

LENDER CONSENT TO PACE ASSESSMENT

Property Owner: \_\_\_\_\_

Mailing address: \_\_\_\_\_

Local Government: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Lender: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Property: the Real Property described in \_\_\_\_\_ County, Texas, more fully described in Exhibit A

Street Address of Property: \_\_\_\_\_

RECITALS

Lender has made one or more loans to Property Owner secured by that Deed of Trust or Security Agreement (the "Deed of Trust") dated \_\_\_\_\_ recorded in Volume \_\_, Page \_\_, under Instrument No. \_\_\_\_\_ of the Real Property Records of \_\_\_\_\_ County securing the indebtedness described therein. The Deed of Trust, the notes creating the debts secured by the Deed of Trust, and all other loan agreements and other documents relating to the debt and Deed of Trust are referred to as the "Loan Documents."

Property Owner desires to enter into an agreement (the "PACE Agreement") with the Local Government to impose an assessment (the "Assessment") to repay the financing of a qualified project under Texas Local Government Code Chapter 399 (the "PACE Act"). The terms of the Assessment are set out in the PACE Agreement between the Local Government and Property Owner and are summarized in Exhibit A attached hereto and made a part hereof by reference. The Assessment will constitute a lien against the Property with the same priority status of any other ad valorem tax.

Texas Local Government Code Chapter 399 requires that the Lender: (i) be given notice of the Property Owner's intention to participate in a program under the PACE Act on or before the 30<sup>th</sup> day before the date the PACE Assessment is executed, and (ii) provide written consent to the Assessment prior to the Property Owner and Local Government executing the PACE Agreement.

## AGREEMENT

1. Lender hereby consents to the Assessment and the PACE Agreement and agrees that Property Owner shall not be in default under the Loan Documents because it enters into the PACE Agreement or the financing documents referenced therein, or because the Property is subject to the Assessment imposed against the Property pursuant to the PACE Agreement.
2. [OPTIONAL This Lender consent is granted subject to the following conditions and agreements:
  - a) Property Owner and Local Government agree that the amount of the Assessment shall not increase above the maximum amount specified above without the consent of Lender.
  - b) Local Government agrees that it shall give notice to Lender in the event of a default of the Property Owner under the PACE Agreement. The Lender shall have the right, but not the obligation, to cure any default on behalf of Property Owner under the PACE Agreement. Notice shall be given to Lender at the address above, or such other address as Lender may direct by written notice to Local Government. Notice shall be given by certified mail, return receipt requested.]
3. [OPTIONAL - Except for the express agreement of the Lender contained in this Consent, Lender is not waiving any other right under the Loan Documents. Nothing contained in this Consent shall be construed to modify or amend any of the provisions of the Loan Documents.]

[SIGNATURE LINES AND DATES FOR LENDER, PROPERTY OWNER, AND LOCAL GOVERNMENT]

[ACKNOWLEDGEMENT FORMS FOR LENDER, PROPERTY OWNER, AND LOCAL GOVERNMENT to permit recording in the real property records.]