

APPENDIX E: MORTGAGE HOLDER CONSENT TO PACE BETTERMENT ASSESSMENT

This form acknowledges that the property owner intends to install energy improvements using financing provided through the PACE Massachusetts program and the mortgage holder agrees to the PACE Betterment Assessment. Each existing mortgage holder will be required to provide consent by signing this form.

**PACE MASSACHUSETTS
MORTGAGE HOLDER CONSENT TO PACE BETTERMENT ASSESSMENT AND LIEN**

Date:

Name of Mortgage Holder:

Property Address:

Property Owner/Borrower:

Municipality:

Loan Number:

This Mortgage Holder Consent to PACE Betterment Assessment and Lien (this "Consent") is given by the undersigned entity (the "Mortgage Holder") with respect to the above-referenced loan (the "Loan"), which is secured by a mortgage lien granted to the Mortgage Holder by the above-referenced property owner (the "Owner") on the above-referenced property (the "Property").

RECITALS

A. The Lender is in receipt of a Request for Mortgage Holder Consent to Proposed PACE Betterment Assessment and Lien (the "Notice") from the Owner stating that the Owner proposes to finance the installation on the Property of certain commercial energy improvements that will be permanently fixed to the Property (the "Qualifying Improvements") through participation in the Massachusetts Commercial Property Assessed Clean Energy Program ("PACE Massachusetts"). PACE Massachusetts is administered by the Massachusetts Development Finance Agency ("MassDevelopment").

B. The Mortgage Holder understands that as a result of the Owner's participation in PACE Massachusetts, the PACE betterment assessment described in the Notice will be levied on the Property and a PACE betterment assessment lien (the "PACE Lien") will be placed on the Property by the above-referenced Municipality, and that the PACE betterment assessment will be collected in installments on the property tax bill issued by the Municipality, in the same manner as and subject to the same penalties, fees and lien priorities as real property taxes assessed against the Property by the Municipality. The PACE Lien will be assigned by the Municipality to MassDevelopment, and MassDevelopment expects to further assign the PACE Lien as security for the financing. A PACE Lien can be enforced in the same manner as any private party holding a lien on real property, including a mortgagee.

CONSENT

The undersigned hereby represents that it is authorized to execute this Consent on behalf of the Mortgage Holder. The Mortgage Holder hereby confirms, acknowledges and agrees:

A. The Mortgage Holder is in receipt of the Notice from the Owner stating that the Owner proposes to finance Qualifying Improvements that will be permanently fixed to the Property through participation in PACE Massachusetts.

B. The Lender understands that as a result of the Owner's participation in PACE Massachusetts, (i) the PACE betterment assessment described in the Notice will be levied on the Property by the Municipality, and that the PACE betterment assessment will be collected in installments on the property tax bill issued by the Municipality in the same manner as and subject to the same penalties, fees and lien priorities as real property taxes assessed against the Property by the Municipality, (ii) a PACE Lien

will be placed on the Property by the Municipality, which lien will be assigned by the Municipality to MassDevelopment, and that MassDevelopment expects to further assign the PACE Lien to the provider of the financing (the "PACE Capital Provider"), as security for the financing, and (iii) a PACE betterment assessment can be enforced in the same manner as any private party holding a lien on real property, including a mortgagee.

C. The Mortgage Holder consents to the levying of the PACE betterment assessment and the imposition of the PACE Lien on the Property by the Municipality.

D. The Mortgage Holder agrees that the levying of the PACE betterment assessment and the imposition of the PACE Lien on the Property will not constitute a default or an event of default by the Owner with respect to the Loan, or trigger the exercise of any remedies under the documents and security instruments governing the Loan.

E. The Mortgage Holder hereby acknowledges that the Owner, MassDevelopment, the Municipality and the applicable PACE Capital Provider will rely on the representations and consent of the Mortgage Holder as set forth in this Consent.

[NAME OF MORTGAGE HOLDER]

By: _____
Name:
Title:

Date:

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