**Lender Acknowledgement**

**MinnPACE Special Assessment**

**Date:**

**Property/Loan Information**

Property Address(es):

Parcel ID#s:                                                      

Mortgage Holder:       NMLS#:

Loan Number:

Lender Acknowledgement to PACE Special Assessments (this “Acknowledgement”) is given by the undersigned entity (the “Lender”) with respect to the above referenced loan (“Loan”) and the above referenced property (“Property”).

**RECITALS**

Lender is in receipt of written notice (“Notice”) from       as owner of the Property (“Property Owner”), that it intends to finance installation on the Property of certain energy efficiency and/or renewable energy improvements that will be permanently fixed to the Property by participating in a Property Assessed Clean Energy (“PACE”) financing transaction through MinnPACE, a program managed by the Saint Paul Port Authority.

1. Lender understands that, as a result of an Assessment Contract (the “Assessment Contract”) to be entered into between MinnPACE and      , pursuant to the State of Minnesota’s legislation, (i) the Assessments (as defined in the Assessment Contract) will be levied on the Property and will be recorded as a lien on the Property for amounts then currently due under the Assessment Contract, (ii) the Assessments will be collected in bi-annual installments, (iii) the annual installments will be collected on the Property’s real property tax bill or through other arrangements made by MinnPACE, and (iv) the Assessments are subject to the same penalties, remedies and lien priorities as ad valorem real property taxes.
2. The Property Owner has agreed in a manner acceptable to Lender to pay on a timely basis both the existing obligations secured by the Property (including the Loan) and the proposed Assessments. The estimated annual installments of the Assessments are attached hereto as Exhibit B. The Lender acknowledges that the annual installments shown on Exhibit B may not be final and are subject to change by up to 10.0% greater amounts.
3. The Lender consents to the Property Owner's execution of the Assessment Contract and the imposition of the Assessments as a superior lien on the Property, including but not limited to the placement of the annual installments of the Assessments on the tax bills for the Property.

The undersigned hereby represents that it is authorized to execute this Acknowledgement on behalf of the Lender. The Lender hereby (i) confirms that it has received the Notice, (ii) acknowledges the levy of the Assessments pursuant to the Assessment Contract, (iii) agrees that the levy of the

Assessments will not constitute an event of default or trigger the exercise of any remedies under any Loan documents, and (iv) acknowledges and agrees that the Assessments are subject to the same penalties, remedies, and lien priorities as ad valorem real property taxes, and, therefore, shall have preference over any deed of trust or similar encumbrance recorded against the Property. The Lender hereby acknowledges that the Property Owner and the PROGRAM ADMINISTRATOR will rely on the representations and acknowledgements of the Lender set forth in this Acknowledgement.

      (Mortgage Holder)

By:

Name:

Title: