**Solar Analysis**

(Revised 7-30-2024)

**Prepared by: [ATTORNEY NAME]**

**Law Firm:**

**Phone and E-Mail:**

**Seller/Servicer:**

**Date Completed/Updated:**

*This Solar Analysis (“Analysis”) is submitted to Freddie Mac on behalf of the Optigo® Lender in conformity with the requirements of the Freddie Mac Multifamily Seller/Servicer Guide (“Guide”). The attorney completing this Analysis (“Completing Attorney”) acknowledges that Freddie Mac will be using the information in this Analysis for purposes of its securitization disclosure without any further review to verify its accuracy. All capitalized terms not defined in this Analysis have the meanings given to them in the Guide. The Completing Attorney represents and warrants that all information provided in this Analysis is true and correct in all material respects and that there are no omissions that would result in any such information being materially incomplete, incorrect, or misleading as of the Origination Date.*

*Freddie Mac may require additional information or analyses of the issues described below.*

*Instructions:*

* *Submit this Analysis to the Freddie Mac transactional attorney in* ***MS Word*** *format. The Analysis (and any required updates, as described below) must be uploaded to DMS as a Legal Issues Analysis (LIA) titled “Solar Analysis**”. Do not submit this Analysis until you have received and reviewed a substantial portion of the due diligence necessary to evaluate the solar structure at the Property. If there are material updates, additions, or corrections, submit a revised Analysis, together with a blackline showing the changes. Do not submit a revised Analysis for non-material changes, such as minor corrections to names or addresses.*
* *When completing this Analysis,* ***do not refer only to the documents (e.g., “see Section 5 of the Solar Agreement”).*** *Answer/describe the information in each field as indicated and include applicable document sections with the information provided.*
* *This Analysis must include a recommendation for mitigating any material risk identified or an explanation of why mitigation is not necessary or possible.*

| **SECTION I – GENERAL INFORMATION** | |
| --- | --- |
| **Property Name and Address:** |  |
| **Freddie Mac Loan Number (if known):** |  |
| **Solar Equipment Owner** | Borrower  Borrower Affiliate *[Identify and describe the affiliation and whether the Borrower is under common Control with the Solar Equipment Owner]*  Third Party Non-Affiliate [Identify] |
| **Solar Equipment Tenant** | N/A (no lease is involved)  Borrower  Borrower Affiliate *[Identify and describe the affiliation and whether the Borrower is under common Control with the Solar Equipment Owner]*  Third Party Non-Affiliate [Identify] |
| **Solar Equipment Location** | Property *[Describe specific location on the Property]*  Other *[Describe specific location and the Borrower/equipment owner/equipment tenant’s rights of access. It may be necessary to include the Shared Amenities or Facilities analysis in the LIA.]* |
| **Consumer of Solar Electric System Generation** | Check all that apply:  Tenants at the Property [*Describe the rates charged to tenants compared with the rates charged by the local utility]*  Common Areas at the Property  Local Utility  Other *[Describe the identity of the consumer and whether there is any affiliation with the Borrower]* |
| **Was a Property Condition Report or additional engineering report provided which addresses the solar equipment and the related roof/structures on the Property that are (or will be) impacted by the solar installation?** | Y  N |

| **SECTION II – SOLAR ANALYSIS** | |
| --- | --- |
| The documents and instruments comprising the solar power arrangement include the following (collectively, “**Solar Agreement**”):  *[Each Solar Agreement that is applicable to the Property must be listed separately in this Section. For each Solar Agreement, provide (i) the parties to the agreement, (ii) the term and expiration date, and (iii) payments due under the agreement (if any).]*  *Upload all such documents to DMS as a LIA titled “Solar Documentation”* | Check all that apply:  Lease  License  Easement  Restrictive Covenant  Power Purchase Agreement  Construction/or Engineering Agreement  Interconnection Agreement  Tax Equity Financing Agreement  Tax Credit Transfer Agreement  Maintenance/Servicing Agreement  Financing or Security Agreements (See Financing Addendum below)  Permission to Operate  Other material agreement(s) *[Please describe]* |
| One or more of the documents or instruments comprising the Solar Agreement (including any memorandum thereof) are/will be recorded against the Property | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| Is the solar equipment subject to a tax credit transfer agreement under IRC § 6418 and/or any other tax equity financing arrangement? | Y           N  **[IF “YES”, PLEASE DESCRIBE ANY RIGHTS AND REMEDIES SUCH TAX CREDIT INVESTOR HAS WITH RESPECT TO THE BORROWER AND/OR THE SOLAR EQUIPMENT OWNER]** |
| Does the Solar Agreement include any recapture or other clawback that is imposed on the Borrower or the Guarantor (e.g., tax credit recapture) (“Recapture Obligation”)? | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| Does the Solar Agreement include any (i) preliminary installation fees or expenses, or (ii) potential termination fees or penalties, payable by Borrower in excess of $100,000 (collectively, “Termination Fees”)? | Y  N    **[IF “YES”, PLEASE DESCRIBE]** |
| Upon foreclosure (or deed in lieu of foreclosure), will the Solar Agreement impose financial obligations on any mortgagee or subsequent owner for any Recapture Obligation or Termination Fees? | Y           N  **[IF “YES”, PLEASE DESCRIBE.]** |
| Is lien subordination or non-disturbance protection being requested by any party to a Solar Agreement? | Y  N  **[IF “YES”, PLEASE DESCRIBE THE NATURE OF THE SUBORDINATION OR NON-DISTURBANCE REQUEST ALONG WITH AN ANALYSIS AND RECOMMENDATION AS TO WHETHER SUCH REQUEST SHOULD BE GRANTED. PLEASE NOTE THAT FREDDIE MAC WILL ONLY PERMIT USE OF FREDDIE MAC’S SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (SOLAR) available at** [mf.freddiemac.com](https://mf.freddiemac.com)**.]** |
| Does the Solar Agreement reduce the income from any residential units or other income-producing improvements? | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| Does the Solar Agreement involve an assignment of Borrower’s interest as “lessor” (or Borrower’s reversionary interest) under a lease to a third party? | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| Does the Solar Agreement satisfy (or will satisfy) Freddie Mac insurance requirements under Chapter 31 of the Guide as supplemented by Chapter 8.1? | Y           N          TBD – insurance review is not complete.  **[IF “NO”, PLEASE DESCRIBE]** |
| Does the Solar Agreement include any right of first refusal, purchase option or similar provision? | Y           N  **[IF “YES”, PLEASE DESCRIBE AND ANALYZE WHETHER A SUBORDINATION AGREEMENT SHOULD BE REQUIRED]** |
| Does the Solar Agreement provide for lien-free completion of the solar equipment in accordance with all applicable zoning and building code requirements and at the expense of the Solar Equipment Owner? | Y           N          N/A – the solar installation is complete  **[IF “NO”, PLEASE DESCRIBE]**  **[If “YES”, PLEASE DESCRIBE AND ANALYZE WHETHER SUCH OBLIGATION IS IMPOSED ON THE BORROWER OR ON A THIRD PARTY. IF A THIRD PARTY, IDENTIFY SUCH THIRD PARTY AND WHETHER IT IS A BORROWER AFFILIATE].** |
| If the Solar Equipment Owner is a party other than Borrower, does the Solar Agreement require that the Solar Equipment be maintained at the sole expense of the Solar Equipment Owner? | Y           N          N/A – Borrower is the Solar Equipment Owner  **[IF “NO”, PLEASE DESCRIBE]** |
| Does the Solar Agreement permit assignment, leasing, or subleasing without Borrower consent? | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| The Solar Agreement expressly provides that Borrower is not liable to rebuild or repair either the improvements on the Property or the solar equipment in the event of (i) a casualty resulting in significant damage/destruction/impairment of the solar equipment, or (ii) a condemnation of all or part of the Property that impacts the solar equipment. | Y  N  **[IF “NO”, PLEASE DESCRIBE]** |
| Upon termination/expiration of the Solar Agreement, if the solar equipment is not owned by Borrower, either (i) title to the solar equipment vests in Borrower and the solar equipment remains on the Property, or (ii) the Solar Equipment Owner (at its expense) must remove the solar equipment and restore the Property. | Y           N          N/A – Borrower is the Solar Equipment Owner  **[IF “NO”, PLEASE DESCRIBE]** |
| Does the Solar Agreement contemplate that all or a portion of the costs to purchase and/or install the solar equipment are or will be financed? | Y           N  **[IF “YES”, PLEASE COMPLETE THE ATTACHED FINANCING ADDENDUM]** |
| Does the Solar Agreement include a guaranty from any person or entity that is also providing a guaranty in connection with the Mortgage? | Y  N  **[IF “YES” – IDENTIFY THE GUARANTOR, DESCRIBE THE GUARANTEED OBLIGATIONS AND CONFIRM IF THE GUARANTY IS EXPRESSLY SUBORDINATE TO GUARANTOR’S OBLIGATIONS TO LENDER]** |
| Are any access rights granted by the Solar Agreement reasonable in scope and will not unnecessarily interfere with Borrower’s use and operation of the Property? | Y           N             N/A  **[IF “NO”, PLEASE DESCRIBE]** |
| Is the Solar Equipment Owner requesting that Lender’s UCC financing statement specifically exclude the Solar Equipment? | Y           N          N/A – Borrower is the Solar Equipment Owner |
| Has Solar Equipment Owner received (i) permission to operate from the local distribution utility, and (ii) all permits and licenses necessary to install and operate? | Y           N          N/A – the solar installation is not complete  **[IF “NO”, PLEASE DESCRIBE]** |
| Will the Solar Agreement cause Borrower to be regulated as a public utility? | Y           N  **[IF “YES”, PLEASE DESCRIBE]** |
| Is the solar equipment in compliance with law (e.g., height limitations, impervious surface restrictions, parking requirements, buffers, setbacks, landscaping requirements)? | Y           N  **[IF “NO”, PLEASE DESCRIBE]** |
| The Property will remain connected to the electrical grid regardless of the energy production of the solar equipment. | Y           N  **[IF “NO”, PLEASE DESCRIBE]** |
| Installation of the solar equipment will not void or alter the warranty covering any roof at the Property. | Y           N          N/A – roof is not involved  **[IF “NO”, PLEASE DESCRIBE]** |
| Electricity under the Solar Agreement will only be consumed and/or sold to the Borrower, tenants and/or the local distribution utility pursuant to net metering or community solar arrangements, as permitted by applicable law | Y           N    **[IF “NO”, PLEASE DESCRIBE THE IDENTITY OF THE PARTY TO WHOM THE ELECTRICITY IS TO BE SOLD AND THE RELATIONSHIP TO THE BORROWER]** |
| Other material issues relating to the Solar Agreement/solar equipment | **[PLEASE DESCRIBE]** |

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| **SECTION III – SUBORDINATION, NONDISTURBANCE AND ATTORNMENT** |
| [\_] SNDA is recommended.  **[IF CHECKED, PROVIDE BASIS FOR RECOMMENDATION]** |
| [\_] SNDA is not recommended.  **[IF CHECKED, PROVIDE BASIS FOR RECOMMENDATION]** |

***[INCLUDE THIS TABLE ONLY FOR SOLAR ELECTRIC SYSTEMS INVOLVING FINANCING – OTHERWISE DELETE]***

**Financing Addendum**

|  |  |
| --- | --- |
| **Name of Debtor:** |  |
| **Name of Secured Party:**  **[*NOTE:* Include affiliation to Borrower, if any]** |  |
| **Loan Amount:** |  |
| **Maturity Date:** |  |
| **Loan Term (in months):** |  |
| **Guarantor(s):**  **[*NOTE:* List all guarantors and describe the nature of each guaranty, or, if none, insert N/A]** |  |
| **Does the Solar Agreement contemplate the filing of a UCC financing statement to encumber the solar equipment?** | Y  N |
| **If a UCC is to be filed, does the collateral description make clear that it only encumbers the solar equipment itself and does NOT encumber any personal property of the Borrower or any other fixtures related to the Property?** | Y  N  **[IF “NO”, PLEASE EXPLAIN WHY SUCH COLLATERAL DESCRIPTION SHOULD BE ACCEPTED]** |
| **The terms and conditions would be considered acceptable to a prudent institutional lender.** | Y  N  **[IF “NO”, DESCRIBE ANY ADDITIONAL TERMS AND CONDITIONS THAT ARE UNACCEPTABLE, AND PROVIDE ANALYSIS AND RECOMMENDATIONS]** |