Green Corridor Property Assessment Clean Energy (PACES) District, a public body corporate and public utility organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") for the purpose of installing on the Property the Qualifying Improvements listed in Exhibit B.

Owner No. 1: KENNETH EDELMAN

Owner No. 2: JOSEPH B. SCHIMMEL

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity: Weston Commercial Properties, Ltd

Project ID No.: FL-293-0786CV Folio Number: 49-39-35-05-0010

Property Street Address: 2600 GLADES CIR

City: WESTON State: FL Zip: 33327

**General Partner Detail**

**Name & Address**

Document Number L08000053513

WESTON COMMERCIAL CENTER, LLC  
11380 PROSPERITY FARMS ROAD, 221E  
PALM BEACH GARDENS, FL 33410

Document Number P98000057360

A&J WESTON COMMERCIAL G.P., INC.  
9400 S Dadeland Blvd  
Suite 600  
Miami, FL 33156

**Officer/Director Detail**

**Name & Address**

Title VTD

Stern, Constanza  
18911 Collins Avenue  
Apartment 1705  
Sunny Isles Beach, FL 33160

Title PSD

Schimmel, Joseph B  
9400 S. Dadeland Blvd, Ste 600  
Miami, FL 33156

**Authorized Person(s) Detail**

**Name & Address**

Title MGRM

EDELMAN, KENNETH L  
2600 GLADES CIRCLE # 100  
WESTON, FL 33327

92 **igrene** SUMMARY MEMORANDUM OF AGREEMENT 3/2/2017  
DOC ID: FL-293-0786CV 1

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Instr# 115475521 , Page 2 of 4
Instr# 115475521 , Page 3 of 4

www.YgreneWorks.com

The parties agreed that the District will collect a non-ad valorem special assessment to repay the costs for funding the Qualifying Improvements. The assessment to be levied on the Property constitutes a lien of equal dignity to county taxes and assessments that is effective from the date of recordation of this Summary Memorandum of Agreement. The first principal amount of the assessment and payment schedule will be set forth in an addendum to the Financing Agreement to be recorded in the public records of the applicable county upon completion of the installation of the Qualifying Improvements. Except as otherwise provided in the Financing Agreement, the Financing Agreement shall expire upon the final payment or prepayment of the non-ad valorem special assessment.

DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING			
INTEREST RATE:	6.84	%	REPAYMENT TERM: 25 years
Maximum Annual Assessment*		\$45,919.07	

Ask the program administrator for the current collection fees being charged.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum effective as of the date of the last party to sign.

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SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-DC-BROWARD-1.1 | 3/20/17  
FL-DC-DTREC-V | 2

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**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE.

IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE WET SIGNATURE

SIGNATURE

DATE 9/25/18

Items of Signatory: Paul Winkler

Title of Signatory: DISTRICT OFFICER

**DISTRICT**

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA }  
COUNTY OF } ss

The foregoing instrument was acknowledged before me this 25th day of Sept, 2018, by Paul Winkler, who is/are personally known to me or who has/have produced to me identification.

(SEAL)

CAROLINA MONTALVAN  
Notary Public, State of Florida  
Commission # 00507332  
My Commission Expires June 13, 2020

C. Montalvan  
Notary Public, State of Florida  
PRINT NAME OF NOTARY COMMISSION NUMBER 611312020

Ygrene

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-DC-BROWARD-1.1 | 3/20/17  
FL-DC-DTREC-V | 3

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Instr# 115475521 , Page 4 of 4, End of Document

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**EXHIBIT A**

PROPERTY (LEGAL DESCRIPTION)

SECTION 3 & 4 BOUNDARY PLAT HAS 16.8 PORTION OF PARCEL A DESCRIBED AS COMB AT NW COR OF PAR A BE 28.412 N 1/4 OF T8 A 30W 24N 1/4

**EXHIBIT B**

INITIAL DESCRIPTION OF QUALIFYING IMPROVEMENTS

Wind Resistant Roofing

Ygrene

Ygrene

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-DC-BROWARD-1.1 | 3/20/17  
FL-DC-DTREC-V | 4

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Instr# 115566009 , Page 1 of 3, Recorded 01/22/2019 at 11:56 AM  
Broward County Commission

Instr# 115566009 , Page 2 of 3

**69**

**GREEN CORRIDOR**

RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:  
Ygrene Energy Fund Florida, LLC  
3399 Mary Street #124  
Miami, FL 33133

Print Above This Line to Use Notarion's Use Only

**ADDENDUM TO FINANCING AGREEMENT**

This Addendum to the Financing Agreement, dated 01/07/2019, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and public body organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 09/25/2018 for the purpose of installing on the Property the Qualifying Improvements initially listed in Exhibit B to the Financing Agreement (the "Initial Description of Qualifying Improvements"). A Summary Memorandum Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of \_\_\_\_\_, County on 11/02/2018, in \_\_\_\_\_, Instrument # 115475521, Pages 1-4.

Owner No. 1: \_\_\_\_\_  
Owner No. 2: \_\_\_\_\_  
Owner No. 3: \_\_\_\_\_  
Owner No. 4: \_\_\_\_\_

Trust: \_\_\_\_\_

Legal Entity: Weston Commercial Properties, Ltd.

Project ID No.: FL-293-079KCV Folio Number: 49-35-35-06-0010

Property Street Address: 2750 - 2800 GLADES CIR


City: WESTON State: FL Zip: 33127

The parties agreed in the Financing Agreement that the Preliminary List of Improvements would be modified and finalized in an Addendum to the Financing Agreement upon completion of the installation of Qualifying Improvements (the "Final Improvements") on the Property, and the Property Owner agreed to be bound by the District's final determination of the amount of the assessment to be paid by the Property Owner.

The Financing Agreement set forth the maximum principal amount to be financed, the estimated interest rate on the assessment, the estimated amount payable annually on the assessment based upon the estimated interest rate, the preliminary list of improvements, and the subterm of the assessment. The parties agreed that of such amounts would be modified and finalized in an Addendum to the Financing Agreement after the completion of the Final Improvements was determined.

Accordingly, the parties hereto are entering into this Addendum, which replaces said Summary Memorandum Agreement and sets forth (a) the Final Improvements in Exhibit B hereto and (b) the final amount of the Assessment and the final term of the Assessment in Exhibit C hereto.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Addendum effective as of the date of the District's signature.


95  **ADDENDUM TO FINANCING AGREEMENT** | 9/28/2016  
DOC ID: FL-GC FL-293-079KCV | 1

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person: \_\_\_\_\_  
Print Name and Title of Authorized Person: District Officer Paul Winkeljohn  
Date: 1/10/19

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA  
COUNTY OF Broward  
The foregoing instrument was acknowledged before me this 10 day of Jan, 2019, by Paul Winkeljohn, who is personally known to me or who has produced \_\_\_\_\_ as identification.

 Jim S. Hayfworth  
Notary Public, State of Florida

PRINT NAME OF NOTARY  
COMMISSION NUMBER

**ADDENDUM TO FINANCING AGREEMENT** | 9/28/2016  
DOC ID: FL-GC FL-293-079KCV | 2

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Instr# 115566009 , Page 3 of 3, End of Document

**EXHIBIT A**  
**PROPERTY (LEGAL DESCRIPTION)**

SECTIONS 3 & 4 BOUNDARY PLAT 146-16 B PORTION OF PARCEL A DESC AS COMM AT HW COR OF PAR A BE 285 ALG NLY/L OF TRAILWAY SUBW.E.

**EXHIBIT B**  
**FINAL DESCRIPTION OF QUALIFYING IMPROVEMENTS**


Wind Resistant Roofing


**EXHIBIT C**

REPAYMENT TERM: 25 years

Annual Special Assessment: \$15,777.55

\*NOTE: Collection fees may be added to the final assessment amount. These fees vary and are based on changes in the Tax Collector's fees schedule and policies.  
Ask the program administrator for the current collection fees being charged.

 **ADDENDUM TO FINANCING AGREEMENT** | 9/28/2016  
DOC ID: FL-GC FL-293-079KCV | 3

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Instr# 114494626 , Page 1 of 4, Recorded 07/11/2017 at 04:45 PM  
Broward County Commission

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**GREEN CORRIDOR**

**RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:**

Ygrene Energy Fund Florida, LLC  
3380 West Street #224  
Miami, FL 33133

---

SPACE ABOVE THIS LINE IS FOR RECORDATION'S USE ONLY

**SUMMARY MEMORANDUM OF AGREEMENT**

This Summary Memorandum of Agreement, dated 05/09/2017, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and public utility organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") for the purpose of installing on the Property the Qualifying Improvements listed in Exhibit B.

Owner No. 1: Anna Gorman	Owner No. 2: Oudine Matthew
Owner No. 3:	
Owner No. 4:	
Trust:	
Legal Entity:	
Project ID No.: FL-336-4YDM4Z	Folio Number: 48-41-17-04-054D
Property Street Address: 10871 NW 38TH CT	
City: CORAL SPRINGS	State: FL Zip: 33065

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-GC-BROWARD-1.1 | 3/2017 | 38-4YDM4Z | 1

Instr# 114494626 , Page 2 of 4

DocuSign Envelope ID: 69FC718-955D-4CB8-93ED-FAB64CCC1B87

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The parties agreed that the District will collect a non-ad valorem special assessment to repay the costs for funding the Qualifying Improvements. The assessment to be levied on the Property constitutes a lien of equal dignity to county taxes and assessments that is effective from the date of recordation of this Summary Memorandum of Agreement. The final principal amount of the assessment and payment schedule will be set forth in an addendum to the Financing Agreement to be recorded in the public records of the applicable county upon completion of the installation of the Qualifying Improvements. Except as otherwise provided in the Financing Agreement, the Financing Agreement shall expire upon the first payment or prepayment of the non-ad valorem special assessment.

DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING

INTEREST RATE: 7.94 %	REPAYMENT TERM: 20 years
<p style="text-align: right; font-weight: bold;">Maximum Annual Assessment: \$5,905.01</p> <p style="font-size: x-small;">Ask the program administrator for the current collection fees being charged.</p>	

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum effective as of the date of the last party to sign.

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-GC-BROWARD-1.1 | 3/2017 | 38-4YDM4Z | 2

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Instr# 114494626 , Page 3 of 4

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**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE.  
IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE: NET SIGNATURE  
SIGNATURE  
6/14/17  
DATE

Name of Signatory: Richard Hane

Title of Signatory: DISTRICT OFFICER

DISTRICT  
NOTARY ACKNOWLEDGEMENT

STATE OF FLORIDA  
COUNTY OF Broward

The foregoing instrument was acknowledged before me this 14 day of June, 2017, by Richard Hane, who is personally known to me or who has been positively identified by me.

JESSIE D. NICHOLSON  
Notary Public - State of Florida  
Commission # 02 017132  
My Comm. Expires Nov 24, 2021

Notary Public, State of Florida

PRINT NAME OF NOTARY: \_\_\_\_\_ COMMISSION EXPIRES: \_\_\_\_\_

COMMISSION NUMBER: \_\_\_\_\_

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-GC-BROWARD-1.1 | 3/2017 | 38-4YDM4Z | 3

Instr# 114494626 , Page 4 of 4, End of Document

DocuSign Envelope ID: 69FC718-955D-4CB8-93ED-FAB64CCC1B87

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EXHIBIT A

PROPERTY (LEGAL DESCRIPTION)

THE WINGS 70-48 LOT 14 BLK B

EXHIBIT B

INITIAL DESCRIPTION OF QUALIFYING IMPROVEMENTS

<input type="checkbox"/> BOILER	<input type="checkbox"/> CONTROL SYSTEMS	<input type="checkbox"/> ENERGY EFFICIENT WINDOWS & DOORS	<input type="checkbox"/> HVAC	<input checked="" type="checkbox"/> SHADY TREES & SHRUBS	<input type="checkbox"/> INSULATION
<input type="checkbox"/> LIGHTING	<input type="checkbox"/> REFLECTIVE COATING	<input type="checkbox"/> ROOFING	<input type="checkbox"/> SOLAR	<input type="checkbox"/> WATER CONSERVATION	<input type="checkbox"/> HURRICANE PROTECTION
<input type="checkbox"/> ENERGY STORAGE <input type="checkbox"/> OTHER: PLEASE DESCRIBE: _____					

SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL-GC-BROWARD-1.1 | 3/2017 | 38-4YDM4Z | 4

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Instr# 115332694 , Page 1 of 3, Recorded 09/19/2018 at 11:18 AM  
Broward County Commission

Instr# 115332694 , Page 2 of 3

**GREEN CORRIDOR**  
RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:  
Ygrene Energy Fund Florida, LLC  
3500 Mary Street #154  
Miami, FL 33133

Since Access This Line is for Recorder's Use Only

**ADDENDUM TO FINANCING AGREEMENT**

This Addendum to the Financing Agreement, dated 05/29/2018, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and political entity organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the "Owner" of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 06/14/2017 for the purpose of installing on the Property the Qualifying Improvements initially listed in Exhibit B to the Financing Agreement (the "Initial Description of Qualifying Improvements"). A Summary Memorandum Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of Broward County on 07/11/2017, in Instrument # 114434628, Pages 1-4.

Owner No. 1: Anna German  
Owner No. 2: Claudia Matthew  
Owner No. 3:  
Owner No. 4:  
Trust:  
Legal Entity:  
Project ID No: FL-335-4YDM4Z Folio Number: 45-41-17-04-0540  
Property Street Address: 10571 NW 38TH CT  
City: CORAL SPRINGS State: FL Zip: 33065

The parties agreed in the Financing Agreement that the Preliminary List of Improvements would be modified and finalized in an Addendum to the Financing Agreement upon completion of the installation of Qualifying Improvements (the "Final Improvements") on the Property, and the Property Owner agreed to be bound by the District of a special non-ad valorem assessment on the Property (the "Assessment") in order to repay the costs incurred by the District with respect to financing the installation of the Final Improvements.

The Financing Agreement set forth the maximum principal amount to be financed, the estimated interest rate on the Assessment, the estimated amount payable annually on the Assessment based upon the estimated interest rate, the preliminary list of improvements, and the initial term of the assessment. The parties agreed that all such amounts would be modified and finalized in an Addendum to the Financing Agreement after the end of the Final Improvements was determined.

Accordingly, the parties hereto are entering into this Addendum, which replaces said Summary Memorandum Agreement and sets forth (a) the Final Improvements in Exhibit B hereto and (b) the final amount of the Assessment and the final term of the Assessment in Exhibit C hereto.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Addendum effective as of the date of the District's signature.

(SIGNATURE PAGE FOLLOWS)  
ADDENDUM TO FINANCING AGREEMENT 9/26/2018  
DOC ID: FL-335-4YDM4Z 1

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person:  
Print Name and Title of Authorized Person: District Officer Paul Winkler  
Date: 8/30/18

**NOTARY ACKNOWLEDGEMENT**  
STATE OF FLORIDA  
COUNTY OF  
The foregoing instrument was acknowledged before me this 30th day of August, 2018, by Paul Winkler, who is personally known to me or who has been produced to me for identification.  
(SEAL)  
CAROLINA MONTALVAN  
Notary Public, State of Florida  
My Commission Expires June 13, 2020  
COMMISSION NUMBER  
6/13/2020  
COMMISSION EXPIRES

**grene**  
ADDENDUM TO FINANCING AGREEMENT 9/26/2018  
DOC ID: FL-335-4YDM4Z 2

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Instr# 115332694 , Page 3 of 3, End of Document

**EXHIBIT A**  
PROPERTY (LEGAL DESCRIPTION)  
THE WINDINGS 70-44 S LOT 14 BLK B

**EXHIBIT B**  
FINAL DESCRIPTION OF QUALIFYING IMPROVEMENTS  
High-Impact Windows, High-Impact Doors

**EXHIBIT C**  
REPAYMENT TERM: 22 years  
Annual Special Assessment: \$2,427.21

\*NOTE: Collection fees may be added to the final assessment amount. These fees vary and are based on charges in the Tax Collector's fees schedule and policies.  
Ask the program administrator for the current collection fees being charged.

**grene**  
ADDENDUM TO FINANCING AGREEMENT 9/26/2018  
DOC ID: FL-335-4YDM4Z 3

• Original annual payment maximum

- \$5,905.01

• Addendum annual payment

- \$2,427.21

• Original Agreement – June 14, 2017

• Addendum – June 13, 2020

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**The Fund**

100



**BROWARD COUNTY** 2017 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments Folio: 34332

Property ID Number	Esrow Code	Assessed Value	Exemptions	Taxable Value	Millage Code
484117-04-0640	CL-0040189	See Below	See Below	See Below	2812

GORMAN ANNE  
MATTHEW OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

10971 NW 38 CT  
THE WINDINGS 70-44 B  
LOT 14 BLK B

**AD VALOREM TAXES**

Taxing Authority	Millage	Assessed Val	Exemptions	Taxable Val	Taxes Levied
BROWARD COUNTY GOVERNMENT	5.48230	291,180	0	291,180	1,590.51
COUNTY-WIDE SERVICES	0.20670	291,180	0	291,180	60.19
BROWARD CO SCHOOL BOARD	4.07600	291,180	0	291,180	1,448.33
CAPITAL OUTLAY	1.50000	291,180	0	291,180	436.77
VOTER APPROVED DEBT LEVY	0.06540	291,180	0	291,180	19.04
SO FLORIDA WATER MANAGEMENT	0.04410	291,180	0	291,180	12.84
EVERGLADES BASIN	0.13840	291,180	0	291,180	40.35
SWFMD DISTRICT	0.12750	291,180	0	291,180	37.13
NORTH BROWARD HOSPITAL	1.24830	291,180	0	291,180	363.48
CHILDREN'S SVCS COUNCIL OF BC	0.48820	291,180	0	291,180	142.15
CORAL SPGS OPER	5.87320	291,180	0	291,180	1,710.16
DEBT SERVICE	0.27530	291,180	0	291,180	80.16
FL INLAND NAVIGATION	0.03200	291,180	0	291,180	9.32

**Total Millage: 20.43540 Ad Valorem Taxes: \$5,950.38**

**Levying Authority**

NON - AD VALOREM TAXES	Rate	Amount
28 CORAL SPRGS FIRE SERV ASSMT	@ 248.0000	248.00
CBS CORAL SPRINGS SOLID WASTE	@ 235.6000	235.60
S SUNSHINE DRAINAGE 1		

**Non - Ad Valorem Assessments: \$663.60**

**Combined Taxes and Assessments: \$6,613.98**

If Postmarked By: Nov 30, 2017 Please Pay: \$0.00

**BROWARD COUNTY** 2017 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments Folio: 34332

Property ID Number: 484117-04-0640

Make checks payable to: BROWARD COUNTY TAX COLLECTOR, GOVERNMENTAL CENTER ANNEX, 115 S. ANDREWS AVENUE, ROOM # A100, FORT LAUDERDALE, FL 33301-1895

PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT

GORMAN ANNE, MATTHEW OUDINE, 10971 NW 38 CT, CORAL SPRINGS, FL 33065-2702

**PAY YOUR TAXES ONLINE AT:** broward.county-taxes.com

If Postmarked By: Nov 30, 2017 Please Pay: \$0.00

Please Pay Only One Amount

**BROWARD COUNTY** 2018 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments Folio: 34332

Property ID Number	Esrow Code	Assessed Value	Exemptions	Taxable Value	Millage Code
484117-04-0640	CL-0031455	See Below	See Below	See Below	2812

GORMAN ANNE  
MATTHEW OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

10971 NW 38 CT  
THE WINDINGS 70-44 B  
LOT 14 BLK B

**AD VALOREM TAXES**

Taxing Authority	Millage	Assessed Val	Exemptions	Taxable Val	Taxes Levied
BROWARD COUNTY GOVERNMENT	5.47820	320,290	0	320,290	1,754.93
COUNTY-WIDE SERVICES	0.19980	320,290	0	320,290	60.79
BROWARD CO SCHOOL BOARD	4.77500	339,440	0	339,440	1,620.82
CAPITAL OUTLAY	1.50000	339,440	0	339,440	509.16
VOTER APPROVED DEBT LEVY	0.12790	339,440	0	339,440	43.41
SO FLORIDA WATER MANAGEMENT	0.04170	320,290	0	320,290	13.36
EVERGLADES BASIN	0.13100	320,290	0	320,290	41.96
SWFMD DISTRICT	0.12390	320,290	0	320,290	38.72
NORTH BROWARD HOSPITAL	1.08550	320,290	0	320,290	347.67
CHILDREN'S SVCS COUNCIL OF BC	0.48820	320,290	0	320,290	156.37
CORAL SPGS OPER	5.87320	320,290	0	320,290	1,881.13
DEBT SERVICE	0.28320	320,290	0	320,290	84.84
FL INLAND NAVIGATION	0.03200	320,290	0	320,290	10.25

**Total Millage: 20.10960 Ad Valorem Taxes: \$6,563.51**

**Levying Authority**

NON - AD VALOREM TAXES	Rate	Amount
28 CORAL SPRGS FIRE SERV ASSMT	@ 260.0000	260.00
CBS CORAL SPRINGS SOLID WASTE	@ 242.6700	242.67
GRC PACE GREEN CORRIDOR		
S SUNSHINE DRAINAGE 1		

**Non - Ad Valorem Assessments: \$3,169.59**

**Combined Taxes and Assessments: \$9,733.10**

If Postmarked By: Nov 30, 2018 Please Pay: \$0.00

**BROWARD COUNTY** 2018 Paid Real Estate Notice of Ad Valorem Tax and Non-Ad Valorem Assessments Folio: 34332

Property ID Number: 484117-04-0640

Make checks payable to: BROWARD COUNTY TAX COLLECTOR, GOVERNMENTAL CENTER ANNEX, 115 S. ANDREWS AVENUE, ROOM # A100, FORT LAUDERDALE, FL 33301-1895

PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT

GORMAN ANNE, MATTHEW OUDINE, 10971 NW 38 CT, CORAL SPRINGS, FL 33065-2702

**PAY YOUR TAXES ONLINE AT:** broward.county-taxes.com

If Postmarked By: Nov 30, 2018 Please Pay: \$0.00

Please Pay Only One Amount

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\$2,466.92  
- \$2,427.21  
\$ 39.71

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Instr# 115554323, Page 1 of 3, Recorded 01/15/2019 at 07:41 AM  
Broward County Commission

**GREEN CORRIDOR**

RECORDED AND PREPARED BY AND AFTER RECORDATION RETURN TO:  
Vigore Energy Fund Florida, LLC  
7255 Corporate Center Drive, Suite 510  
Miami, FL 33126

TERMINATION OF FINANCING AGREEMENT

The Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and public utility organized and existing under the laws of the State of Florida (the "District"), and all of the persons or entities identified below as the record owner(s) (the "Property Owner") of the fee title to the real property identified herein entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 11/22/2018, for the purpose of financing the installation of certain Qualifying Improvements on the Property. In the Financing Agreement, the parties agreed that a non-ad valorem special assessment ("Assessment") shall be collected by the District to repay the cost for funding the improvements. A Summary Memorandum of Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of Broward County on 11/21/2018. In Instrument # 115458790, recorded in the public records of Broward County on 11/21/2018, the parties agreed to terminate the Financing Agreement.

Owner No. 1: \_\_\_\_\_  
Owner No. 2: \_\_\_\_\_  
Owner No. 3: \_\_\_\_\_  
Owner No. 4: \_\_\_\_\_

Trust: \_\_\_\_\_

Legal Entity: GOD'S SHELTER MISSIONARY CHURCH, INC.

Project ID No.: FL-433-MY-007 Folio Number: 51-42-16-01-1170

Property Street Address: 814 S DOXE HWY

City: HOLLYWOOD State: FL Zip: 33020

The Financing Agreement is being terminated hereby dated 11/22/2018 with the mutual agreement of the parties hereto. Accordingly, by its execution hereat, the District hereby releases, relinquishes and discharges its interest in said Financing Agreement, Addendum and Assessment.

(SIGNATURE PAGE FOLLOWS)

Instr# 115554323, Page 2 of 3

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person: \_\_\_\_\_  
Print Name and Title of Authorized Person: Paul Winklerjohn  
Date: 12/3/18

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA  
COUNTY OF Broward

I, Paul Winklerjohn, 3rd day of Dec 2018, do hereby certify that the foregoing instrument was acknowledged before me by Paul Winklerjohn, and he is personally known to me or he has been produced to me as identification.

Notary Public, State of Florida

PRINT NAME OF NOTARY: \_\_\_\_\_ COMMISSION EXPIRES: \_\_\_\_\_

COMMISSION NUMBER: \_\_\_\_\_

TERMINATION OF FINANCING AGREEMENT | 107/2017 | 2

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## What to do?

- PACE financing is different
- Inform seller
  - Florida law requires written disclosure prior or at the of the contract
  - To request an Addendum to Financing Agreement
  - PACE financing will need to be paid at closing
  - May escrow funds for final payment in November
  - PACE financing is not subject to 4% discount for November payments

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## What to do?

- PACE financing is different
- Inform buyer
  - Assumption may cause issues with new loan
    - Income to debt ratio issues
    - Non-approval as new mortgage loan will be in second place, not first place
  - House may be priced too high if assuming
    - House is price with improvements
    - Assumption of PACE financing for improvements
    - Buyer is paying twice for improvements
    - AS IS contracts allow rejection for any reason
  - Interest rate of PACE financing may be high

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## What to do?

- Parties may execute a re-proration/post-closing adjustment agreement for
  - Ad valorem &
  - Non-ad valorem taxes
  - Many re-proration agreements leave it up to the parties to do between themselves
    - Seller and buyer to work out issues without the settlement agent or attorney

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## What to do?

- Escrow funds until
  - Next tax bill to ensure payment in full or
  - Receive a Termination of Agreement
  - Be careful in where the funds came from, if a refund is due
    - Escrow final payment
    - Tax bill does not include final payment
      - Escrow to seller
    - Tax bill does include final payment
      - Escrow to tax collector
      - Notice to new mortgage company
        - So, rebalancing of escrow payments need not be due to PACE financing
  - Call underwriting for further instructions

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## 12 Tips

1. If a Summary Memorandum of Agreement or Addendum to Financing Agreement appears in the official records, call for a complete payoff by including it as a B-I requirement on the commitment.
2. The non-ad valorem assessment shown on the tax bill will remain the same for the term of the financing (except possibly for the first year).
3. Notify the seller/refinancer and buyer that the PACE financing must be paid at closing, if not assumed by a cash buyer. Any new lender will most likely require the lien to be paid off.
4. Notify the seller/refinancer that additional sums must be escrowed until a Termination of Agreement is recorded or the next tax bill with no PACE assessment is received.

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## 12 Tips

5. Have the seller provide the statutory notice to the buyer, if not already given.
6. If the PACE assessment has yet to appear on the tax bill, have the seller request an Addendum to Financing Agreement for a more accurate annual assessment.
7. If a cash buyer is assuming the PACE financing, ensure that the property was appropriately priced.
8. The existing PACE financing may make it more difficult for the buyer to qualify for a new loan.

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## 12 Tips

9. Inform the buyer that a higher monthly amount for escrow may be required for a year or more.
10. Inform the parties that paragraph 9(f) of the FR/BAR contract does not apply to PACE financing.
11. Review the payoff notice carefully to determine if the current year's assessment is included in the payoff.
12. Regardless if the payoff notice includes the current year's assessment, collect and hold in escrow the current year's assessment until a Termination of Agreement or current year's tax bill is received and reviewed.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**Date: December 7, 2017**

**Mortgagee Letter 2017-18**

**To:** All FHA-approved Mortgagees  
All Direct Endorsement Underwriters  
All FHA Roster Appraisers  
All FHA Roster Inspectors  
All FHA-approved 203(k) Consultants  
All HUD-approved Housing Counselors  
All HUD-approved Nonprofit Organizations  
All Governmental Entity Participants  
All Real Estate Brokers  
All Closing Agents

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**Subject** Property Assessed Clean Energy (PACE)

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**Purpose** This Mortgagee Letter (ML) transmits revised policies for insuring mortgages secured by Single Family 1- 4 unit properties encumbered with Property Assessed Clean Energy (PACE) obligations.

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**Effective Date** This guidance is effective for case numbers issued thirty days after the date of this ML.

All policy updates will be incorporated into a forthcoming update of the HUD Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

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**Public Feedback** HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send any feedback to the FHA Resource Center at [answers@hud.gov](mailto:answers@hud.gov). HUD will consider the feedback in determining the need for future updates.

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*Continued on next page*

## Mortgagee Letter 2017-18

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### **Affected Programs**

This guidance applies to the origination of all FHA Title II forward mortgage programs, and the Home Equity Conversion Mortgage program (HECM).

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### **Background**

In ML 2016-11, FHA established requirements regarding the eligibility for FHA-insured mortgages of properties encumbered with PACE obligations that permitted, under some circumstances, a continuing obligation for repayment of the PACE obligation even after foreclosure and acquisition by FHA. These requirements were subsequently incorporated into the HUD Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1).

FHA is concerned about the potential for increased losses to the Mutual Mortgage Insurance Fund due to the priority lien status given to such assessments in the case of default. FHA is also concerned with the lack of consumer protections associated with the origination of the PACE assessment, which are far less comprehensive than that of traditional mortgage financing products. FHA's involvement with accepting properties with PACE assessments may indirectly help to overshadow potential consumer abuses.

While the existence of FHA-insured financing for properties with PACE assessments creates additional choices for financing options, potential borrowers may face risk associated with the potential for property overvaluation due to the unknown or miscalculated effect of the PACE lien on the property value.

FHA is also aware of the need to provide guidance regarding the extinguishment of PACE obligations in association with forward mortgage refinances and HECMs.

Accordingly, FHA has revised its policies with respect to the insurance of mortgages on properties encumbered with PACE obligations.

The policies and procedures for the servicing of FHA-insured mortgages on properties encumbered with a PACE obligation as announced in ML 2016-06 are not impacted by this ML and remain in effect.

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## Mortgagee Letter 2017-18

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### Summary of Changes

Attached to this ML are additions and revisions to the Handbook 4000.1. The following is a summary of policy changes, which is provided for informational purposes only.

#### *Outstanding PACE Obligations*

Properties encumbered with PACE obligations will no longer be eligible for FHA-insured forward mortgages.

#### *Refinances*

Clarification is provided to identify PACE obligations as existing debt that may be paid off using a Rate and Term Refinance.

Current policies allowing the use of a Cash-Out refinance to pay off PACE obligations remain unchanged.

#### *HECMs*

The existing prohibition of properties encumbered with PACE obligations remains unchanged for HECMs.

Clarification is provided to identify PACE obligations as Mandatory Obligations that must be paid off at closing, and may be paid off using HECM proceeds.

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### Single Family Policy Handbook 4000.1

The attached updates to HUD's Single Family Housing Policy Handbook 4000.1 will be incorporated in a future publication of the Handbook.

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### HECM Program

Properties which will remain encumbered with a PACE obligation are not eligible for an FHA-insured HECM.

The payoff of a PACE obligation is a Mandatory Obligation and it must be paid off at closing, and may be paid off using HECM proceeds.

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## Mortgagee Letter 2017-18

### **Paperwork Reduction Act**

The information collection requirements contained in this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0059 and 2502-0524. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless the collection display a currently valid OMB control number.

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### **Questions**

For additional information on this ML, please visit [www.hud.gov/answers](http://www.hud.gov/answers) or call FHA's Resource Center at 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number via TTY by calling the Federal Relay Service at 1-800-877-8339.

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### **Signature**

Dana T. Wade  
General Deputy Assistant Secretary for Housing

### [Attachment](#)



## PAYOFF QUOTE

Dated: 2/4/2021

### PROPERTY INFORMATION

PROPERTY OWNER(S):

1 PARCEL NUMBER:  
PROPERTY ADDRESS:  
COUNTY: Broward

PROJECT ID	ORIGINAL LIEN AMOUNT	OUTSTANDING PRINCIPAL	INTEREST AMOUNT	REDEMPTION PREMIUM	REDEMPTION AMOUNT	REMAINING BALANCE <sup>1</sup>
	\$24,863.99	\$20,530.01	\$235.41	0.00%	\$0.00	\$20,765.42
PAYOFF PROCESSING FEE: <sup>2</sup>						\$165.00
TOTAL PAYOFF AMOUNT DUE IF PAID BY <u>2/28/2021</u> : <sup>3</sup>						\$20,930.42

TOTAL PAYOFF AMOUNT DUE IF PAID BY 3/31/2021:<sup>3</sup> \$21,048.13

### FOOTNOTES:

- 3
1. Remaining Balance: Total amount due to pay off your PACE assessment in full. This includes Outstanding Principal, Interest and Redemption Premium. Once Payoff Amount is received and processed the Satisfaction of Agreement will be recorded with the County. The Tax Year 2020 PACE assessment will be removed from your property tax bill which will prompt your taxing authority to generate a corrected tax bill. If you do not receive a corrected tax bill or, have already paid your tax bill and have not received a refund from the county, please contact Ygrene.
  2. Fee includes the removal of the assessments from the property tax bill, recording of the Satisfaction of Agreement with the County and Escrow Agent fee.
  3. Your payment will be returned if your check has a different amount other than the Total Payoff Amount. Interest is accrued as of January 1, 2021 through Paid By Date.
  4. Please send payment 5 to 7 days prior to Paid By Date to ensure receipt.

*This quote is only valid if the escrow or cashier's check is in the amount listed above and physically received at Zions Bank by one of the dates listed above*

**REMITTER INFORMATION:** In case there are questions regarding your payment or a refund needs to be issued, please provide contact information.

Name: \_\_\_\_\_ Return Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

### PAYMENT INSTRUCTIONS

ACCEPTABLE PAYMENT METHODS: CASHIERS CHECK OR ESCROW CHECKS

NO PERSONAL CHECKS WILL BE ACCEPTED.

PLEASE REMIT PAYMENT BY U.S. OR CERTIFIED MAIL OR OVERNIGHT DELIVERY SERVICE TO:

4  
PLEASE MAKE YOUR CHECK PAYABLE TO: ZIONS BANK AS TRUSTEE FOR GREEN CORRIDOR PACE  
ZIONS BANK, NATIONAL ASSOCIATION  
ATTENTION: CORPORATE TRUST DEPARTMENT  
550 SOUTH HOPE STREET, SUITE 2875  
LOS ANGELES, CA 90071

### NOTICE:

Payments will be validated by Zions Bank prior to acceptance.

Any changes or modifications to this document will void the quote.

Payments received without a copy of this payoff quote will be returned.

Please allow 3 to 4 weeks to record the Satisfaction of Agreement with the County.

Please note that Zions Bank does not participate in the process of the Satisfaction of Agreement.

Please contact Ygrene Customer Care for questions regarding this quote at 866-634-1358.

**Ultimately the property owner is responsible for ensuring the property taxes are paid correctly and on time.**



**PACE ASSESSMENT PAYOFF STATEMENT**

STATEMENT DATE:	05/24/2022
VALID THROUGH:	06/25/2022
PRINCIPAL REDEMPTION DATE:	07/15/2022
PAYOFF AMOUNT:	\$35,648.81
DEBT ISSUE:	
ASSESSMENT CONTRACT ID:	
PARCEL ID:	
PROPERTY OWNER:	
PROPERTY ADDRESS:	

Hollywood, FL 33020

**PAYOFF BREAKDOWN**

<b>OUTSTANDING AMOUNTS</b>	
PREPAID PRINCIPAL	\$35,260.03
ACCRUED INTEREST	\$356.78
RECORDING FEE	\$32.00
 PAYOFF AMOUNT:	 \$35,648.81

**PAYMENT STUB**

(Please include with check remittance)

**TOTAL PAYOFF AMOUNT IS \$35,648.81 AND IS VALID THROUGH 6/25/2022**

**WIRE PAYMENT INSTRUCTIONS**

BANK NAME AND ADDRESS:	Manufacturers & Traders Trust Company Wilmington, DE 19801
ABA ROUTING #:	031100092
ACCOUNT #:	142100-002
ACCOUNT NAME:	FLORIDA PFG
Ref:	Assessment Payoff [REDACTED]

**MAIL IN PAYMENT INSTRUCTIONS**

Please make check payable to: FLORIDA PACE FUNDING AGENCY.  
 Make the check in the amount of \$35,648.81  
 Write your Parcel ID (APN) and Assessment Contract ID on the check.  
 Please mail to:

Wilmington Trust, N.A.  
 Attn: Corporate Trust  
 213 Market Street  
 Harrisburg, PA 17101



## COUNTERPOINTE SERVICES

PACE ASSESSMENT PAY-OFF STATEMENT	
STATEMENT DATE: 08/16/19	ORIGINAL ASSESSMENT: \$12,425.84
PAYOFF AMOUNT: \$12,992.12	ASSESSMENT DATE: 2019-04-03
VALID THROUGH: 12/15/2019	ASSESSMENT CONTRACT ID [REDACTED]
COUNTY: Broward	BOND ID: [REDACTED]
PROPERTY OWNER(S): DAVID [REDACTED]	
PARCEL ID: [REDACTED]	
PROPERTY ADDRESS: [REDACTED]	

### PAYOFF BREAKDOWN

Prepaid Assessment Principal:	\$12,425.84
Delinquent Assessment Installments:	
Prepayment Processing Fee:	\$100.00
Prepayment Fee:	
Recording Fee:	\$32.00
Interest:	\$434.28
CREDITS	
Current Year Assessment Payments	
Reserve Fund	
Capitalized Interest	
Excess/Unexpected Project Funds	
Waiver of Prepayment Fees	
Payoff Amount	\$12,992.12

### PAYMENT STUB

(Please include with check remittance)

TOTAL PAYOFF AMOUNT IS \$12,992.12 AND IS GOOD THROUGH 12/15/2019

#### MAIL IN PAYMENT INSTRUCTIONS

Please provide notification of payment via email to [Inquiry@CPPACE.com](mailto:Inquiry@CPPACE.com). Include your check number, parcel ID (APN), and Assessment Contract ID in your email notification. Please mail your check made payable to: [FLORIDA PACE FUNDING AGENCY](#). Write your parcel ID (APN) and Assessment Contract ID on the check, and mail to the following address with this Payment Stub to:

Wilmington Trust, N.A. –  
Attn: Corporate Trust  
213 Market Street  
Harrisburg, PA 17101

#### WIRE PAYMENT INSTRUCTIONS

Please provide notification of the wire payment via email to [Inquiry@CPPACE.com](mailto:Inquiry@CPPACE.com). Include your parcel ID (APN) and Assessment Contract ID in your email notification: Include all the following information with in your wire payment.

Bank Name	M&T Bank
ABA	[REDACTED]
Account No.	[REDACTED]
Account Name	[REDACTED]
Reference	Assessment Payoff

Property Owner Signature \_\_\_\_\_

Date \_\_\_\_\_

Requester's Initials \_\_\_\_\_

**Please Note: This assessment will be enrolled for the 2019 tax year on 9/1/2019. The payoff calculation is not reduced by the amount of the assessment payment for the 2019 tax year, which is due by 3/31/2020. We will make every effort to remove your assessment from the tax role. If we are unable to remove your assessment from the tax roll, when we receive the assessment payment from the tax collector we will remit the funds to you, net of any collection costs of the Agency, the tax collector and the property appraiser in accordance with the instructions from the property owner.**



**RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:**

Ygrene Energy Fund Florida, LLC  
3390 Mary Street #124  
Miami, FL 33133

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**SUMMARY MEMORANDUM OF AGREEMENT**

This Summary Memorandum of Agreement, dated 08/20/2018, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The district and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") for the purpose of installing on the Property the Qualifying Improvements listed in Exhibit B.

Owner No. 1: KENNETH EDLEMAN

Owner No. 2: JOSEPH B. SCHIMMEL

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity: Weston Commercial Properties, Ltd

Project ID No.: FL-293-D76KCV

Folio Number: 49-39-35-06-0010

Property Street Address: 2900 GLADES CIR

City: WESTON

State: FL

Zip: 33327



SUMMARY MEMORANDUM OF AGREEMENT  
DOC ID: FL.GC.BROWARD.1.1

3/2/2017  
FL-293-D76KCV

1

The parties agreed that the District will collect a non-ad valorem special assessment to repay the costs for funding the Qualifying Improvements. The assessment to be levied on the Property constitutes a lien of equal dignity to county taxes and assessments that is effective from the date of recordation of this Summary Memorandum of Agreement. The final principal amount of the assessment and payment schedule will be set forth in an addendum to the Financing Agreement to be recorded in the public records of the applicable county upon completion of the installation of the Qualifying Improvements. Except as otherwise provided in the Financing Agreement, the Financing Agreement shall expire upon the final payment or prepayment of the non-ad valorem special assessment.

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**DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING**

**INTEREST RATE:** 6.84 % **REPAYMENT TERM:** 25 years

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**Maximum Annual Assessment\*** \$45,919.07

Ask the program administrator for the current collection fees being charged.

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IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum effective as of the date of the last party to sign.

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

**IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE.**

**IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee**

E-SIGNATURE

WET SIGNATURE

*[Handwritten Signature]*  
SIGNATURE

9/25/18  
DATE

Name of Signatory:

*Paul Winkuljohn*

Title of Signatory: DISTRICT OFFICER

**DISTRICT****NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA )  
COUNTY OF ) SS

The foregoing instrument was acknowledged before me this

25<sup>th</sup> day of Sept

18, by

*Paul Winkuljohn*

, who is/are personally known to me or who

has/have produced

as identification.

[SEAL]

*C Montalvan*  
Notary Public, State of Florida

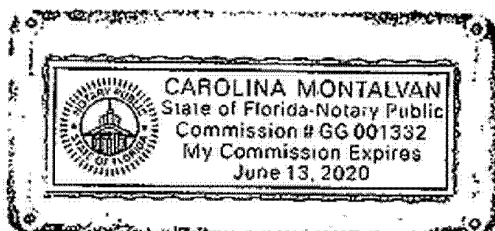
*Carolina Montalvan*

PRINT NAME OF NOTARY

COMMISSION EXPIRES

6/13/2020

COMMISSION NUMBER



**Ygrene**

## **EXHIBIT A**

### **PROPERTY (LEGAL DESCRIPTION)**

SECTORS 3 & 4 BOUNDARY PLAT 146-18 B PORTION OF PARCEL A DESC AS COMM AT NW COR OF PAR A, SE 265 ALG NLY/L OF TR A, SW 35, NW 9.

---

## **EXHIBIT B**

### **INITIAL DESCRIPTION OF QUALIFYING IMPROVEMENTS**

Wind Resistant Roofing





RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:

Ygrene Energy Fund Florida, LLC  
3390 Mary Street #124  
Miami, FL 33133

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ADDENDUM TO FINANCING AGREEMENT

This Addendum to the Financing Agreement, dated 01/07/2019, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 09/25/2018 for the purpose of installing on the Property the Qualifying Improvements initially listed in Exhibit B to the Financing Agreement (the "Initial Description of Qualifying Improvements"). A Summary Memorandum Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of Broward County on 11/30/2018 in Instrument # 115475521 Pages 1-4.

Owner No. 1:

Owner No. 2:

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity: Weston Commercial Properties, Ltd

Project ID No.: FL-293-D76KCV

Folio Number: 49-39-35-06-0010

Property Street Address: 2700 - 2900 GLADES CIR

City: WESTON

State: FL

Zip: 33327

The parties agreed in the Financing Agreement that the Preliminary List of Improvements would be modified and finalized in an Addendum to the Financing Agreement upon completion of the installation of Qualifying Improvements (the "Final Improvements") on the Property, and the Property Owner agreed to the imposition by the District of a special non-ad valorem assessment on the Property (the "Assessment") in order to repay the costs incurred by the District with respect to financing the installation of the Final Improvements.

The Financing Agreement set forth the maximum principal amount to be financed, the estimated interest rate on the Assessment, the estimated amount payable annually on the Assessment based upon the estimated interest rate, the preliminary list of improvements, and the initial term of the assessment. The parties agreed that all such amounts would be modified and finalized in an Addendum to the Financing Agreement after the cost of the Final Improvements was determined.

Accordingly, the parties hereto are entering into this Addendum, which replaces said Summary Memorandum Agreement and sets forth (a) the Final Improvements in Exhibit B hereto and (b) the final amount of the Assessment and the final term of the Assessment in Exhibit C hereto.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Addendum effective as of the date of the District's signature.

(SIGNATURE PAGE FOLLOWS)



ADDENDUM TO FINANCING AGREEMENT

9/28/2016

1

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person:

Print Name and Title of Authorized Person: District Officer

Paul Winkeljohn

Date:

1/10/19

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA

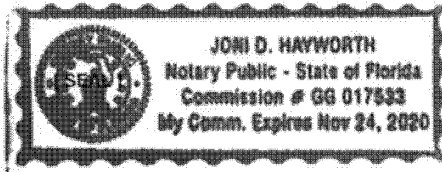
COUNTY OF

Broward )  
SS )

The foregoing instrument was acknowledged before me this 10 day of Jan, 2019, by

Paul Winkeljohn, who is/are personally known to me or who

has/have produced \_\_\_\_\_ as identification.



*Joni D. Hayworth*  
Notary Public, State of Florida

PRINT NAME OF NOTARY

COMMISSION EXPIRES

COMMISSION NUMBER

---

## EXHIBIT A

### PROPERTY (LEGAL DESCRIPTION)

SECTORS 3 & 4 BOUNDARY PLAT 146-18 B PORTION OF PARCEL A DESC AS COMM AT NW COR OF PAR A, SE 265 ALG NLY/L OF TR A, SW 35, NW 9.

---

## EXHIBIT B

### FINAL DESCRIPTION OF QUALIFYING IMPROVEMENTS

Wind Resistant Roofing



---

## EXHIBIT C

REPAYMENT TERM: .....25..... years

---

Annual Special Assessment\* .....\$15,777.59.....

\*NOTE: Collection fees may be added to the final assessment amount. These fees vary and are based on changes in the Tax Collector's fees schedules and policies.

Ask the program administrator for the current collection fees being charged.

---

DocuSign Envelope ID: 68FFC718-955D-4CB8-93ED-FA864CCC1B87



**RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:**

Ygrene Energy Fund Florida, LLC  
3390 Mary Street #124  
Miami, FL 33133

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**SUMMARY MEMORANDUM OF AGREEMENT**

This Summary Memorandum of Agreement, dated **05/09/2017**, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The district and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") for the purpose of installing on the Property the Qualifying Improvements listed in Exhibit B.

Owner No. 1: Anne

Gorman

Owner No. 2: Oudine

Matthew

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity:

Project ID No.: FL-336-4YDM4Z

Folio Number: 48-41-17-04-0640

Property Street Address: 10971 NW 38TH CT

City: CORAL SPRINGS

State: FL

Zip: 33065



DocuSign Envelope ID: 68FFC718-955D-4CB8-93ED-FA864CCC1B87

[www.YgreneWorks.com](http://www.YgreneWorks.com)

The parties agreed that the District will collect a non-ad valorem special assessment to repay the costs for funding the Qualifying Improvements. The assessment to be levied on the Property constitutes a lien of equal dignity to county taxes and assessments that is effective from the date of recordation of this Summary Memorandum of Agreement. The final principal amount of the assessment and payment schedule will be set forth in an addendum to the Financing Agreement to be recorded in the public records of the applicable county upon completion of the installation of the Qualifying Improvements. Except as otherwise provided in the Financing Agreement, the Financing Agreement shall expire upon the final payment or prepayment of the non-ad valorem special assessment.

---

#### DESCRIPTION OF ESTIMATED COSTS AND TERMS OF FINANCING

INTEREST RATE: 7.94 %

REPAYMENT TERM: 20 years

Maximum Annual Assessment\*

\$5,905.01

Ask the program administrator for the current collection fees being charged.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum effective as of the date of the last party to sign.



DocuSign Envelope ID: 68FFC718-955D-4CB8-93ED-FA864CCC1B87

www.YgreneWorks.com

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

IMPORTANT SIGNATURE INSTRUCTIONS: PLEASE SIGN YOUR NAME EXACTLY AS DISPLAYED IN THE SIGNATORY FIELDS BELOW, INCLUDING THE TITLE IF APPLICABLE.

IF YOU ARE A TRUSTEE, PLEASE INCLUDE THE TITLE "TRUSTEE" AFTER YOUR SIGNATURE. EXAMPLE: John M. Smith, Trustee

E-SIGNATURE

WET SIGNATURE

SIGNATURE

DATE

Name of Signatory:

*Richard Hans*

Title of Signatory:

DISTRICT OFFICER

**DISTRICT****NOTARY ACKNOWLEDGEMENT**

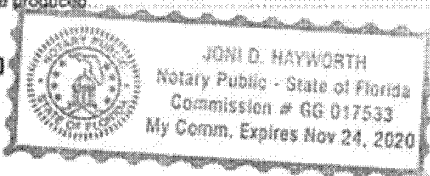
STATE OF FLORIDA )  
COUNTY OF *Broward* )SS

The foregoing instrument was acknowledged before me this *14* day of *June*, 20 *17*, by *Richard Hans*, who is/are personally known to me or who

has/have produced

as identification.

[SEAL]



Notary Public, State of Florida

PRINT NAME OF NOTARY

COMMISSION EXPIRES

COMMISSION NUMBER



DocuSign Envelope ID: 68FFC718-955D-4CB8-93ED-FA864CCC1B87

www.YgreneWorks.com

**EXHIBIT A****PROPERTY (LEGAL DESCRIPTION)**

THE WINDINGS 70-44 B LOT 14 BLK B

**EXHIBIT B****INITIAL DESCRIPTION OF QUALIFYING IMPROVEMENTS**

<input type="checkbox"/> BOILER	<input type="checkbox"/> CONTROL SYSTEMS	<input type="checkbox"/> ENERGY EFFICIENT WINDOWS & DOORS	<input type="checkbox"/> HVAC	<input checked="" type="checkbox"/>	<input type="checkbox"/> IMPACT WINDOWS & DOORS	<input type="checkbox"/> INSULATION
<input type="checkbox"/> LIGHTING	<input type="checkbox"/> REFLECTIVE COATING	<input type="checkbox"/> ROOFING	<input type="checkbox"/> SOLAR	<input type="checkbox"/>	<input type="checkbox"/> WATER CONSERVATION	<input type="checkbox"/> HURRICANE PROTECTION
<input type="checkbox"/> ENERGY STORAGE	<input type="checkbox"/> OTHER	PLEASE DESCRIBE:				





RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:

Ygrene Energy Fund Florida, LLC  
3390 Mary Street #124  
Miami, FL 33133

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ADDENDUM TO FINANCING AGREEMENT

This Addendum to the Financing Agreement, dated 08/29/2018, is between the Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "District") and all of the persons or entities identified below as the record owner(s) (the "Owner") of the fee title to the real property identified herein.

The District and the Owner entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 06/14/2017 for the purpose of installing on the Property the Qualifying Improvements initially listed in Exhibit B to the Financing Agreement (the "Initial Description of Qualifying Improvements"). A Summary Memorandum Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of Broward County on 07/11/2017 in Instrument # 114494626, Pages 1-4.

Owner No. 1: Anne Gorman

Owner No. 2: Outline Matthew

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity:

Project ID No.: FL-336-4YDM4Z

Folio Number: 48-41-17-04-0640

Property Street Address: 10971 NW 38TH CT

City: CORAL SPRINGS

State: FL

Zip: 33065

The parties agreed in the Financing Agreement that the Preliminary List of Improvements would be modified and finalized in an Addendum to the Financing Agreement upon completion of the installation of Qualifying Improvements (the "Final Improvements") on the Property, and the Property Owner agreed to the imposition by the District of a special non-ad valorem assessment on the Property (the "Assessment") in order to repay the costs incurred by the District with respect to financing the installation of the Final Improvements.

The Financing Agreement set forth the maximum principal amount to be financed, the estimated interest rate on the Assessment, the estimated amount payable annually on the Assessment based upon the estimated interest rate, the preliminary list of improvements, and the initial term of the assessment. The parties agreed that all such amounts would be modified and finalized in an Addendum to the Financing Agreement after the cost of the Final Improvements was determined.

Accordingly, the parties hereto are entering into this Addendum, which replaces said Summary Memorandum Agreement and sets forth (a) the Final Improvements in Exhibit B hereto and (b) the final amount of the Assessment and the final term of the Assessment in Exhibit C hereto.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Addendum effective as of the date of the District's signature.

(SIGNATURE PAGE FOLLOWS)



ADDENDUM TO FINANCING AGREEMENT

9/28/2016

DOC ID: FL.GC

FL-336-4YDM4Z

1



**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person:

Print Name and Title of Authorized Person: District Officer

Date:

8/30/18

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA

COUNTY OF

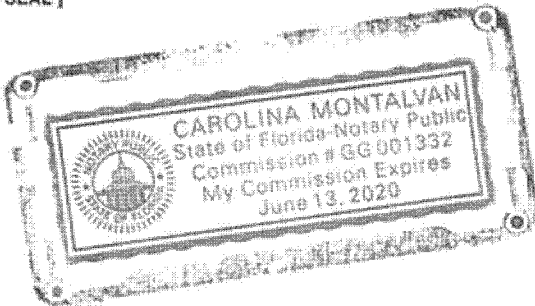
) SS )

The foregoing instrument was acknowledged before me this 30th day of August, 2018, byPaul Winkelpohn

who is/are personally known to me or who

has/have produced \_\_\_\_\_ as identification.

[ SEAL ]

C. Montalvan

Notary Public, State of Florida

C. Montalvan

PRINT NAME OF NOTARY

6/13/2020

COMMISSION EXPIRES

COMMISSION NUMBER

---

**EXHIBIT A**  
**PROPERTY (LEGAL DESCRIPTION)**

THE WINDINGS 70-44 B LOT 14 BLK B

---

**EXHIBIT B**  
**FINAL DESCRIPTION OF QUALIFYING IMPROVEMENTS**

High-Impact Windows, High-Impact Doors

---

**EXHIBIT C**

REPAYMENT TERM: .....20..... years

---

Annual Special Assessment*	\$2,427.21
----------------------------	------------

\*NOTE: Collection fees may be added to the final assessment amount. These fees vary and are based on changes in the Tax Collector's fees schedules and policies.

Ask the program administrator for the current collection fees being charged.



## BROWARD COUNTY

2017 Paid Real Estate  
Notice of Ad Valorem Tax and Non-Ad Valorem Assessments

Folio: 34332

Property ID Number	Escrow Code	Assessed Value	Exemptions	Taxable Value	Millage Code
484117-04-0640	CL-0040189	See Below	See Below	See Below	2812

GORMAN, ANNE  
MATTHEW, OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

PAYMENTS MUST BE MADE IN US FUNDS AND  
DRAWN ON US BANK ACCOUNT.

10971 NW 38 CT  
THE WINDINGS 70-44 B  
LOT 14 BLK B

\$6,349.42  
EEX-17-00000675  
Paid By CORELOGIC

AD VALOREM TAXES					
Taxing Authority	Millage	Assessed Val	Exemptions	Taxable Val	Taxes Levied
BROWARD COUNTY GOVERNMENT					
COUNTYWIDE SERVICES	5.46230	291,180	0	291,180	1,590.51
VOTED DEBT	0.20670	291,180	0	291,180	60.19
BROWARD CO SCHOOL BOARD					
GENERAL FUND	4.97400	291,180	0	291,180	1,448.33
CAPITAL OUTLAY	1.50000	291,180	0	291,180	436.77
VOTER APPROVED DEBT LEVY	0.06540	291,180	0	291,180	19.04
SO FLORIDA WATER MANAGEMENT					
EVERGLADES C.P.	0.04410	291,180	0	291,180	12.84
OKEECHOBEE BASIN	0.13840	291,180	0	291,180	40.30
SFWMD DISTRICT	0.12750	291,180	0	291,180	37.13
NORTH BROWARD HOSPITAL	1.24830	291,180	0	291,180	363.48
CHILDREN'S SVCS COUNCIL OF BC	0.48820	291,180	0	291,180	142.15
CITY OF CORAL SPRINGS					
CORAL SPGS OPER	5.87320	291,180	0	291,180	1,710.16
DEBT SERVICE	0.27530	291,180	0	291,180	80.16
FL INLAND NAVIGATION	0.03200	291,180	0	291,180	9.32
Total Millage:		20.43540	Ad Valorem Taxes:		\$5,950.38
NON - AD VALOREM TAXES					
Levying Authority	Rate			Amount	
28 CORAL SPRGS FIRE SERV ASSMT				180.00	
CRS CORAL SPRINGS SOLID WASTE	@ 248.0000			248.00	
S SUNSHINE DRAINAGE 1	@ 235.6000			235.60	
Non - Ad Valorem Assessments:				\$663.60	
Combined Taxes and Assessments:				\$6,613.98	
If Postmarked By	Nov 30, 2017				
Please Pay	\$0.00				

Receipt #  
11/30/2017  
Paid

## BROWARD COUNTY

2017 Paid Real Estate  
Notice of Ad Valorem Tax and Non-Ad Valorem Assessments

Folio: 34332

Paid 11/30/2017 Receipt #

EEX-17-00000675

\$6,349.42

Paid By CORELOGIC

Make checks payable to:

BROWARD COUNTY TAX COLLECTOR  
GOVERNMENTAL CENTER ANNEX  
115 S. ANDREWS AVENUE, ROOM # A100  
FORT LAUDERDALE, FL 33301-1895

Property ID Number
484117-04-0640

PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT

GORMAN, ANNE  
MATTHEW, OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

PAY YOUR TAXES ONLINE AT:  
[broward.county-taxes.com](http://broward.county-taxes.com)

If Postmarked By	Please Pay
Nov 30, 2017	\$0.00

Return with Payment

Please Pay Only One Amount

## BROWARD COUNTY

2018 Paid Real Estate  
Notice of Ad Valorem Tax and Non-Ad Valorem Assessments

Folio: 34332

Property ID Number	Escrow Code	Assessed Value	Exemptions	Taxable Value	Millage Code
484117-04-0640	CL-0031455	See Below	See Below	See Below	2812

GORMAN, ANNE  
MATTHEW, OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

PAYMENTS MUST BE MADE IN US FUNDS AND  
DRAWN ON US BANK ACCOUNT.

10971 NW 38 CT  
THE WINDINGS 70-44 B  
LOT 14 BLK B

\$9,442.45  
EEX-18-00000499  
Paid By CORELOGIC

AD VALOREM TAXES					
Taxing Authority	Millage	Assessed Val	Exemptions	Taxable Val	Taxes Levied
BROWARD COUNTY GOVERNMENT					
COUNTYWIDE SERVICES	5.47920	320,290	0	320,290	1,754.93
VOTED DEBT	0.18980	320,290	0	320,290	60.79
BROWARD CO SCHOOL BOARD					
GENERAL FUND	4.77500	339,440	0	339,440	1,620.82
CAPITAL OUTLAY	1.50000	339,440	0	339,440	509.16
VOTER APPROVED DEBT LEVY	0.12790	339,440	0	339,440	43.41
SO FLORIDA WATER MANAGEMENT					
EVERGLADES C.P.	0.04170	320,290	0	320,290	13.36
OKEECHOBEE BASIN	0.13100	320,290	0	320,290	41.96
SFWM DISTRICT	0.12090	320,290	0	320,290	38.72
NORTH BROWARD HOSPITAL	1.08550	320,290	0	320,290	347.67
CHILDREN'S SVCS COUNCIL OF BC	0.48820	320,290	0	320,290	156.37
CITY OF CORAL SPRINGS					
CORAL SPGS OPER	5.87320	320,290	0	320,290	1,881.13
DEBT SERVICE	0.26520	320,290	0	320,290	84.94
FL INLAND NAVIGATION	0.03200	320,290	0	320,290	10.25
Total Millage:		20.10960	Ad Valorem Taxes:		\$6,563.51
NON - AD VALOREM TAXES					
Levying Authority	Rate			Amount	
28 CORAL SPRGS FIRE SERV ASSMT				200.00	
CRS CORAL SPRINGS SOLID WASTE	@ 260.0000			260.00	
GRC PACE GREEN CORRIDOR				2,466.92	
S SUNSHINE DRAINAGE 1	@ 242.6700			242.67	
Non - Ad Valorem Assessments:				\$3,169.59	
Combined Taxes and Assessments:				\$9,733.10	
If Postmarked By	Nov 30, 2018				
Please Pay	\$0.00				

Receipt #  
11/27/2018  
Paid

## BROWARD COUNTY

2018 Paid Real Estate  
Notice of Ad Valorem Tax and Non-Ad Valorem Assessments

Folio: 34332

Paid 11/27/2018 Receipt # EEX-18-00000499 \$9,442.45  
Paid By CORELOGIC

Make checks payable to:

BROWARD COUNTY TAX COLLECTOR  
GOVERNMENTAL CENTER ANNEX  
115 S. ANDREWS AVENUE, ROOM # A100  
FORT LAUDERDALE, FL 33301-1895

Property ID Number
484117-04-0640

PAYMENTS MUST BE MADE IN US FUNDS AND DRAWN ON US BANK ACCOUNT

GORMAN, ANNE  
MATTHEW, OUDINE  
10971 NW 38 CT  
CORAL SPRINGS, FL 33065-2702

PAY YOUR TAXES ONLINE AT:  
[broward.county-taxes.com](http://broward.county-taxes.com)

If Postmarked By	Please Pay
Nov 30, 2018	\$0.00

Return with Payment

Please Pay Only One Amount



**RECORDED AND PREPARED BY AND  
AFTER RECORDATION RETURN TO:**

Ygrene Energy Fund Florida, LLC  
7200 Corporate Center Drive, Suite 510  
Miami, FL 33126

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**TERMINATION OF FINANCING AGREEMENT**

The Green Corridor Property Assessment Clean Energy (PACE) District, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "District"), and all of the persons or entities identified below as the record owner(s) (the "Property Owner") of the fee title to the real property identified herein entered into an Agreement to Pay Assessments and Finance Qualifying Improvements (the "Agreement") dated 10/12/2018 for the purpose of financing the installation of certain Qualifying Improvements on the Property. In the Financing Agreement, the parties agreed that a non-ad valorem special assessment ("Assessment") shall be collected by the District to repay the cost for funding the improvements. A Summary Memorandum of Agreement, summarizing appropriate terms of the Financing Agreement, was recorded in the public records of Broward County on 11/21/2018 in Instrument # 115458790, Pages 1-4.

Owner No. 1:

Owner No. 2:

Owner No. 3:

Owner No. 4:

Trust:

Legal Entity: GOD'S SHELTER MISSIONARY CHURCH, INC.

Project ID No.: FL-433-MTVDDY

Folio Number: 51-42-16-01-1170

Property Street Address: 814 S DIXIE HWY

City: HOLLYWOOD

State: FL

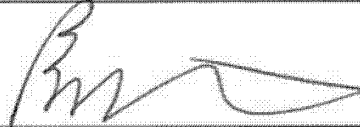
Zip: 33020

The Financing Agreement is being terminated hereby dated 11/30/2018 with the mutual agreement of the parties thereto. Accordingly, by its execution hereof, the District hereby releases, relinquishes and discharges its interest in said Financing Agreement, Addendum and Assessment.

(SIGNATURE PAGE FOLLOWS)

**GREEN CORRIDOR PROPERTY ASSESSMENT CLEAN ENERGY (PACE) DISTRICT**

Signature of Authorized Person:



Print Name and Title of Authorized Person:

Paul Winkeljohn

Date:

12/3/18

**NOTARY ACKNOWLEDGEMENT**

STATE OF FLORIDA

COUNTY OF

Broward

)  
)SS

The foregoing instrument was acknowledged before me this

3

day of

Dec

20

18

by

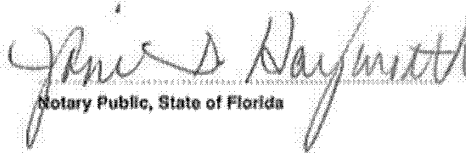
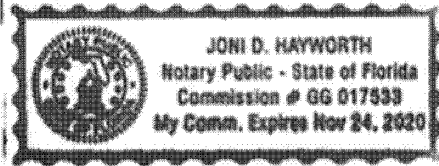
Paul Winkeljohn

, who is/are personally known to me or who

has/have produced

as identification.

[SEAL]



Notary Public, State of Florida

PRINT NAME OF NOTARY

COMMISSION EXPIRES

COMMISSION NUMBER

**EXHIBIT A:**  
**LEGAL DESCRIPTION**

HOLLYWOOD LITTLE RANCHES 1-26 B LOT 3 BLK M



# PACE

## Property Assessed Clean Energy

### WHAT IS PACE?

Property Assessed Clean Energy (PACE) is a financing mechanism that enables low-cost, long-term funding for energy efficiency, renewable energy and water conservation projects. PACE financing is repaid as an assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments (sidewalks, sewers) have been for decades. Depending on local legislation, PACE can be used for commercial, nonprofit and residential properties.

### HOW DOES IT WORK?

PACE is a national initiative, but programs are established locally and tailored to meet regional market needs. State legislation is passed that authorizes municipalities to establish PACE programs, and local governments have developed a variety of program models that have been successfully implemented. Regardless of model, there are several keystones that hold true for every PACE program.

- PACE is voluntary for all parties involved.
- PACE can cover 100% of a project's hard and soft costs.
- Long financing terms up to 20 years.
- Can be combined with utility, local and federal incentive programs.
- Energy projects are permanently affixed to a property.
- The PACE assessment is filed with the local municipality as a lien on the property.

### WHY IS IT SO POPULAR?

Property owners love PACE because they can fund projects with no out-of-pocket costs. Since PACE financing terms extend to 20 years, it's possible to undertake deep, comprehensive retrofits that have meaningful energy savings and a significant impact on the bottom line. The annual energy savings for a PACE project usually exceeds the annual assessment payment, so property owners are cash flow positive immediately. That means there are increased dollars that can be spent on other capital projects, budgetary expenses, or business expansion.

Local governments love PACE because it's an Economic Development initiative that lowers the cost of doing business in their community. It encourages new business owners to invest in the area, and creates jobs using the local workforce. PACE projects also have a positive impact of air quality, creating healthier, more livable neighborhoods.

### HOW CAN I GET PACE?

[www.PACENation.us](http://www.PACENation.us) has all the tools and resources you need to get started with PACE. Check to see if your state has passed a PACE statute, and if your area has an active program. If not, contact us to find out if there is a local initiative in development and we may be able to put you in touch with a working coalition. We look forward to hearing from you!

### BENEFITS OF PACE

**WORKFORCE DEVELOPMENT:**  
Creates local jobs

**ECONOMIC DEVELOPMENT:**  
Lowers cost of doing business

**BUILDING STOCK:**  
Maintained and upgraded

**BOTTOM LINE:**  
Directly impacts local businesses

**HEALTHY AIR:**  
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# Keeping Pace with P.A.C.E. Liens



**By Charles D. Nostra, Fund Sr. Underwriting Counsel**

**As Property Assessed Clean Energy (PACE) financing agreements become more commonplace, they are increasingly showing up in title searches, and Fund Members are likely to see related requirements in title commitments.**

**PACE financing agreements are used to make certain qualifying energy efficiency and hurricane hardening improvements to commercial and residential properties. See 'PACE Picks up in Florida,' 49 Fund Concept 101 (Sep. 2017). As a reminder, the article further explained that, "bonds may be issued by counties, municipalities, dependent special districts under Sec. 189.012, F.S., and separate legal entities under Sec. 163.01(7), F.S., to finance the improvements. The repayment of such improvements is then secured by liens paid through non-ad valorem assessments on the property tax bills of the specific property owners who availed themselves of the program."**

**Qualifying requirements for PACE financing agreements are relatively simple and are based on the home's equity and tax payment history. The approval process typically takes less than an hour. However, in May 2018, President Trump signed the Dodd-Frank Wall Street Reform Act that directs the Consumer Financial Protection Bureau (CFPB) to create federal oversight of, and rules for, the program. New requirements may be added, requiring residential consumers to pass an**

**"ability-to-pay analysis before they are approved. The additional documentation is likely to create longer approval times and result in more applications being rejected. Florida, California, and Missouri are the only three states with PACE programs. While California has already imposed new requirements for its state**

**program, Florida has no current plans to require a more comprehensive approval process, and the CFPB has no timetable or deadline for the creation of the new rules. For now, Florida's PACE program qualification requirements remain unchanged, and the number of PACE agreements continues to increase from year to year.**

## **The PACE Lien and the Payoff Process**

**Once the property owner is approved for a PACE loan, a memorandum of financing agreement is recorded in the official records of the county where the property is located within five days of execution of the agreement by the property owner. Even though the agreement is of record, the first yearly assessment may be postponed up to eighteen months based upon the timing of the funding of the project.**

**Through interviews with PACE administrators and experiences related by Fund Members, it appears that the methodology by which PACE loans are released has a few unique twists, which can create some challenges pre- and post-closing. These challenges have come to light since the Sep. 2017 Concept article. The purpose of this article is to provide additional guidance to Fund members in light of this new information.**

## **Disclosure of the PACE Lien and Non-Ad Valorem Assessment**

**Sec. 163.08(14), F.S., requires sellers to disclose, in the contract or by a separate writing, the existence of the PACE assessment prior to the execution of the contract by the buyer. The disclosure must be as set forth in the statute:**

### **Qualifying Improvements for Energy Efficiency, Renewable Energy, Or Wind Resistance.**

**The property being purchased is located within the jurisdiction of a local government that has placed an assessment on the property pursuant to s. 163.08, Florida Statutes. The assessment is for a qualifying improvement to the property relating to energy efficiency, renewable energy, or wind resistance, and is not based on the value of property. You are encouraged to contact the county property appraiser's office to learn more about this and other assessments that may be provided by law.**

**Despite the statutory requirement, it appears that most sellers, and many real estate agents, may not be aware of the disclosure obligation; therefore, many buyers may not be aware of the existence of the lien until after the contract is executed and a title commitment is provided.**

## **Underwriting Requirements**

**A PACE lien is a super-priority home improvement loan secured by a recorded lien and paid through the tax bill. Even though the PACE program provides that the financing agreement is fully assumable, many lenders are unfamiliar with PACE lien agreements and require their mortgage be insured in a first lien position. Accordingly, for insuring, the FUND will require a satisfaction of the lien in commitments where financing is being obtained by a buyer. Satisfaction of the PACE lien will also be required for refinance transactions. The commitment requirement related to satisfaction of PACE liens will be similar to the following:**

Record satisfaction of that certain "Summary Memorandum of Agreement" dated, duly recorded, in BOOK \_\_\_\_ PAGE \_\_\_\_, Public Records of \_\_\_\_\_ COUNTY County, Florida. Alternatively, record release of the lien of such (type of lien) as to the subject property.

However, if the lien is to be assumed by the buyer, pursuant to the contract and without objection from the insured lender, the requirement may be removed with an exception for the lien added to Schedule B-1 of the commitment. If the buyer agrees to assume the PACE lien, then only the current year's assessment should be prorated at closing.

## **The Payoff Request and Calculation Process**

When improvement projects are funded before June 30 of the current year, the assessment will typically appear on the current year's tax bill in November. Assessments for projects funded on or after July 1 will typically not appear on the tax bill until the following year. PACE Assessments do not appear in the Truth-in-Millage Act (TRIM) notice, because PACE assessments are not subject to appeal. The PACE assessment will only show up in the November tax bill once the assessment amount is relayed to the assessor by the plan administrator.

Fund Members requesting payoff information related to the PACE lien should keep in mind that whether an estoppel letter received from the plan administrator will be for a complete payoff amount depends on when the assessment is made and when the figure is relayed to the tax assessor. Since the PACE program and its administration appear to have been set up for the agreements to be assumed by a subsequent buyer and not paid off upon sale, it may be a struggle to get a complete payoff from the administrator.

If a payoff request is made after the effective date of the agreement, but before the submission of the assessment information to the tax collector, it may be possible for the homeowner to negotiate for removal of the assessment from the planned submission to the tax collector. If the administrator has already submitted the assessment for collection by the tax collector, the process of taking it off the tax roll will likely be very difficult. The most likely scenario is that the payoff letter will have a notice that the payoff amount does not include the current year's assessment because it will be included on and paid through the tax bill.

For most transactions, Fund Members are likely to encounter a PACE lien payoff statement issued by the PACE administrator containing language indicating that the payoff amount does not include the current year's assessment in the tax bill (whether the tax bill has been issued yet or not). The Fund Member will have to review the recorded memorandum and any documents provided by the seller, as well as inquire of the administrator about what the current year's assessment will be (if not already on the tax bill from the prior year). The assessment will never be higher than the maximum amount listed in the recorded memorandum. For the payoff line on the closing disclosure, the Fund Member will use the PACE administrator's payoff amount. The full amount of the current year's assessment will be charged to seller on a separate line in the proration section of the closing disclosure.

## **PACE Proration Considerations**

Since the PACE lien results from financing improvements to the property, and the value of those improvements were likely factored into an increased property sale price, the PACE assessment should not be prorated, but should be charged 100 percent to the seller.

There are typically two components of the tax bill that are subject to proration, ad-valorem taxes and non-ad valorem assessments. When there is a PACE lien, the "prorating" of the tax bill requires three steps.

Step 1: The entire PACE assessment is charged to the seller;

Step 2: The ad valorem taxes are apportioned between the seller and buyer based on a calendar year in arrears; and

Step 3: The non-ad valorem assessments are apportioned between seller and buyer based on the charging entity's tax year, fiscal versus annual, and on whether it posts payments in arrears or in advance. Each charging entity's program could be different, so multiple lines on a settlement statement may be required for the proper proration of the non-ad valorem assessments.

## **Release of Lien and Post-Closing Considerations**

Finally, correspondence from PACE administrators indicate that the final release of lien (satisfaction of the PACE Agreement) will not be recorded until the property tax payment window closes in March and taxes are confirmed as paid.

The Fund has been made aware of at least one instance where the PACE lien was paid off and the lien was satisfied, but the assessment continued to be included in the non-ad valorem assessments the next year. Fund Members should advise buyers to double check the next year's tax bill to confirm removal of the assessment.

## **Seller Issues**

Fund Members should be prepared to explain the proration nuances to a seller who may not fully understand how the program works. Particularly, sellers may require assistance in understanding lender priority requirements and the program's "assumption of the lien by the next owner," or "the lien runs with the land" features that may have been overlooked at the time the contract was negotiated. Whether a PACE lien may be assumed is the buyer's and lender's choice to make, not the sellers.

Sellers may be surprised (and upset) to learn that in most transactions the lien will have to be paid at closing, and that they may incur pre-payment penalties in doing so.

Fund Members who encounter a PACE lien in their examination should be aware that a payoff amount may not include the assessments portion being collected with the first installment under a financing agreement, and the complications that may arise when prorating the assessment on a closing statement.

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# Tips for Addressing PACE Liens



**By Linda Monaco, B.C.S., Fund Legal Education Attorney**

The use of Property Assessed Clean Energy (PACE) financing is growing in Florida as owners of residential and commercial properties look to borrow money to make improvements that minimize their carbon footprints. Florida is one of only three states that allow PACE financing for residential properties. PACE financing is repaid as an annual non-ad valorem assessment that is a lien of equal dignity to county taxes and other assessments. Sec. 163.08, ES., governs the PACE financing program. To qualify for PACE financing, the owner must have paid their property taxes in a timely manner and have sufficient equity in the subject property. PACE financing is assumable with no approval; however, transferring title to real property encumbered by PACE financing and paying off and clearing the lien from the title can be problematic. The following tips are suggested to avoid errors and to aid in navigating the complexity of dealing with PACE financing at closing.

## **Recognize a PACE lien**

It may be difficult to recognize a PACE financing lien. The recorded document for PACE financing is entitled "Summary Memorandum of Agreement" or "Addendum to Financing Agreement." These agreements do not have the property owner's signature and the legal description is usually the shortened property appraiser description. Nevertheless, these recorded instruments create a valid lien on the real property. PACE financing agreements are indexed by the county as "notices," and are

searchable by the parties' names. In ATIDS, PACE financing agreements are indexed as liens. Branch-prepared Fund Commitments will include the appropriate requirement in Schedule B-I to clear the lien created by the PACE financing agreement.

Reviewing the prior tax bill may not reveal the PACE assessment, as there could be up to an 18-month lag between project completion and the time the assessment first appears on the tax bill. For example, a project completed in Aug. 2019 will not show on the tax bill until Nov. 2020. Accordingly, the absence of a PACE assessment on the tax bill is insufficient to determine that the property is not subject to a PACE financing lien. On the other hand, if the tax bill shows the PACE assessment, the need to obtain a release of the PACE lien is confirmed. The assessed amount is the same every year for the term of financing (with the possible exception of a proration for the first year.)

Because it is a private agreement between the PACE financiers and the property owner, the amount of the assessment is not subject to an objection; thus, the PACE financing agreement is not required to appear on the TRIM notice. While many counties in Florida show PACE financing on the TRIM notice as a courtesy to the property owner, not all of them do. Broward County, specifically, is a county that does not show PACE financing on the TRIM notice.

### **Seller's obligation**

In the original paperwork for PACE financing, which the owner signed, there are several warnings that a refinance or sale of the property may require that PACE financing be paid in full at the time of sale. The FHA announced in Dec. 2017 that property subject to a PACE financing lien is not eligible for an FHA-insured mortgage or an FHA-insured Home Equity Credit Mortgage (HECM). Additionally, Fannie Mae/Freddie Mac Uniform Security Instruments prohibit loans which are subject to a senior lien such as PACE financing. See Selling Guide, Fannie Mae Single Family, B5-3.4-01, Property Assessed Clean Energy Loans (12/01/2010). Fannie Mae/Freddie Mac will not purchase loans subject to a PACE financing lien on the secondary market, and the loan originator may seek recourse against the settlement agent for not following lender's instructions to confirm that the new mortgage is in first lien position. Yet, many sellers and refinancers are surprised that they must pay off the PACE financing.

Also included in the original financing package is clear notice that the seller is obligated by statute to inform the potential buyer in writing that the property is subject to PACE financing. The statute provides the language needed for this notice, which must be given at or before the time the contract is executed. However, often, sellers fail to provide the required notice. Currently, the joint Florida Realtors/ Florida Bar (FR/BAR) committee is working on an Addendum to the FR/BAR that will address this obligatory notice requirement.

When the owner/seller first accepts a PACE financing agreement, a "Summary Memorandum of Agreement" is recorded. That agreement reflects the maximum annual assessment amount which may be increased by the addition of a small service fee. The owner/seller may not have used all available loan funds, so the annual obligation might be less than initially indicated. Therefore, it is in the best interest of the owner/seller to request a recalculation and have an "Addendum to Financing Agreement" recorded, which will reflect the correct total annual obligation.

As will be further discussed below, the payoff notice issued by the PACE financing servicer may not

reflect a full and accurate payoff amount. To help ensure a smooth closing, the seller should be notified early in the transaction that fully releasing the lien of the PACE financing requires two payments. At closing, the amount stated in the payoff notice will be remitted per those instructions, and additional sums will be escrowed to remit the final payment to the tax collector.

### **Buyer's Concerns**

If the buyer agrees to assume the PACE financing, the contract price should reflect that financial obligation. Often, real property is priced as improved with no regard to how the owner paid for the improvements. If PACE financing was used to pay for improvements and the buyer is assuming the PACE financing, as might be the case in an all-cash deal, the price should account for the remaining amount of the PACE debt. Failure to account for the longterm payout of the PACE obligation might result in the buyer paying twice for the PACE-financed improvements.

If the buyer is obtaining a new loan, assumption of PACE financing will be problematic, if not impossible. As mentioned above, Fannie Mae/Freddie Mac and FHA will not accept mortgages subject to PACE financing. Additionally, even where the new lender knowingly accepts senior PACE financing, the assumption could cause debt to income ratio issues or monthly cash flow issues, resulting in the buyer being denied the new loan.

Even if the buyer is not assuming the PACE financing, there are other concerns to be aware of. As part of any closing where the lender will be escrowing for taxes, the lender will require the settlement agent to complete a tax information form and supply a copy of the most recent tax bill. If the PACE assessment is on that tax bill, the new lender will be inclined to calculate the escrow amount including the PACE assessment. In other words, the new lender may not recognize the paid-in-full PACE financing as a non-reoccurring tax obligation. In this circumstance, the buyer/borrower may be required to pay inflated escrow payments until the first tax bill without the PACE assessment is released, which may result in monthly cash flow issues for the buyer or affect the buyer's ability to qualify for a new loan. In this circumstance, the borrower can request a re-balancing of the escrow account after the PACE assessment drops off the tax bill.

Notably, PACE financing is not subject to Paragraph 9(f) of the FR/BAR contract that addresses which party pays for Special Assessments. That provision is for liens imposed by a public body which are certified, confirmed and ratified prior to closing. PACE financing is none of these, as it is a private agreement between the property owner and PACE financier.

### **Review the payoff statement carefully**

There is no per diem on PACE financing; and regardless of the date of closing, any payoff statement received from a PACE servicer will be good through Mar. 31. The servicer's statement may or may not include a notation regarding the current year's assessment to be paid through the tax collector. The servicer of PACE financing submits to the tax collector each year the amounts to be collected. The deadline for submitting the assessment varies by county. Read the payoff notice carefully as it may indicate if the current year's assessment has been released to the tax collector. If it has been released, it will be difficult, if not impossible, for the servicer to recall the assessment and include it in the payoff statement. The prudent settlement agent will therefore escrow from the seller for the current



year's assessment or final annual assessment to ensure a complete payoff. Once the tax bill is issued in November, the settlement agent can determine who is entitled to receive the escrowed funds for the PACE assessment. When the PACE financing is finally paid in full, a "Termination of Agreement" will be filed in the official records to release the lien; issuance of the policy should not be delayed pending recording of the release.

Below are 12 tips for addressing the many issues that arise when refinancing or selling a property encumbered by PACE financing.

### **PACE financing tips**

- 1 If a Summary Memorandum of Agreement or Addendum to Financing Agreement appears in the official records, call for a complete payoff by including it as a B-I requirement on the commitment.
2. The non-ad valorem assessment shown on the tax bill will remain the same for the term of the financing (except possibly for the first year).
3. Notify the seller/refinancer and buyer that the PACE financing must be paid at closing, if not assumed by a cash buyer. Any new lender will most likely require the lien to be paid off.
4. Notify the seller/refinancer that additional sums must be escrowed until a Termination of Agreement is recorded or the next tax bill with no PACE assessment is received.
5. Have the seller provide the statutory notice to the buyer, if not already given.
6. If the PACE assessment has yet to appear on the tax bill, have the seller request an Addendum to Financing Agreement for a more accurate annual assessment.
7. If a cash buyer is assuming the PACE financing, ensure that the property was appropriately priced.
8. The existing PACE financing may make it more difficult for the buyer to qualify for a new loan.
9. Inform the buyer that a higher monthly amount for escrow may be required for a year or more.
10. Inform the parties that paragraph 9(f) of the FR/BAR contract does not apply to PACE financing.
11. Review the payoff notice carefully to determine if the current year's assessment is included in the payoff.
12. Regardless if the payoff notice includes the current year's assessment, collect and hold in escrow the current year's assessment until a Termination of Agreement or current year's tax bill is received and reviewed.

Additional information on PACE liens can be found in "Keeping Pace with PACE Liens" ([/member/fund-concept/the-fund-concept/archives/2018/october-2018/keeping-pace-with-p-a-c-e-liens.aspx](#)), 50 Fund Concept 102 (Oct. 2018).





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