



PROPERTYFIT No. \_\_\_\_\_

EXHIBIT B – NOTICE AND REQUEST FOR MORTGAGE HOLDER CONSENT  
TO PROPOSED BENEFIT ASSESSMENT LIEN

\_\_\_\_\_ (Date)

\_\_\_\_\_ (Contact Name)  
\_\_\_\_\_ (Mortgage Holder Name)  
\_\_\_\_\_ (Mailing Address)  
\_\_\_\_\_ (City/State/Zip)

RE: Loan No: \_\_\_\_\_  
Property Owner: \_\_\_\_\_  
Property Address: \_\_\_\_\_

Dear \_\_\_\_\_;

You are the holder of a loan secured by a mortgage on the above mentioned Property. The Property Owner wishes to install building resiliency improvements to the Property using the property assessed financing mechanism established by Multnomah County as authorized by Oregon Revised Statute 223.680 and 223.685 (the “Acts”) and seeks your consent to do so.

**Background on CPACE in Oregon**

In 2009, and amended in 2014, 2016 and 2017, Oregon passed legislation that provides property owners access to a new form of financing for energy efficiency, renewable energy upgrades, water conservation and seismic rehabilitation improvement (“**Building Resiliency Improvements**”) to their commercial buildings. **PROPERTYFIT** financing enables building owners to modernize and increase the performance of their buildings which also helps to meet important local, state and national carbon reduction, energy policy, water conservation and seismic life/safety goals.

Prosper Portland (formerly the Portland Development Commission) administers the **PROPERTYFIT** Program on Multnomah County’s behalf. With **PROPERTYFIT**, financing for a Building Resiliency Improvement project is secured by and repaid through a benefit assessment lien – a mechanism long used by public bodies to finance real property improvements that meet a public policy objective such as sidewalks, parks, lighting districts and water and sewer projects.

Like other municipal assessments, the benefit assessments “run with the land” and remain with a property upon sale. Similarly, only assessments in arrears have a lien status senior to existing mortgages.

To be eligible for CPACE financing, the project must obtain consent to the creation and recording of the Benefit Assessment Lien (the “Benefit Assessment”) from all existing mortgage lien holders against the property.

**Why you should consider providing consent?**

1. *Benefit Assessments do not accelerate.*

In the event a mortgage lien holder forecloses on the property, only the amount of the benefit assessment currently due and/or in arrears (a relatively small portion of the total assessment) is due and payable. And, in the event of sale through a mortgage lien foreclosure, the balance of the Benefit Assessment remains a lien on the property and automatically transfer to the new owner.

2. *Measures financed through CPACE improve building performance and often reduce maintenance and repair costs, increase marketability and improve property values.*

Not only do the utility cost savings achieved with CPACE financing have the potential to reduce operating costs but the replacement of old, outdated equipment will likely reduce building maintenance and repair costs as well – both resulting in increased net operating income (NOI) from the building.

Similarly, commercial tenants in Multnomah County are increasingly sensitive to the issues of environmental sustainability and seismic security. Improving the building’s performance can help owners attract or retain tenants and efficient buildings are known to attract higher rents.

Finally, **PROPERTYFIT**’s ability to help owners reduce operating costs and attract tenants can result in improved NOI, which when capitalized, creates the potential for increased property values.

**What should you know?**

The Property Owner has applied for **PROPERTYFIT** Financing to complete the attached list of Building Resiliency Improvements and intends to enter into a Benefit Assessment Lien to secure that financing. The proposed terms of the Agreement between the Property Owner and Capital Provider are outlined below:

<b>Financing Sources</b>		<b>PROPERTYFIT Terms</b>	
<b>PROPERTYFIT</b>	\$	Interest Rate	%
Rebates/Incentives		Repayment Term (yrs)	
Owner’s Equity		Total Annual Installment	\$
Other Resources			
Total Cost	\$		

**Estimated Benefits of the Building Improvements**

Based upon an evaluation of the buildings existing energy and water consumption and the estimated cost savings the Building Resiliency Improvements will produce, the following cash flow savings are anticipated to accrue to the Property:

<b>Estimated Cash Flow Savings*</b>	
Electric/ Fuel Savings	\$
Water Cost Savings	
Other Savings	\$
<b>Total Savings</b>	<b>\$</b>

*\*The savings noted above are estimates and are not guaranteed. Actual results will likely be different and could be higher or lower than estimated.*

**Purpose of this Notice**

As required by the CPACE enabling legislation (ORS 223.680 and 223.685), Property Owner is sending this Notice (the “**Notice**”) to Mortgage Holder to:

1. Provide notice of the proposed participation of the property in the **PROPERTYFIT** Program;
2. Request confirmation from you, the Mortgage Holder, that the levy of the Benefit Assessment Lien will not result in an event of default or the exercise of any remedies under the Existing Mortgage Holder Documents; and,
3. Provide notice that the Benefit Assessment will have the same lien priority as a lien for local improvement district assessments.

By signing below, Property Owner agrees to pay on a timely basis both its obligations to the Mortgage Holder under the Existing Mortgage Holder Documents and the proposed CPACE benefit assessment.

**Execution and Return of Mortgage Holder Consent**

I, the undersigned Property Owner, request that the Mortgage Holder execute the attached MORTGAGE HOLDER CONSENT TO PROPOSED BENEFIT ASSESSMENT and return of the executed document to:

\_\_\_\_\_ (Capital Provider)  
 \_\_\_\_\_ (Attention)  
 \_\_\_\_\_ (Address)  
 \_\_\_\_\_ (City/State/Zip)  
 \_\_\_\_\_ (CPACE Financing No.)

Thank you for your consideration.

Sincerely,

Property Owner

\_\_\_\_\_ (Owner's Name)  
\_\_\_\_\_ (Contact Phone)