COMMERCIAL ENERGY LOAN PROGRAM

REQUEST FOR MORTGAGE HOLDER CONSENT

To Whom It May Concern,

You are receiving this request because a Property Owner whose property is mortgaged to your institution has applied to the City of Saskatoon (the “City”) to participate in the Commercial Energy Loan Program (the “Program”). Your consent is required for the application to proceed.

The City established the Program to support eligible commercial, institutional, and multi-unit residential properties to install environmental improvements that improve building comfort, value, and efficiency. Eligible environmental improvements include energy efficiency, renewable energy, resiliency, safety, and water conservation improvements that are permanently affixed to the property. Eligibility and eligible measures are determined under *The Commercial Energy Loan Program Bylaw, 2026.*

The Program is a property assessed clean energy (PACE) program that offers low-interest financing for eligible retrofits. Amounts owing are repaid through property taxes.

As part of the application process, the City requires written consent from existing mortgage holders to finance the installation of qualifying improvements on such properties.

Enclosed please find the following documents:

1) Mortgage Holder Consent & Acknowledgement
2) Frequently Asked Questions

Please review and return the executed Mortgage Holder Consent & Acknowledgement to the Property Owner at your earliest convenience to support timely processing of the application.

Further information about the Program can be found at Saskatoon.ca/CELProgram.

If you have any questions, please contact the Program Coaches at:
BetterBuildings@Saskatoon.ca or call 306-986-1658.

MORTGAGE HOLDER CONSENT & ACKNOWLEDGEMENT

Date:
Property Address:
Legal Land Description:
Property Owner:
Mortgage Holder:
Mortgage Number:

PURPOSE

The purpose of this Mortgage Holder Consent & Acknowledgement is to ensure the Mortgage Holder is informed of and consents to the Property Owner enrolling in the City's Commercial Energy Loan Program (the "Program").

Providing this consent does not obligate the Mortgage Holder to amend existing mortgage terms or provide additional financing.

PROGRAM CONTEXT

The Mortgage Holder acknowledges that:

a) The Program supports the installation of retrofits such as energy efficiency, renewable energy and water conservation improvements by providing eligible commercial and multi-unit residential properties with access to low-interest financing.
b) The provincial *Cities Act* and the City's *Commercial Energy Loan Program Bylaw, 2026* allow the City to add the costs of environmental improvements to a property's property taxes. Such charges form part of the property tax roll and are enforceable in the same manner as property taxes.
c) Repayment is made in installments over terms of 5, 10, 15 or 20 years. Interest rates remain fixed over the term of the loan.
d) The deferred charges have the same priority as other property taxes.
e) The Program obligations may be transferred with the property upon sale.

CONSENT

The Mortgage Holder:

a) Consents to the Property Owner enrolling in the Program.

b) Consents to the registration or imposition of any Program related charge, interest, or tax-based repayment mechanism against the property, as defined by City bylaw and program documents.

c) Agrees that participation in the Program does not, in itself, constitute a default under the terms of the Property Owner's mortgage.

This consent is limited to the maximum amount and maximum term identified below. Any amendment to those limits requires further written consent from the Mortgage Holder.

FINANCIAL LIMITS

The Mortgage Holder's consent is limited to the following parameters:

- Maximum estimated financing amount: $____________
- Maximum term: _______________

After the required consent is received, the Property Owner will work with a qualified energy professional to develop the technical details of the project. This may include an ASHRAE Level II audit and or climate resiliency risk assessment, business case, or similar analysis. To be approved, energy efficiency projects must achieve a savings-to-investment ratio of at least 1.0 and demonstrate at least a 20% reduction in energy use. The maximum financing amount will not exceed 20% of the property's value, and the term will be based on the retrofits' effective useful life, up to a maximum of 20 years. As a result, the City cannot determine the exact final financing amount or length of term at this stage. In all cases, the final amount and term will not exceed the maximum amounts stated above.

RIGHTS OF MORTGAGE HOLDER

- Subject to the information contained in this document, all Mortgage Holder rights remain unchanged.
- No subordination agreement is created.
- No amendments increasing financial exposure beyond the financial limits set out above are permitted without further written consent of the Mortgage Holder.

RELIANCE

The City may rely on this consent to proceed with financing approval and registration under the Program. This document is provided for information purposes and does not replace the terms of the applicable bylaw, program agreement, mortgage documents, or other legal requirements.

EXECUTION

Mortgage Holder:	
Authorized signatory	
Name	
Title	
Date	

FREQUENTLY ASKED QUESTIONS (FOR MORTGAGE HOLDERS)

Is this a traditional loan?

No — the Commercial Energy Loan Program is a property-based financing mechanism administered by the City, repaid through property taxes.

Does the Program create additional debt?

The Program creates a property-based repayment obligation collected through property taxes, rather than a traditional loan obligation of the borrower.

Does this affect foreclosure rights?

The Mortgage Holder's foreclosure rights continue to be governed by applicable law and the mortgage documents. In Saskatchewan, municipal property taxes generally have priority over mortgage interests under *The Cities Act*.

Is the full amount callable?

Repayment is generally made over time through property taxes in accordance with the program documents. Upon default, the remaining balance will become due immediately. Early repayments up to the full amount can be made at any time with no penalties.

Why is Mortgage Holder consent required?

To ensure transparency and confirm alignment with existing mortgage obligations.

What is the benefit of the Program to the Mortgage Holder?

- Improved asset value (retrofits)
- Lower operating costs, including utility expenses, which may improve the debt service coverage ratio.

Who is eligible?

Commercial and multi-unit residential properties that meet the requirements of *The Commercial Energy Loan Program Bylaw, 2026*.

Eligible properties will include any existing commercial, institutional, non-profit, or multi-unit residential property of up to 10,000m^2. Condominiums may be eligible with approval from condo boards/associations.

What improvements qualify?

Any environmental improvement project that the City considers an eligible project under *The Commercial Energy Loan Program Bylaw, 2026*, including energy efficiency, renewable energy, water efficiency, climate resiliency, and applicable health and safety projects.

Energy Efficiency

- HVAC upgrades (heat pumps, high-efficiency furnaces/boilers, chillers, air handling units)
- Insulation and building envelope improvements (walls, roofs, window/door replacements, air sealing, exterior wall cladding)
- LED lighting fixtures and controls (including occupancy sensors, daylight harvesting)
- Motors and drives (variable frequency drives for motors, pumps, and fans)
- Water heating systems (high-efficiency and tankless water heaters, fuel switching)
- Building and energy management systems
- Energy recovery systems (heat and energy recovery ventilators—HRVs/ERVs)

Renewable Energy

- Solar PV systems (including structural upgrade requirements)
- Solar thermal systems (water heater, etc.)

Water Efficiency

- Low-flow fixtures (toilets, urinals, faucets, showerheads)
- Efficient irrigation and landscape management
- Replacement of once through cooling systems
- Building automation systems

Resiliency

- Energy efficiency measures listed above (heat pumps, HRV/ERV, insulation, air sealing, etc.)
- Wind hardening (reinforced roofing, impact resistant windows and doors, storm shutters)
- Ventilation (air quality measures)
- Cooling (reflective or low albedo roofing, shading, landscaping, shutters, awnings)
- Flood mitigation (sump pumps, waterproofing, landscaping and grading measures, elevating and flood-proofing critical equipment/server rooms/electrical equipment)
- Stormwater management (green roofs, onsite water management)
- Backup power (battery storage)

Other

- EV charging stations
- Battery storage
- Safety (asbestos, radon, mould remediation)
- Incidentals required for upgrade (electrical, roof repairs, etc.)