APPRAISAL REPORT
LESSOR’S RIGHTS IN A
LEASED FEE ESTATE
FOR THE FISHER STREET
SOLAR FARM ON LAND
ACCESSIBLE FROM MAIN
AND FISHER STREETS IN
WALPOLE, MA

DATE OF VALUATION
September 9, 2021

PREPARED FOR
County Commissioners
Norfolk County

PREPARED BY
US Solar Value
85 Parker Road
Wellesley, MA 02482

DATE OF REPORT
September 9, 2021
September 9, 2021

Scott P. Lopez, Esq.
Counsel for Norfolk County
Lawson & Weitzin, LLP
88 Black Falcon Avenue, Suite 345
Boston, MA 02210

RE: Lessor’s Rights in a Leased Fee Estate for a Solar Farm on
Vacant Land accessible from contiguous properties on
Main and Fisher Streets, in Walpole, MA

Dear Mr. Lopez:

In accordance with your request, we have appraised the Leased Fee Estate (Lessor’s rights) on a vacant parcel of land that is proposed to be leased and developed into a ground-mounted solar installation. The vacant land is part of a Norfolk County school property.

The purpose of this appraisal is to estimate the market value of the Lessor’s Rights in the Leased Fee Estate as of September 9, 2021. The intended use of the appraisal is for statutory compliance in cases where a public entity is to convey surplus public property to a third party for non-public use. The intended users are exclusively the named client and parties designated by the client. Pertinent data utilized in arriving at our value conclusions are contained in the body of this Appraisal Report along with all assumptions and limiting conditions.

Based on the data and reasoning contained in this report, it is our opinion that the market value of the Lessor’s Rights in a proposed Leased Fee Estate for a solar farm in Walpole, MA, as of September 9, 2021 is:

FOUR HUNDRED TWENTY THOUSAND DOLLARS
($420,000).

Thank you for retaining US Solar Value on this assignment. If you have questions, please advise.

Respectfully submitted,

Bruce F. Wiley, MAI
Massachusetts Certified General Real Estate Appraiser #1213
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ADDENDA
Definitions
Contingent and Limiting Conditions
Qualifications of the Appraiser
SUBJECT PROPERTY PROPOSED SITE LAYOUT
IDENTIFICATION OF THE PROPERTY INTEREST APPRAISED

The property rights appraised are the Lessor’s Rights in a Leased Fee Estate. See Definitions appended.

The property rights to be appraised will be the Lessor’s rights in a Leased Fee Estate. That is what the lessor has legal rights to and is what the lessor would be offering the Commonwealth of Massachusetts and the Town of Walpole under Massachusetts’s laws governing disposition of surplus property.

Norfolk County is not giving up the land or its value as the County will be retaining land ownership indefinitely. Consequently, the fee simple estate value of the land is not at issue because it will not be transferred in any case. The Lessor’s rights consist of receiving the rental income for 20 years. So the appraisal would be the present value of the rental income for 20 years. After the 20-year lease term, the lessee would then be required to remove the solar panels and return the land to the lessor in its original condition.

INTENDED USE/USERS AND SCOPE OF WORK

The purpose of the appraisal is to estimate the market value of the Lessor’s Rights in a Leased Fee Interest in a proposed solar farm. The intended use of the appraisal is for statutory compliance in cases where a public entity is to convey surplus public property to a third party for non-public use. The intended users are exclusively the named client and parties designated by the client. In valuing this property, we have considered the actions of the market and have concluded with an estimate of value in consideration of current economic indicators of comparable properties. The information utilized in this appraisal was researched within the immediate influencing market and verified with local sources where possible. Of the three traditional valuation approaches, those applicable have been utilized in estimating the market value of the subject property. Current market data, derived from the immediate subject area, has been collected and analyzed within the appraisal report.

COMPETENCY PROVISION

Bruce F. Wiley, MAI, has experience with the appraisal of some 200 photovoltaic solar and wind farms, as well as with rooftop solar panel installations. He also has related qualifications that meet the USPAP competency provisions as registered with the Appraisal Institute’s Professional Development Registry for the Valuation of Commercial Sustainable Buildings.

He is a co-founder of US Solar Value; he and his partners specialize in the appraisal of solar farms for lending and tax equity investment.

Mr. Wiley was on the Appraisal Institute’s course development team for “Case Studies in Appraising Commercial Green Buildings” and has participated in the critique of the pilot offering of the AI course “Residential and Commercial Valuation of Solar.” He has qualified as an AI instructor for the series of their Green Building courses. Further, he has worked with appraisal colleagues on the national level, including with the U.S. Department of Energy, to have access to resources, market data and methodology exchange to perform this assignment competently.

For other professional and trade organizations related to Green and Sustainable real estate, Mr. Wiley is a member of the U.S. Green Building Council and its Massachusetts chapter. He is a member of the North East Sustainable Energy Association (NESEA) and the American Solar Energy Society (ASES) and regularly attends energy industry conferences and educational offerings from these organizations as well as those of the Solar Energy Industries Association (SEIA), Novogradac and Company and the Energy Storage Association (ESA).
DEFINITIONS OF MARKET VALUE

We have estimated the Market Value of the subject property. See definitions appended.

EFFECTIVE DATE OF THE APPRAISAL AND DATE OF THE REPORT
The current market value of the subject property has been valued as of September 9, 2021, under the hypothetical condition that the solar farm were developed and ready to commence operation and begin paying rent. The report was prepared on the date shown on the letter of transmittal. The lease will be effective at the start of development, but the full rent starts on the Commercial Operation Date (COD) which is assumed to be the same date as the date of value.

PROPERTY HISTORY
The Leased Fee estate is to be created and has no history.

PROPERTY DESCRIPTION
The land is Norfolk County property. The subject parcel is undeveloped land with no street frontage however is part of the Norfolk County Agricultural School property and contiguous with the main campus site addressed as 400 Main Street, Walpole, MA.

A schedule provided to us shows a legal description of the parcels spanned by the Fisher Street Solar Project, to be leased from portions of the following recorded & registered land parcels depicted on plans entitled: "Plan of Land in Walpole, Mass", Plan Number 971 of 1969 in Plan Book 226, and "Plan of Land in Walpole, Mass", Plan Number 69 of 1973 in Plan Book 235, and Land Court Case Plan 11282A, Lot A. The plat map below shows the Walpole Assessor’s parcel numbers for the property to be leased as 13-169, 13-167, 13-166 and 18-21. This will be used in the appraisal as a legal description for the whole of the property; however, the leased premises, consisting of 9.0 acres, will be a part of the whole. The site layout and the boundaries of the leased area are to be determined but the shape of the construction parcel can be seen on the aerial photo at the beginning of this report.

For appraisal purposes, the 9.0 acres is the area of the lease. It is assumed to have adequate access and buffering land such that the construction of the solar installation meets applicable zoning and building department requirements. There is other land which is part of the whole property that is not directly used for the solar installation or within the leased area of the 9.0 acres.

Due to shape and configuration, for appraisal purposes this land is considered to be of minimal utility to either party of the lease so there will be no economic value ascribed to the land area around the leased 9.0 acres.
**REGIONAL AND LOCAL ANALYSIS**

As the intended user of this appraisal is believed to be familiar with regional and local economic factors, descriptions in this report are omitted. The renewable energy industry is the driver for the economics of the solar installation and the leased fee interest appraised. This economic sector is thriving as evidenced by the pertinent agreements on solar installations including ground leases and the power purchase agreements for the electricity and renewable attributes generated by solar farms. The economic factors are favorable for the solar farm use of the subject property.
SUBJECT LEASE

The proposed ground lease will be for a term of 20 years, as limited by state law. The lessor will be Norfolk County and the Lessee will be an entity created by solar developer Kearsarge Energy. The rent to be paid is stated on a per megawatt of electricity generated which is customary in the solar industry. In this case, the rent is per megawatt of alternating current.

The rent is to be $26,500 per MWAC on a solar installation of 1.0 megawatts AC. In addition, the project will include a battery storage system which will have an annual rent of $5,000. The first year total rent will be $31,500 with a 1.5% annual escalator.

The lease is triple net with the lessee paying all taxes, insurance and any other cost associated with operating the solar installation. The rent schedule is shown on the capitalization page.

SITE ANALYSIS

<table>
<thead>
<tr>
<th>SEE SITE PLANS ON FOLLOWING PAGES.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size: 9.0 acres of leased area. There is surrounding land of an unspecified area. The surrounding land has minimal use or value to either lessor or lessee, so its value is not addressed in this appraisal.</td>
</tr>
<tr>
<td>Shape/Frontage: Irregular – see site plans.</td>
</tr>
<tr>
<td>Easements/Encroachments: Easements for solar farm construction, access and interconnection are in place.</td>
</tr>
<tr>
<td>Land Use: Solar farm.</td>
</tr>
<tr>
<td>Site Improvements: Fencing around solar array and / or Accessory Equipment.</td>
</tr>
<tr>
<td>Utilities: Standard municipal utilities. Eversource electricity.</td>
</tr>
<tr>
<td>Zoning: Residential.</td>
</tr>
<tr>
<td>Environmental conditions: No adverse conditions known. Solar project is assumed to meet all applicable environmental and other requirements as a part of the permitting process.</td>
</tr>
<tr>
<td>Drainage: Appears Adequate.</td>
</tr>
<tr>
<td>Summary: The site is favorable for a solar installation.</td>
</tr>
</tbody>
</table>

HIGHEST AND BEST USE (PREMISE OF VALUE)

According to The Dictionary of Real Estate Appraisal, highest and best use is defined as:

The reasonably probable and legal use of land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Since we are appraising the lessor’s interest in a Leased Fee estate, the highest and best use of the underlying fee simple real estate is not relevant, although solar farm use is the motivation for creation of the lease; there is no alternative use we are aware of that would create a higher value.
**Market Rent – Solar Farms**

We maintain a database on solar installations including ground lease rents. We have selected leases that we believe are comparable to the subject lease. The leases are from our appraisals, so the projects are blinded and rounded due to confidentiality and non-disclosure agreements, but the pertinent details are:

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Megawatts DC</th>
<th>Lease Per MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-16</td>
<td>Bedford, MA</td>
<td>&lt; 1</td>
<td>$45,000</td>
</tr>
<tr>
<td>Dec-16</td>
<td>Billerica, MA</td>
<td>&lt; 1</td>
<td>$45,000</td>
</tr>
<tr>
<td>Oct-19</td>
<td>W. Bridgeport, MA</td>
<td>&lt; 1</td>
<td>$40,000</td>
</tr>
<tr>
<td>Oct-16</td>
<td>Sturbridge, MA</td>
<td>1 - 5</td>
<td>$31,000</td>
</tr>
<tr>
<td>Jul-17</td>
<td>Sturbridge, MA</td>
<td>1 - 5</td>
<td>$30,000</td>
</tr>
<tr>
<td>Jul-17</td>
<td>Charlton Barn, MA</td>
<td>1 - 5</td>
<td>$30,000</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Dartmouth, MA</td>
<td>1 - 5</td>
<td>$30,000</td>
</tr>
<tr>
<td>May-16</td>
<td>Woonsocket RI</td>
<td>&lt; 1</td>
<td>$27,000</td>
</tr>
<tr>
<td>Jun-19</td>
<td>Acushnet, MA</td>
<td>1 - 5</td>
<td>$25,000</td>
</tr>
<tr>
<td>Apr-17</td>
<td>Haverhill, MA</td>
<td>5-10</td>
<td>$25,000</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Sutton, MA</td>
<td>1 - 5</td>
<td>$25,000</td>
</tr>
<tr>
<td>Feb-17</td>
<td>Grt. Barr., MA</td>
<td>1 - 5</td>
<td>$21,000</td>
</tr>
<tr>
<td>Dec-19</td>
<td>Hopkinton, RI</td>
<td>15+</td>
<td>$20,000</td>
</tr>
<tr>
<td>Mar-17</td>
<td>Fitchburg, MA</td>
<td>&lt; 1</td>
<td>$20,000</td>
</tr>
<tr>
<td>Jan-17</td>
<td>W. Stockbridge, MA</td>
<td>1 - 5</td>
<td>$20,000</td>
</tr>
<tr>
<td>Feb-16</td>
<td>Hadley, MA</td>
<td>1 - 5</td>
<td>$20,000</td>
</tr>
<tr>
<td>Dec-19</td>
<td>Lancaster, MA</td>
<td>5 - 10</td>
<td>$18,000</td>
</tr>
<tr>
<td>Aug-17</td>
<td>East Windsor, CT I</td>
<td>1 - 5</td>
<td>$18,000</td>
</tr>
<tr>
<td>Aug-17</td>
<td>East Windsor, CT II</td>
<td>1 - 5</td>
<td>$18,000</td>
</tr>
<tr>
<td>Aug-17</td>
<td>Plymouth, MA</td>
<td>&lt; 1</td>
<td>$18,000</td>
</tr>
<tr>
<td>Jul-17</td>
<td>Charlton, MA III</td>
<td>&lt; 1</td>
<td>$18,000</td>
</tr>
<tr>
<td>Jan-17</td>
<td>Charlton, MA I</td>
<td>&lt; 1</td>
<td>$18,000</td>
</tr>
<tr>
<td>Jan-17</td>
<td>Charlton, MA II</td>
<td>&lt; 1</td>
<td>$18,000</td>
</tr>
<tr>
<td>Dec-19</td>
<td>West Paulet, VT</td>
<td>&lt; 1</td>
<td>$17,000</td>
</tr>
<tr>
<td>Jun-17</td>
<td>Hancock, MA</td>
<td>5-10</td>
<td>$17,000</td>
</tr>
<tr>
<td>Aug-19</td>
<td>Amesbury</td>
<td>1 - 5</td>
<td>$16,000</td>
</tr>
<tr>
<td>Jun-19</td>
<td>Amherst, MA</td>
<td>5 - 10</td>
<td>$16,000</td>
</tr>
<tr>
<td>Dec-16</td>
<td>Suffield CT</td>
<td>1 - 5</td>
<td>$16,000</td>
</tr>
<tr>
<td>May-16</td>
<td>Oxford, MA I</td>
<td>1 - 5</td>
<td>$16,000</td>
</tr>
<tr>
<td>May-16</td>
<td>Oxford, MA II</td>
<td>10 - 15</td>
<td>$16,000</td>
</tr>
<tr>
<td>Mar-16</td>
<td>Foster RI</td>
<td>1 - 5</td>
<td>$16,000</td>
</tr>
<tr>
<td>Jul-17</td>
<td>Ashby, MA</td>
<td>1 - 5</td>
<td>$15,000</td>
</tr>
<tr>
<td>Dec-16</td>
<td>Barkham. CT</td>
<td>1 - 5</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

**Average** $22,424
The leases include smaller rooftops of less than one megawatt ranging to 15+ megawatt solar farms. The leases are arrayed from high to low by rent per megawatt DC. The ground lease on the subject property is $26,500 per megawatt AC. The comparable leases are stated in megawatts DC, which is more commonly used. The subject lease based on an approximate DC equivalency, would be about $22,000 per MW DC. This places the subject lease in the middle of the range. In fact, the average lease rate is $22,424 per MW DC.

The lease, on the subject property is clearly in the central part of the range and contract rent is thereby the same as market rent. In appraising the lessor’s interest in the Leased Fee estate, we will capitalize the contract rent as it is not only the actual income for the property, it is within market parameters and, if the tenant should default, that rent amount could be replicated by another tenant.

Further, the leases in the market typically have a 20-year term with 2 to 4 five-year extensions. Also, a 1.5% annual rent bump is typical as is the case for the lease on the subject property. The subject lease of 20 years, with 1.5 percent annual rent bumps, is typical of the market.

Further, the subject property is to include a battery storage component. Additional rent of $5,000 is to be paid to the landlord. We are not aware of any ground rents attributable to battery storage. It seems reasonable in relation to the primary lease rate. We have accepted the energy storage lease rate as being at market for appraisal purposes.

**Reversion Valuation**

As stated in the Identification of the Property Interests Appraised section of this report, the land being leased will be in the County’s ownership during and after the lease so there will be no transfer or reversion value. Removal of the installation will be at the lessee’s expense so there is no cost or benefit to the lessor’s position.

**Income Approach by Annuity Capitalization**

Having established that the contract rents are within market parameters, the rents can be capitalized using annuity capitalization for the leased fee interests. In annuity capitalization, each year’s income is discounted to present value and, at the end of the lease term, the reversion, if applicable, is estimated, and also discounted to present value.

**Lease Revenue and Expense**

The lease term is 20 years. The revenue for the lease is discussed in a prior report section as starting at $26,500 for the first year and continuing at 1.5% annual increases through the end of the lease. The battery rent is added to the base rent so that $31,500 per year rent includes both components and is grown at the 1.5% rent escalator.

The ground lease calls for triple net expenses with the lessee responsible for all operating expenses, real estate or personal property tax, insurance etc. There are no operating expenses for the lessor’s position.

**Discount Rate**

For discount rate, net leased properties such as Walgreens, CVS, Dunkin Donuts and the like are selling for as low as 6½%, but more typically 7% to 8%. The PwC National Real Estate Investment Report shows net leased investments averaging 7.94% as the average discount rate and 6.98% as the average cap rate. However, with the low risk of the solar lease income stream from PPA electricity sales, a rate well below 7% would be in order and would reflect the lower risk of receiving the income. A discount rate of 5% to 6% would be suggested by comparing risk under a solar lease with net leased property discount rates.

Another approach to estimating discount rates for solar related income is based on Weighted Average Cost of Capital, (WACC) plus a risk adjustment. One source in this methodology is from a software called PV Value™. This program was developed under the auspices of the U.S. Department of Energy and has been reviewed and accepted by the industry, including by the Appraisal Institute.
The premise of the program is that a base rate, such as a FNMA commitment rate or prime rate, represents a borrowing cost or cost of capital and a basis point spread as a surcharge represents the additional risk associated with the solar operations. PV Value uses a range of basis points of 75 to 200 as the surcharge; we would apply 75 basis points as applicable to a solar ground lease. The low end of the range is appropriate for the ground lease, with the least risk in the solar development process.

The financial risk on solar electricity rates is low. So the discount rate should be, as suggested by PV Value™, close to the cost of borrowing or cost of capital. We have selected a base rate of 5.25% as the cost of capital. With the cost of capital at 5.25%, a discount rate of 6.0% is indicated with 75 basis points by the WACC method.

Support for a sound discount rate and evaluation of the risk of solar investment can also come from understanding financing of solar installations. Tax equity investors are commonly the end source of equity capital and purchase solar installation equity positions from project sponsors upon completion, at, say, 6.5% to 7.0%. However, the discount rates considered by tax equity investors are broken down by relative risk positions. Revenue from electricity sales from high credit off-takers such as a publicly traded utility such as Duke Energy or Eversource would be discounted at a risk rate of 5.5% to 6.0%.

By this comparison, a ground lease should be discounted at a lower rate since the land lease is the least risky position in the development. In appraisal theory, as well as reality, the land ownership is considered to have the lowest risk position of all since it is the senior-most position aside from tax liens. The ground lessor has the highest claim on the property and therefore the lowest risk. The lowest risk position would thereby have the lowest yield or discount rate requirement accordingly.

All factors considered, a sound discount rate is judged to be 5.5%, as appropriately reflecting the risk of the ground lessor’s position. This discount rate will be applied to the net revenue stream to the lessor as well as to the land value reversion at the end of the lease.
Valuation Summary

The above discussed revenue and net income are shown below with the present values at the concluded discount rate listed by year and in total.

<table>
<thead>
<tr>
<th>Year #</th>
<th>Ground Rent with battery Plus 1.5%/Yr.</th>
<th>Net Income</th>
<th>PV Factor 5.5%</th>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$31,500</td>
<td>$31,500</td>
<td>0.94787</td>
<td>$29,858</td>
</tr>
<tr>
<td>2</td>
<td>$31,973</td>
<td>$31,973</td>
<td>0.89845</td>
<td>$28,726</td>
</tr>
<tr>
<td>3</td>
<td>$32,452</td>
<td>$32,452</td>
<td>0.85161</td>
<td>$27,637</td>
</tr>
<tr>
<td>4</td>
<td>$32,939</td>
<td>$32,939</td>
<td>0.80722</td>
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<tr>
<td>5</td>
<td>$33,433</td>
<td>$33,433</td>
<td>0.76513</td>
<td>$25,581</td>
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<tr>
<td>6</td>
<td>$33,934</td>
<td>$33,934</td>
<td>0.72525</td>
<td>$24,611</td>
</tr>
<tr>
<td>7</td>
<td>$34,443</td>
<td>$34,443</td>
<td>0.68744</td>
<td>$23,678</td>
</tr>
<tr>
<td>8</td>
<td>$34,960</td>
<td>$34,960</td>
<td>0.65160</td>
<td>$22,780</td>
</tr>
<tr>
<td>9</td>
<td>$35,485</td>
<td>$35,485</td>
<td>0.61763</td>
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<tr>
<td>10</td>
<td>$36,017</td>
<td>$36,017</td>
<td>0.58543</td>
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<tr>
<td>11</td>
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<td>$36,557</td>
<td>0.55491</td>
<td>$20,286</td>
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<tr>
<td>12</td>
<td>$37,105</td>
<td>$37,105</td>
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<td>$37,662</td>
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<td>$40,573</td>
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<td>19</td>
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<tr>
<td>20</td>
<td>$41,799</td>
<td>$41,799</td>
<td>0.34273</td>
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</table>

Lessor's Interest Valuation

<table>
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<tr>
<th>Present Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>$423,985</td>
</tr>
<tr>
<td>Rounded</td>
</tr>
<tr>
<td>$420,000</td>
</tr>
</tbody>
</table>

**Reconciliation and Final Value Estimate**

The only approach that is applicable to the valuation of the lessor’s interest is the income approach, specifically the Annuity Capitalization. In that approach, we looked at the contract rent for the subject lease and compared it to the market to reach a conclusion that the contract rent was at a market level.

There is strong support for the 5.5% discount rate reflecting the low risk of income receipt generated by a lease to a solar installation.

The resulting calculations of annuity capitalization indicated a market value for the leased fee of **$420,000**.
MARKETING AND EXPOSURE TIME

The marketing period for property such as the subject is variable depending on many factors such as the style and extent of market exposure, the asking price, the availability of financing and the extent of competitive offerings. For the purpose of this appraisal, it is assumed that a reasonable time is allowed for exposure in the open market prior to the specified date of value.

Although the market period is variable, we are of the opinion that, property promoted, the subject property could be sold within 6 months of the date first offered for sale on the open market.

While Marketing Time is an estimate of the time needed to sell a property at the estimated market value going forward, Exposure Time is a retrospective estimate of the time that would have been needed to sell the property prior to the date of value. Under the same reasoning as set forth for marketing period, the exposure period is considered to be the same as the marketing period, in this case, 6 months.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation is not contingent upon the reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal, a minimum or specific valuation or the approval of a loan.
7. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics, the Standards of Professional Appraisal Practice of the Appraisal Institute and the specific instructions, standards and specifications of the client.
8. Bruce Wiley inspected the subject property by aerial and satellite photography, engineering drawings and documents, vertical topographic imaging and ground level photos all of which provide good representation of the real estate being leased.
9. No one provided significant professional assistance to the person(s) signing this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Bruce Wiley has not performed prior appraisal or any type of service on the subject property.
12. As of the date of this report, Bruce Wiley, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
13. In accordance with the Letter of Engagement, I certify that this appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

My analysis and opinions are set forth within this report.

Respectfully Submitted,

Bruce F. Wiley, MAI
MA Certified General Real Estate Appraiser #1213
ADDENDA

Definitions

Contingent and Limiting Conditions

Qualifications of the Appraiser
DEFINITIONS

Property Rights: The most common property rights are the fee simple estate interest, leased fee estate interest and leasehold estate interest.

The fee simple estate interest is defined as follows:
   Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. ¹

The leased fee estate interest is defined as follows:
   An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others. The rights of the lessee (the leased fee owner) and the leased fee are specified by contract terms contained within the lease. ²

The leasehold estate interest is defined as follows:
   The interest held by the lessee (the tenant or renter) through a lease conveying the right of use and occupancy for a stated term under certain conditions. ³

The leasehold estate value results from separating property rights into a leased fee estate and leasehold estate. The vehicle for this separation is use of the lease contract.

Real Property: All interests, benefits, and rights inherent in the ownership of physical real estate (physical land and appurtenances affixed to the land, e.g., structures).⁴

Personal Property: Movable items of property that are not permanently affixed to, or part of, real estate.⁵

Fixture: An article that was once personal property but has since been installed or attached to the land or building in a rather permanent manner; regarded in law as part of the real estate.⁶

Intangible Property (Intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intangible Value: A value that cannot be imputed to any part of the physical property; e.g., the excess value attributable to a favorable lease, the value attributable to goodwill.⁸

Going Concern Value: The value created by a proven property operation; considered a separate entity to be valued with an established business. ⁹

Market Value Appraised: Market value is one of the central concepts of the appraisal practice. The following definition of market value is used in this appraisal.
   Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
   (1) Buyer and seller are typically motivated;
   (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
   (3) A reasonable time is allowed for exposure in the open market;
   (4) Payments is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable there to; and
   (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹⁰

Definition of Reasonable Exposure Time: The following definition of exposure time is used in this appraisal:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.¹¹

Exposure time is always presumed to precede the effective date of the appraisal.¹² However, exposure time is not intended to be a prediction of a date of sale or a one-line statement. Instead, it is an integral part of the appraisal analysis and is based on one or more of the following:
   1) statistical information about days on the market
   2) information gathered through sales verification
   3) interviews of market participants

The reasonable exposure period is a function of price, time, and use, not an isolated estimate of time alone. Exposure time is different for various types of real estate and under various market conditions.

² Ibid.
³ Ibid.
⁴ Ibid.
⁵ Ibid.
⁶ Ibid.
⁷ Ibid.
⁸ Ibid.
⁹ Ibid.
¹⁰ The Office of the Comptroller of the Currency, 12 CFR Part 34, Subpart C, '34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in The Dictionary of Real Estate Appraisal, second edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the GTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definitions of market value.
¹² Exposure Time differs from Marketing Time, which is the period of time estimated to sell a property interest in real estate at the estimated market value during the period immediately after the effective date of the appraisal.
CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following underlying assumptions, qualifications and limiting conditions:

1. The appraisal covers only that property legally described in this report, and the areas and dimensions as shown herein are assumed to be correct.

2. The appraisers have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader in visualizing the property.

3. The appraisers assume no responsibility for matters involving legal or title considerations.

4. It is assumed that the subject property has a marketable title.

5. The data, as compiled and utilized in this report, have been secured from sources considered to be reliable; however, no responsibility for the accuracy of this information is assumed.

6. Responsible ownership and competent management are assumed.

7. The removal or loss of any portion of this report invalidates the entire appraisal. Further, the allocation of total value to land or to improvements, as shown in this report, is invalidated if used separately in conjunction with any other appraisal.

8. One (or more) of the signatories of this appraisal report is a Member (or Candidate) of the Appraisal Institute. The Bylaws and Regulations of the Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Therefore, except as herein provided, the client for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the client for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report.

9. The appraisers are not required to give testimony or to attend court by reason of this appraisal unless prior arrangements have been made.

10. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

11. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
PROFESSIONAL EXPERIENCE

US Solar Value (2017 - Present), a DBA of Akerson & Wiley.

Co-founder and Principal of a specialty practice for the appraisal of Renewable Energy Assets. The organization’s principals have appraised over 200 solar and wind farms, commercial rooftop solar installations and ground/rooftop solar leases. Clients include banks, tax equity investors, solar developers, public utilities, law firms and others.


Co-founded and operates real estate valuation and counseling practice specializing in solar and renewable energy installations and green/sustainable property appraisals. Client base includes banks, insurance companies, federal, state, local governments, non-profits, attorneys and many others. Qualified as expert witness in federal and district courts and prepares appraisals for use with IRS matters.

- Valuation of Renewable Resources and Sustainable Buildings
- Appraisals of over 100 solar and wind farms and rooftop solar panels
- Appraisals of Energy Conservation Measures for C-PACE financing and ad valorem taxation
- Appraisal Institute Professional Development Registry - Valuation of Sustainable Buildings: Commercial
- Speaker at seminars for bankers, appraisers, assessors and others on the appraisal of solar installations and sustainable real estate.

Notable assignments have also included the appraisal of major commercial properties and subsequent testimony in federal courts; consulting with the US Department of Labor on ERISA compliance; the appraisal of portfolios with as many as 300 properties; the appraisal of military bases and facilities in Rhode Island, New York, Connecticut and Florida; and the appraisal of landmark properties in Boston such as Rowes Wharf, the Federal Custom House and Exchange Place.

In addition to co-founding and operating US Solar Value and Akerson & Wiley, served as regional managing director for national appraisal companies Grubb & Ellis Landauer Valuation Services and an appraisal affiliate of GMAC Commercial Mortgage.


Formed new appraisal department for the workout function for a real estate portfolio in excess of $8 billion with 8,500 properties. Managed a total staff of 75 with 43 review appraisers and seven offices. Budget responsibility of $15 million.

Ernst & Young, Senior Manager. Dallas, Texas (1989-1990).

Managed Southwest regional real estate valuation practice. Reviewed book values and transactions for auditors. Performed appraisal management services, portfolio valuations, due diligence and counseling on investment real estate.


PROFESSIONAL ASSOCIATIONS AND EDUCATION

- Member (MAI), Appraisal Institute. Life Member.
- Appraisal Institute National Faculty Member for Green, Sustainable and Solar series of courses, seminars.
- U.S. Green Building Council (USGBC) – National and MA Chapter (Education Committee).
- Northeast Sustainable Energy Association (NESEA).
- Vice Chair, Appraiser Qualification Board of The Appraisal Foundation, Washington, DC.
- Certified General Real Estate Appraiser - MA 1213 (other state permits as needed). Licensed Real Estate Broker.
- Bradley University, Peoria, Illinois, Bachelor of Arts, Philosophy.