



Affidavit of Publication



Katherine E. Ross
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Charleston, SC
Charlotte, NC
Columbia, SC
Spartanburg, SC

July 1, 2014

VIA ELECTRIC FILING

Gail L. Mount
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, North Carolina 27603

Re: Affidavit of Publication; Docket No. SP-3674, Sub 0

Dear Clerk Mount:

Enclosed please find the Affidavit of Publication of the Public Notice to be filed in the above-referenced docket.

Thank you for your assistance with this matter. Please let us know if you have any questions.

Sincerely,

/s/ Katherine E. Ross

Enclosure

JUL 01 2014 OFFICIAL COPY

AFFIDAVIT OF PUBLICATION

STATE OF NORTH CAROLINA
COUNTY OF JOHNSTON

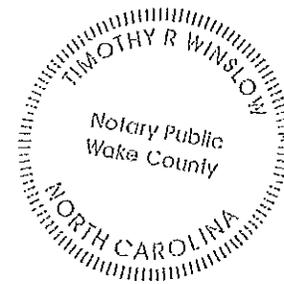
Ad Number
0001058933

Advertiser Name: PARKER POE
Address: 150 FAYETTEVILLE ST STE 1400
RALEIGH, NC 27601

Before the undersigned, a Notary Public of Wake County North Carolina, duly commissioned and authorized to administer oaths, affirmations, etc., personally appeared DEBORAH MAHAFFEY, who being duly sworn or affirmed, according to law, doth depose and say that he or she is Accounts Receivable Specialist of The News & Observer Publishing Company a corporation organized and doing business under the Laws of the State of North Carolina, and publishing a newspaper known as The Herald, in the City of Raleigh, Wake County and State aforesaid, the said newspaper in which such notice, paper, document, or legal advertisement was published was, at the time of each and every such publication, a newspaper meeting all of the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the General Statutes of North Carolina, and that as such he or she makes this affidavit; and is familiar with the books, files and business of said corporation and by reference to the files of said publication the attached advertisement for PARKER POE was inserted in the aforesaid newspaper on dates as follows:

05/25/2014, 06/01/2014, 06/08/2014, 06/15/2014

Deborah Mahaffey
DEBORAH MAHAFFEY, Accounts Receivable Specialist
Wake County, North Carolina



Sworn to and subscribed before me
This 16th day of June, 2014

My Commission Expires: 06/15/2018
Timothy R Winslow
Notary Signature

PUBLIC NOTICE
DOCKET NO. SP-3674 SUB 0
APPLICATION OF
WELLONS FARM, LLC
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
NOTICE IS HEREBY GIVEN that on
May 13, 2014, Wellons Farm, LLC (Ap-
plicant) filed an application seeking a
certificate of public convenience and ne-
cessity pursuant to G.S. 2210.1 (b) for
construction of a 5 MW solar photovoltaic
electric generating facility to be locat-
ed on the east side of Yelverton Grove
Road, south of US 70 Bypass (Highway
East) in Smithfield, Johnston County,
North Carolina. The Applicant plans to
sell the electricity to Duke Energy Pro-
cessing.
Details of the application may be ob-
tained from the Office of the Chief Clerk
of the North Carolina Utilities Commis-
sion, 401 S. Salisbury Street, 5th Floor,
Dobbs Building, Raleigh, North Carolina
27603 or 325 Mail Service Center, Ra-
leigh, North Carolina 27699-3225 or on
the Commission's website at
www.ncuc.net.
If a complaint is received within ten
days after the last date of the publica-
tion of this notice, the Commission will
schedule a public hearing to determine
whether a certificate should be awarded.
Notice will give a complete notice of the
time and place of the hearing to the Ap-
plicant and to each complaining party,
and will require the Applicant to publish
notice of the hearing in this newspaper.
If no complaint is received within the
time specified above and if the Commis-
sion does not order a hearing upon its
own initiative, the Commission will en-
ter an order awarding the certificate
sought by the Applicant.
Persons desiring to lodge complaints
may file statements to that effect with
the Commission. Such statements
should reference Docket No. SP-3674-
SUB 0 and be addressed as follows: Chief
Clerk, North Carolina Utilities Commis-
sion, 325 Mail Service Center, Raleigh,
North Carolina 27699-3225.
Statements may also be directed to
Christopher J. Avers, Executive Direc-
tor, Public Staff, North Carolina Utili-
ties Commission, 325 Mail Service Cen-
ter, Raleigh, North Carolina 27699-3225
or to The Honorable Roy Cooper, Attor-
ney General of North Carolina, 9001 Mail
Service Center, Raleigh, North Carolina
27699-9001.
SINCE MAY 23, JUNE 1, 8, 15, 2014

OFFICIAL COPY
JUL 01 2014

NCUC- CPCN

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. SP-3674, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	ORDER ISSUING CERTIFICATE
Application of Wellons Farm, LLC, for a)	AND ACCEPTING REGISTRATION
Certificate of Public Convenience and)	OF NEW RENEWABLE ENERGY
Necessity to Construct a 5-MW Solar)	FACILITY
Facility in Johnston County, North Carolina)	

BY THE COMMISSION: On May 3, 2014, Wellons Farm, LLC (Applicant), filed an application seeking a certificate of public convenience and necessity pursuant to G.S. 62-110.1(a) for construction of a 5-MW_{AC} solar photovoltaic electric generating facility to be located on the east side of Yelverton Grove Road, south of US 70 Bypass Highway East, near Smithfield, Johnston County, North Carolina. The Applicant plans to sell the electricity to Duke Energy Progress, Inc. (DEP).

Contemporaneously with the application, the Applicant filed a registration statement for a new renewable energy facility. The registration statement included certified attestations that: (1) the facility is in substantial compliance with all federal and state laws; regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the Applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with G.S. 62-133.8; and (4) the Applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

On May 15, 2014, the Commission issued an Order Requiring Publication of Notice, which required the Applicant to (1) publish notice of the application as required by G.S. 62-82(a) and file an affidavit of publication with the Commission, (2) mail a copy of the application and notice, no later than the first date that such notice is published, to the electric utility to which the Applicant plans to sell and distribute the electricity, and (3) file a certificate of service of such mailing to the utility. The Order also specified that if a complaint was received within 10 days after the last date of the publication of the notice, the Commission would schedule a public hearing to determine whether a certificate of public convenience and necessity should be awarded. The Order further specified that if the Commission received no complaints within the time specified above and if the Commission did not order a hearing upon its own initiative, it would enter an order awarding the certificate.

On May 28, 2014, the Applicant filed a certificate of service stating that the public notice and a copy of the application were provided to DEP on May 22, 2014.

On June 23, 2014, the State Clearinghouse filed comments. Because of the nature of the comments, the cover letter indicated that no further State Clearinghouse review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

On July 1, 2014, the Applicant filed an affidavit of publication stating that the publication of notice was completed on June 15, 2014. No complaints have been received.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on July 21, 2014. The Public Staff recommended that the Commission approve the application, issue the requested certificate, and accept the registration statement.

After careful consideration, the Commission finds good cause to approve the application and issue the attached certificate of public convenience and necessity for the proposed solar photovoltaic electric generating facility to be located in Johnston County, North Carolina. The Commission further finds good cause, based upon the foregoing and the entire record in this proceeding, to accept registration of the facility as a new renewable energy facility. The Applicant shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year and will be required to participate in the NC-RETS REC tracking system (<http://www.ncrets.org>) in order to facilitate the issuance of RECs.

IT IS, THEREFORE, ORDERED as follows:

1. That the application filed by Wellons Farm, LLC, for a certificate of public convenience and necessity shall be, and is hereby, approved.
2. That Appendix A shall constitute the certificate of public convenience and necessity issued to Wellons Farm, LLC, for the 5-MW_{AC} solar photovoltaic electric generating facility to be located on the east side of Yelverton Grove Road, south of US 70 Bypass Highway East, near Smithfield, Johnston County, North Carolina.
3. That the registration statement filed by Wellons Farm, LLC, for its solar photovoltaic facility located in Johnston County, North Carolina, as a new renewable energy facility shall be, and is hereby, accepted.

4. That Wellons Farm, LLC, shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of July, 2014.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Chief Clerk

Chairman Edward S. Finley, Jr., did not participate in this decision.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. SP-3674, SUB 0

Wellons Farm, LLC
50101 Governors Drive, Suite 280
Chapel Hill, NC, 27517

is hereby issued this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
PURSUANT TO G.S. 62-110.1

for a 5-MW_{AC} solar photovoltaic electric generating facility

located

on the east side of Yelverton Grove Road, south of US 70 Bypass Highway East, near
Smithfield, Johnston County, North Carolina,

subject to all orders, rules, regulations and conditions
as are now or may hereafter be lawfully made
by the North Carolina Utilities Commission.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of July, 2014.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Chief Clerk

FERC-QF



TAB #10

FERC Online eLibrary (formerly FERRIS)



In

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Document Information

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Accession Number: 20140811-5060 **Available:** Public
Document Date: 8/11/2014 **Filed Date:** 8/11/2014
Posted Date: 8/11/2014 10:56:13 AM **First Received Date:** 8/11/2014 9:53:03 AM
Official: Yes **E-filing:** Yes
Non-decisional: No

Description:

Form 556 of Wellons Farm, LLC under QF14-712.

Category: Electric **Library:**
Submittal

Document Type:

Class:	Type:
Application/Petition/Request	Qualifying Facility Application or PURPA Energy Utility Filing

Docket Numbers: [Click here to eSubscribe to a Docket](#)

Docket	SubDocket	Type
QF14-712	000	On Document

Correspondent:

Type	Last Name	FI	MI	Affiliation
AGENT	Ross	K	x	Parker Poe Adams & Bernstein LLP
RECIPIENT	Bose	K	D	Office of the Secretary, FERC
AUTHOR	*	*		WELLONS FARM, LLC

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For any issues regarding FERC Online, please contact ferc-online@ferc.gov or call 866-266-3876. Please include a current mail address, telephone number, and e-mail address.

FAA Approval



TAB #11



Federal Aviation Administration

<< OE/AAA

Notice Criteria Tool

Notice Criteria Tool - Desk Reference Guide V_2014.2.0

The requirements for filing with the Federal Aviation Administration for proposed structures vary based on a number of factors: height, proximity to an airport, location, and frequencies emitted from the structure, etc. For more details, please reference CFR Title 14 Part 77.9.

You must file with the FAA at least 45 days prior to construction if:

- your structure will exceed 200ft above ground level
- your structure will be in proximity to an airport and will exceed the slope ratio
- your structure involves construction of a traverseway (i.e. highway, railroad, waterway etc...) and once adjusted upward with the appropriate vertical distance would exceed a standard of 77.9(a) or (b)
- your structure will emit frequencies, and does not meet the conditions of the FAA Co-location Policy
- your structure will be in an instrument approach area and might exceed part 77 Subpart C
- your proposed structure will be in proximity to a navigation facility and may impact the assurance of navigation signal reception
- your structure will be on an airport or heliport
- filing has been requested by the FAA

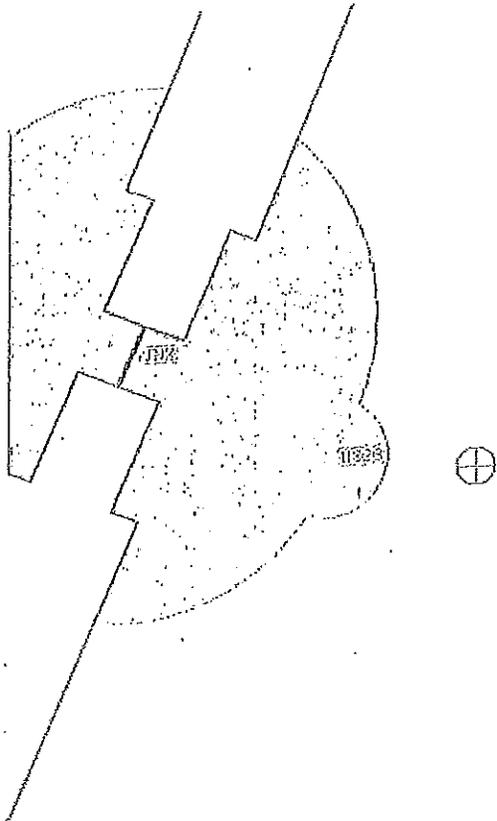
If you require additional information regarding the filing requirements for your structure, please identify and contact the appropriate FAA representative using the Air Traffic Areas of Responsibility map for Off Airport construction, or contact the FAA Airports Region / District Office for On Airport construction.

The tool below will assist in applying Part 77 Notice Criteria.

Latitude:	<input type="text" value="35"/>	Deg	<input type="text" value="30"/>	M	<input type="text" value="39.44"/>	S	<input type="text" value="N"/>	<input type="button" value="v"/>
Longitude:	<input type="text" value="78"/>	Deg	<input type="text" value="17"/>	M	<input type="text" value="29.14"/>	S	<input type="text" value="W"/>	<input type="button" value="v"/>
Horizontal Datum:	<input type="text" value="NAD83"/>							
Site Elevation (SE):	<input type="text" value="171"/>	(nearest foot)						
Structure Height (AGL):	<input type="text" value="10"/>	(nearest foot)						
Traverseway:	<input type="text" value="No Traverseway"/>							
	(Additional height is added to certain structures under 77.9(c))							
Is structure on airport:	<input checked="" type="radio"/> No <input type="radio"/> Yes							

Results

You do not exceed Notice Criteria.



Interconnection Estimate

4/22/2015

Michael Cox <michael.cox@narenco.com>

Fwd: Ballparks and RFI Wellons Farm LLC

Wed, Mar 11, 2015 at 3:45 PM

Jackson Naftel <jnaftel@stratasolar.com>
 To: Michael Cox <michael.cox@narenco.com>, Jesse Montgomery <jesse.montgomery@narenco.com>

Jackson Naftel
 Director of Development
 Strata Solar, LLC
 50101 Governors Drive, Suite 280
 Chapel Hill, NC 27517
 Office: 919.960.6015 x 302
 jnaftel@stratasolar.com



----- Forwarded message -----

From: **Grantham, Stewart** <Stewart.Grantham@duke-energy.com>
 Date: Mon, Feb 2, 2015 at 9:32 AM
 Subject: Ballparks and RFI Wellons Farm LLC
 To: "interconnections@stratasolar.com" <interconnections@stratasolar.com>

Below are the associated estimated interconnection costs which does not account for the terrain that DEP personnel will encounter to connect your renewable generation project to the DEP grid. Please be advised that these preliminary costs are based on a grid program, that is used to evaluate the connection to the grid. To that end, these are the baseline costs to connect the facility to the grid based on the proposed route by DEP that should be most cost effective and more easily to secure right-of-way for the project. Please note the project owner will have the option to choose the route of the infrastructure and point-of-delivery (POD) knowing that costs can potentially increase. The purpose of this email is for a decision to be made whether or not to continue moving forward with the project for the final costs or to withdraw.

If you desire to move forward with the project and would like the more precise costs before making the final decision to build the project please complete ALL fields of the entire attached document and return to me. You must complete and return the form within (5) business days or your project will be deemed withdrawn. Once I receive the form the following will happen:

- o DEP Project Planner will schedule the site visit with your project manager to determine the placement and route of the additional facilities and Point-of-Delivery (POD).
- o After the site visit with the Project Planner the costs for all DEP work will be determined
- o Once the interconnection costs are determined you will be provided with costs for the project via the Interconnection Agreement (IA). You will have 30 business days from the day the IA is tendered to execute the IA and submit it along with the applicable payment to DEP or the project will be withdrawn from the queue, which will result in beginning the interconnection process again, starting with the Interconnection Request.

4/22/2015

SYSTEM UPGRADES (Ball Park Estimate of \$0) (System Upgrade Cost is a one-time upfront charge)

As a result of a completed feeder study, the following work scope must be designed and cost-estimated (on its own work order) separately:

1. Reconductoring as follows:
 - a) N/A
2. Sectionalizing/protection changes as follows:
 - a) N/A
3. Other changes as follows:
 - a) Verify that the substation regulator at is set to ignore reverse power flow = \$0

Substation

Loading Case	KW	KVAR	PF
Summer Peak with Gen	-312	583.6	-31.33%
Winter Peak with Gen	602.5	554.1	66.56%
Low Load with Gen	-6724.2	370.3	-99.83%

Interconnection

Loading Case	KW	KVAR	PF
Summer Peak with Gen	458.2	513.6	-44.91%
Winter Peak with Gen	409.8	482.2	49.86%
Low Load with Gen	-6791.4	309.7	-99.87%

There could be as much as 6.7 MW shipped back into the substation during low load periods.

Interconnection Facilities(Ball Park Estimate \$60,000) (Interconnection Facilities cost is spread out over time and are paid on monthly basis as long as DEP has these facilities in place to register the generation of the facility)

4/22/2015

Narenco Mail - Fwd: Ballparks and RFI Wellons Farm LLC

Interconnection Facilities Design and POD per IC Design 3, Figure 71B.

Interconnection Pole will be PN44BA (GIS coordinates: 35.51033, -78.29403).

Install a minimum of 2 spans of 3 - #477 SAC primary and #1/0 AAAC neutral tap from Pole PN44BA to POD.

Install G&W recloser one pole to Duke Energy Progress side of POD (will need to coordinate with the feeder circuit breaker at DIS# 9P233).

"NOTE: The generating facility is to be operated such that unity power factor is continuously maintained at the Point of Interconnection (where utility-owned metering is located)."

 Request for Information.docx
14K

Executed Lease

TAB #13



Version 3 (Dated 1-21-14)

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Lease") is made and entered into as of the 7 day of April, 2014 (the "Effective Date"), by and between Roberts & Wellons Inc., a North Carolina Corporation (the "Landlord") and STRATA SOLAR DEVELOPMENT, LLC, a North Carolina limited liability company (the "Tenant").

WHEREAS, Tenant and its affiliates wish to build and operate a solar photovoltaic power array (the "System") for the generation and distribution of electric power (Tenant's "Intended Use"); and

WHEREAS, Tenant desires to Lease the Land from Landlord for the purposes and on the terms set forth herein.

NOW THEREFORE, in consideration of the amounts to be paid to Landlord by Tenant and the other promises and premises set forth herein, the receipt and sufficiency of which is hereby conclusively established, Landlord and Tenant hereby agree as follows:

AGREEMENT

1. Leased Premises. Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to lease from Landlord, up to 35 acres of real property located along Yelverton Grove Road, in the City of Smithfield, Johnston County (the "County"), North Carolina, in approximately the location depicted on Exhibit A attached hereto and made a part hereof, and as hereafter shall be more particularly identified and described in a written confirmation (the "Land"), together with all personal property, improvements and fixtures located on the Land and all other appurtenances, tenements, hereditaments, rights and easements pertaining to the Land (the foregoing, together with the Land, collectively, the "Premises"), upon the terms and subject to the conditions set forth herein. Notwithstanding the foregoing, the Premises do not and shall not include Tenant's Property (defined in Section 9 below). Security interests in Tenant's personal property, including without limitation the solar panels, inverters, racks, cables and other equipment comprising the System, shall be governed exclusively by Article 9 of the North Carolina Uniform Commercial Code found at Chapter 25, Article 9 of the North Carolina General Statutes or any replacement or successor statute ("Article 9"), notwithstanding the manner of attachment or installation of the System on the Land.

2. Lease Term.

(a) The initial term of this Lease shall commence on the Rent Commencement Date (defined below) and shall end at 11:59 P.M. local time on the last day of the two hundred forty-ninth (249th) full calendar month following the Rent Commencement Date or earlier termination of this Lease in accordance with the terms hereof (the "Initial Term", and together with any extension pursuant to any Renewal Term, the "Term").

(b) Tenant shall have the right to extend the Initial Term for up to two (2) additional successive terms of five (5) years each (each a "Renewal Term" and collectively, the "Renewal Terms") by providing Landlord with written notice of Tenant's election to extend the Initial Term for the applicable Renewal Term prior to the expiration of the Initial Term (or first Renewal Term, as applicable).

3. Diligence Period.

(a) Starting on the Effective Date and continuing through the first anniversary of the Effective Date or earlier termination of this Lease (such period, the "Diligence Period"), Tenant (and its agents) shall be permitted access to the Premises at reasonable times and upon reasonable notice to Landlord, for purposes of conducting (at Tenant's expense) any and all investigations or testing of the Premises as Tenant may deem necessary, appropriate or convenient, including without limitation, the surveying or investigation of environmental, biological, cultural, historical, boundary or geotechnical matters.

(b) During the Diligence Period, Tenant may obtain an ALTA survey of the Premises, which shall set forth and conclusively establish (1) the metes and bounds legal description of the Land and (2) the net acreage of the Land (the "Acreage", and each such acre, an "Acre").

(c) Landlord shall provide to Tenant any of the following in Landlord's possession or control, within five (5) days following the Effective Date: (1) any notice of violation of any law or regulation, including zoning laws applicable to the Premises, (2) any "Phase I" and other environmental assessment reports regarding the Premises, (3) Landlord's most recent survey and title insurance policy relating to the Premises, (4) any governmental permits for the Premises and (5) any other surveys, physical condition reports, notices regarding zoning or government action with respect to the Premises.

(d) Tenant's obligation to perform hereunder shall be subject to the satisfaction of the following: (i) receipt of all necessary or required approvals from state, federal and local authorities, (ii) Tenant's approval of the Premises following receipt and review of all material information regarding the Premises, including all reports and items described in Sections 3(a), 3(b), and 3(c), and (iii) and Tenant's approval of any other matters that it deems relevant, in its sole discretion, to the evaluation of the Premises for the Intended Use.

(e) Tenant shall have the right to terminate the Lease during the Diligence Period for any reason or no reason, upon Tenant's giving written notice of such termination prior to the expiration of the Diligence Period.

4. Termination of Lease.

(a) Tenant shall have the right to terminate this Lease (i) effective as of the last day of the one hundred eighty ninth (189th) month after the Rent Commencement Date, exercisable upon at least thirty (30) days' advance written notice to Landlord or (ii) pursuant to the termination for any reason of the power purchase agreement or analogous agreement for the sale of power generated by the System, effective as of the date of a notice by Tenant to Landlord of such termination.

5. Rent Commencement.

(a) Tenant's obligation to pay Rent (defined in Section 6(a)) and Taxes (as defined in Section 13) shall commence on the earlier of (i) the first day following the conclusion of the Diligence Period (subject to Section 8), (ii) the date that Tenant commences construction of the System on the Premises, as confirmed by written notice from Tenant to Landlord, or (iii) such other date identified by Tenant in a written notice to Landlord in substantially the form attached hereto as Exhibit B (the earlier of such dates, the "Rent Commencement Date").

(b) Tenant may extend the Diligence Period by an additional three hundred sixty-five (365) days (such additional 365 days, the "Diligence Extension Period") by providing written notice to

Landlord and consideration in the amount of One Hundred Fifty Dollars (\$150.00) per Acre (prorated for any fractional Acre) (the "Diligence Extension Consideration"). If the Rent Commencement Date occurs before the full 365-day Diligence Extension Period has elapsed, the pro rata portion of the Diligence Extension Consideration allocable to the unelapsed portion of the Diligence Extension Period shall be applied towards future payment of Rent.

(c) Landlord shall furnish Tenant with a signed, completed form W-9 within ten (10) days following the Effective Date and thereafter within thirty (30) days of any event causing a change in any of the information set forth in the previously-delivered W-9, including any transfer or assignment of the Landlord's interest in the Lease. For convenience, a form W-9 is attached hereto as Exhibit C. Without limiting Tenant's obligation to pay Rent or other amounts due to Landlord hereunder, Tenant shall be entitled to delay making any such payments to Landlord until Landlord has provided such W-9. For clarification only, if a payment is delayed in accordance with this Section 5(c), such delay shall not invalidate or affect an otherwise valid (i) extension of the Diligence Period under Section 5(b) or (ii) commencement of the Term and establishment of the Rent Commencement Date in accordance with Section 5(a).

6. Rent; Payment Schedule; Rent Escalation.

(a) Annual rent ("Rent") for each year during the Term shall be \$725 per Acre (prorated for any fractional Acre), subject to escalation in accordance with Section 6(c).

(b) Rent shall be payable in advance in semi-annual installments due on each January 15 and July 15 during the Term (each, a "Rent Payment Date"); provided, that the first installment of Rent shall be due on the Rent Commencement Date and shall be prorated, on a daily basis, for the period between the Rent Commencement Date and the first Rent Payment Date.

(c) Starting on the fifth (5th) anniversary of the first Rent Payment Date, and for each anniversary thereafter, the annual Rent shall be increased by two and one-half percent (2.5%) over the Rent otherwise then in effect.

7. Utilities. During the Term, Tenant shall arrange and pay for all public utility services used on the Premises by Tenant.

8. Crops. Prior to the Rent Commencement Date, Landlord may plant farm crops or enter into a lease for the planting of farm crops on the Premises; provided, that Landlord shall provide Tenant with written notice thereof prior to the planting of such crops or execution of any such farm lease, which notice shall include the estimated date(s) for planting and harvesting such crops. Following receipt of such notice, Tenant may, in Tenant's sole discretion, elect to (i) delay the Rent Commencement Date until the earlier of the date that any crops actually planted on the Premises are harvested or one year following the date of such notice, or (ii) commence construction of the System and pay the owner of any crops actually planted an amount equal to the fair market value of the portion of any crop that cannot reasonably be harvested and sold solely as a result of the construction of the System.

9. Tenant's Property. The System and its constituent parts, together with any and all improvements or other features constructed on, or personal property installed or placed on the Premises by or for Tenant, including without limitation, machinery, fixtures, trade fixtures, equipment, racking, inverters, cables, solar panels, the System and other personal property (collectively, "Tenant's Property") are personal property within the meaning of Article 9 regardless of the manner of attachment to the Premises. Tenant's Property is and shall at all times during the Term be deemed to be the property of Tenant, to be removed at Tenant's expense upon the expiration or earlier termination of the Term. The

creation, attachment and perfection of security interests in Tenant's Property shall be governed exclusively by Article 9. For the avoidance of doubt and without limiting the foregoing, Landlord hereby waives all rights to distraint, possession or landlord's lien against Tenant's Property, if any, and shall not cause the creation of, or attachment to, Tenant's Property of any liens (including mechanics' and judgment liens) or other encumbrances. For the avoidance of doubt, Landlord is not responsible for payment of any Taxes assessed on Tenant's Property.

10. Use and Occupancy. Tenant shall use the Premises for the Intended Use, or any other lawful uses that are incidental to, or not inconsistent with, the Intended Use. Landlord shall deliver sole and exclusive possession of the Premises to Tenant on the Rent Commencement Date. During the Term, neither Landlord nor any agent of Landlord shall, without a Tenant representative, enter upon any portion of the Premises except as specifically permitted hereunder.

11. Alterations and Construction Rights. Tenant may, at its expense and without the consent of Landlord, remove and/or alter any existing improvements on the Premises, and make any alterations, additions, improvements and changes to the Premises that Tenant deems reasonably necessary in the operation of its business, including without limitation installation of fencing, security devices and/or signage; provided, that such alterations, additions, improvements and changes are made in compliance with applicable laws. Landlord shall sign and deliver all applications and other documents, and shall take all such other actions, as are reasonably requested by Tenant in connection with obtaining any re-zonings, variances or other approvals as Tenant shall deem necessary or desirable in connection with the operation of the Premises.

12. End of Term. Upon the expiration or earlier termination of the Term, Tenant shall remove Tenant's Property, vacate the Premises and restore the Premises to substantially the condition in which it existed as of the Rent Commencement Date, subject to any alterations that are unrelated to Tenant's use or occupancy of the Premises and any clearing and grubbing of the Premises; provided, that upon at least ninety (90) days' advance written request by Landlord to Tenant, Tenant shall not remove those electrical lines and connections identified by Landlord. The removal of Tenant's Property and restoration of the Premises shall be completed in a manner that does not unreasonably and adversely affect the suitability of the Premises for farming purposes. If Tenant fails to vacate the Premises in accordance with this Section 12, Landlord shall be entitled to holdover rent in the amount equal to one hundred twenty-five percent (125%) of Rent for the final year of the Term, prorated on a daily basis, for each day that Tenant fails to so vacate the Premises.

13. Taxes.

(a) Landlord shall provide Tenant with copies of all invoices, bills and notices (collectively, "Tax Bills") regarding all real estate and ad valorem taxes and assessments imposed or levied on the Premises by any applicable government taxing authority (each, a "Tax", and collectively, "Taxes"), within five (5) days of Landlord's receipt of any such Tax Bill. Tenant shall remit payment directly to the taxing authority for any Tax Bill that Tenant receives; provided, that if the Premises are comprised of less than 100% of a larger tax parcel ("Larger Parcel"), Tenant shall pay the portion of the Tax Bill allocable to the Premises (such portion, "Tenant's Portion"), which portion shall bear the same relationship to the total Tax Bill as the Premises bears to the Larger Parcel. The parties shall include and confirm Tenant's Portion in the written acknowledgment of the Rent Commencement Date. Without limiting the foregoing, if Landlord fails to pay the balance of any Tax Bill when due, Tenant shall have the right, but not the obligation, to pay the balance of such Tax Bill on Landlord's behalf and deduct any amounts so paid from future installment payments of Rent.

(b) Without limiting Section 13(a), if Tenant's use of the Premises results in the revocation of a classification of the Premises as "agricultural land", "forestry land" or similar classification, thereby triggering liability for "rollback" taxes, Tenant shall pay Tenant's Portion of the rollback tax liability, together with Tenant's Portion of any related interest or penalties, other than interest and/or penalties arising from Landlord's failure to timely provide Tenant with a copy of such Tax Bill.

(c) Upon Tenant's reasonable request, Landlord shall take such reasonable actions and do such things as necessary or desirable to facilitate any action by Tenant to contest any Tax Bill or the assessed value of the property on which they are levied, or to otherwise seek the abatement of Taxes applicable to the Premises. Tenant shall have the right, but not the obligation, to pursue any such action.

14. Fire or Other Casualty. If during the Term, all or part of the Premises or Tenant's Property are damaged by fire, wind, flood, earthquake or other casualty, with the result that, in Tenant's sole discretion, it would not be commercially or economically reasonable or desirable to repair and restore the Premises and/or Tenant's Property, as applicable, then Tenant may terminate this Lease by providing Landlord with written notice of the same and vacating the Premises in compliance with Section 12 hereof. Tenant, or its successor in interest, shall be entitled to 100% of any proceeds from casualty insurance policies maintained by Tenant.

15. Condemnation.

(a) If during the Term, all or part of the Premises and/or Tenant's Property shall be subject to condemnation, the exercise of the power of eminent domain, or other governmental taking (the foregoing, collectively, a "Taking") with the result that, in Tenant's sole discretion, the unaffected portion of the Premises is insufficient or otherwise unsuitable for Tenant's continued use of the Property for the Intended Use or such other use as existed at the time of the Taking (a "Total Taking"), then Tenant may terminate this Lease by providing Landlord with written notice of the Total Taking, the Lease shall terminate effective as of the date set forth in such notice, and Tenant shall vacate the Premises in accordance with Section 12.

(b) If during the Term, all or part of the Premises and/or Tenant's Property shall be subject to a Taking that, in Tenant's sole determination, does not constitute a Total Taking (a "Partial Taking") then Tenant shall notify Landlord of the occurrence of the Partial Taking and (i) concurrently with such Taking this Lease shall terminate with respect to the affected portion of the Premises, which Tenant shall vacate in accordance with Section 12, (ii) this Lease shall continue in full force and effect with respect to the unaffected portion of the Premises and (iii) the Acreage shall be reduced for each Acre subject to the Taking. For purposes of clarification only, Tenant shall be entitled to remove Tenant's Property from any portion of the Premises that is subject to a Taking.

(c) Tenant, at Tenant's own expense, shall have the right but not the obligation to participate in any proceedings with respect to a Taking; in such event Landlord shall cooperate with Tenant to facilitate such participation. Neither Landlord nor Tenant shall enter voluntarily into any binding agreement or settlement related to a Total Taking or a Partial Taking without the prior consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) The proceeds of any Total Taking or Partial Taking shall be apportioned as between Landlord and Tenant as follows: First, to Landlord, an amount equal to the fair market value of the Land subject to the Taking and calculated with reference to the value of the Land for agricultural use. Second, to Tenant, such amounts as are necessary to compensate Tenant for the loss of use of the Premises so Taken, including consequential losses. If after giving effect to the foregoing there remain any apportioned proceeds, they will be equitably apportioned as between Landlord and Tenant.

16. Default. The failure by a party hereto to perform its obligations under this Lease, if not remedied within thirty (30) calendar days of written notice of such failure from the other party, or if such failure is not capable of being remedied within thirty (30) days, remedial action is not commenced and diligently pursued within such thirty (30) day period, shall constitute a default hereunder (a "Default"). Following an event of Default, the non-defaulting party may pursue any available remedies in law or in equity, subject to Section 26(d). Notwithstanding the foregoing, the non-defaulting party shall take commercially reasonable measures to mitigate damages resulting from such Default. Tenant may, in its sole discretion, elect to cure a Default on the part of Landlord, in which case Tenant shall be entitled to offset future payments of Rent or other amounts due to Landlord hereunder with the reasonable and documented out of pocket expenses incurred by Tenant in pursuing to cure such Default.

17. Indemnifications. Landlord shall indemnify and hold Tenant harmless from any and all damages or claims that Tenant may be compelled to pay or defend in connection with this Lease or Tenant's use of the Premises, except to the extent such damages or claims are directly attributable to the actions or omissions of Tenant or any of Tenant's agents or employees. Tenant agrees to indemnify and hold Landlord harmless from any and all damages or claims that Landlord may be compelled to pay or defend in connection with this Lease or Tenant's use of the Premises, except to the extent such damages or claims are directly attributable to the actions or omissions of Landlord or any of Landlord's agents or employees.

18. Notices. All notices, elections, demands, requests, payments and other communications hereunder shall be in writing, signed by the party making the same and shall be sent by certified or registered United States mail, postage prepaid, or by national overnight courier service which provides tracking and acknowledgement of receipts, addressed to:

If to Landlord:	Roberts & Wellons Inc. P.O. Box 229 Smithfield, NC 27577 c/o Mr. Allen Wellons Office location -- 141 E. Market St. Smithfield, NC 27577 (919) 934 0554
If to Tenant:	Cullen Morris, Director of Project Development 50101 Governors Drive, Suite 280 Chapel Hill, NC, 27517 (919) 960-6015
with a copy to	Latham Grimes, General Counsel 50101 Governors Drive, Suite 280 Chapel Hill, NC, 27517 (919) 960-6015

or at such other address as may hereafter be designated in writing by either party hereto, or by any other method if actually received. The time and date on which mail is received shall be the time and date on which such communication is deemed to have been given.

19. Easements. Landlord shall grant to Tenant, at no additional cost, such easements for the benefit of Tenant and the Premises as Tenant or the utility to which the System is interconnected (the "Utility") may reasonably request to facilitate the construction, operation and removal of the System, or

otherwise in connection with Tenant's use of the Premises during the Term (collectively, the "Easements"). Landlord and Tenant (and the Utility, as applicable) shall negotiate in good faith to establish the location and terms of such Easements within twenty (20) days of the request therefor, and any such Easements shall be confirmed in writing signed by the parties and recorded in the County records and shall run with the Lease and inure to the benefit of Tenant (or the Utility, as applicable) and its transferees, successors and assigns hereunder, including any Additional Notice Party.

20. Non-Disturbance Agreement. Upon Tenant's request, Landlord shall execute, and take commercially reasonable efforts to cause any current beneficiaries of any mortgages/deeds of trust, or any other parties with an interest secured by Landlord's interest in the Land, to enter into an agreement with Tenant confirming that no such party will disturb or extinguish Tenant's interest in the Land and in this Lease. Such agreement shall be in form and substance reasonably agreeable to Tenant and any Additional Notice Party (defined in Section 265).

21. Landlord's Representations and Warranties.

(a) Landlord represents and warrants, that as of the Effective Date, and again as of the Rent Commencement Date:

- (i) Landlord owns the Land in fee simple, and has all requisite right, power and authority to enter into this Lease, without the consent or joinder of any party not joining in the execution hereof;
- (ii) no hazardous or toxic substances have been released or manufactured, or are present on the Premises in amounts in excess of the lawful limit absent a permit;
- (iii) Landlord has not received any notice of any Taking, zoning change or legal noncompliance relating to the Premises;
- (iv) the Premises are free from any recorded or unrecorded use or occupancy restrictions or declarations of restrictive covenants;
- (v) there are no service or maintenance contracts affecting the Premises [except _____];
- (vi) there are no delinquent or outstanding Taxes, liens or other impositions levied or assessed against the Premises or any larger parcel of property of which the Premises is a part;
- (vii) except for this Lease, there are no leases, options to purchase, license agreements or other third party rights to use or possess the Premises, whether written or oral, recorded or unrecorded, except as set forth on Schedule 21(a)(vii) attached hereto and made a part hereof;
- (viii) Landlord is not in the hands of a receiver nor is an application for such a receiver pending, nor has Landlord made an assignment for the benefit of creditors, nor filed, or had filed against it, any petition in bankruptcy nor is Landlord a defendant in any ongoing or pending litigation proceedings;

- (ix) if Landlord is a limited partnership, trust, limited liability company, corporation or other business entity, the undersigned representatives of Landlord have full power and authority to execute and deliver this Lease; and
- (x) if Landlord is one or more natural persons, except for the spouse identified on the signature page to this Lease, such natural persons are unmarried.

22. Insurance.

(a) During the Term, Tenant shall maintain the following policies of insurance, at Tenant's cost and expense, a policy or policies of insurance providing Commercial General Liability Insurance for Tenant's liability arising out of claims for bodily injury (including death) and property damage, in each case having a deductible not in excess of \$50,000.

(b) Upon Landlord's request, Tenant will promptly furnish Landlord with certificates of insurance evidencing the insurance required to be maintained under Section 22(a).

23. Landlord Covenants. From and after the Effective Date until the expiration or earlier termination of the Term,

(a) Landlord shall not, without the prior written consent of Tenant,

- (i) institute or consent to any rezoning of the Premises;
- (ii) further encumber or suffer to exist the further encumbrance or Transfer of the Premises (except as caused by or on behalf of Tenant) except in accordance with Section 254 of this Lease; or
- (iii) cause or permit any activities or conditions that would impair operation of the System (including, without limitation, by erecting or permitting to be erected any cell towers, water towers, billboards, silos, trees or any other natural or man-made structures to be placed, constructed, or to otherwise exist on any property owned or controlled by Landlord that may diminish the quantity of sunlight that otherwise would reach the System or any portion thereof).

(b) Landlord shall provide notice to Tenant within fifteen (15) days following the commencement of any proceedings in bankruptcy, insolvency or similar proceedings with respect to Landlord, and

(c) Landlord shall promptly give Tenant a copy of any notice of any kind received by Landlord regarding the Premises or any Taxes during the Term.

24. Memorandum of Lease. This Lease shall not be recorded; however, within ten (10) days following Tenant's request, Landlord and Tenant shall execute a memorandum of this Lease in recordable form, setting forth the following provisions of this Lease, without limitation: (a) all information required by law, (b) restrictions on Transfers, (c) any unexercised Renewal Term options, (d) rights of first offer or of first refusal, if any, of Tenant with respect to the Land, and (e) such other provisions of this Lease as the parties may mutually agree to incorporate therein. Tenant shall cause the memorandum of lease to be recorded in the Real Property Records of the County.

25. Assignments, Mortgages, Transfers. This Lease shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns.

(a) Tenant may pledge, sell, grant and/or assign, sublease, mortgage and otherwise transfer (each, a "Transfer") this Lease or Tenant's leasehold interest in the Premises, in whole or in part, without Landlord's prior consent; provided that Tenant shall notify Landlord prior to the occurrence of any such Transfer.

(b) Landlord shall give Tenant at least thirty (30) days' prior notice of any Transfer by Landlord of its interest in the Land or in this Lease. In addition, any such Transfer shall be expressly subject to this Lease. For example, but without limiting the foregoing, the Lease shall remain prior in interest to any mortgage entered into by Landlord after the Effective Date. For Transfers pursuant to the death or disability of Landlord, Landlord's executor or successor in interest should endeavor to provide notice of such Transfer (or proceedings that will result in such a Transfer) to Tenant as promptly as possible under the circumstances. Landlord shall notify Tenant of the closing of such Transfer, and if applicable, the name and contact information of the successor to Landlord's interest hereunder and payment instructions for future payments of Rent and other amounts due under the Lease; provided, that Landlord shall indemnify Tenant for losses arising from Tenant's payment of Rent or other amounts as so directed.

26. Third Party Protections. If Tenant shall notify Landlord in writing of the existence of, and contact information for, any third party with a security interest or similar interest in the Lease, whether via a collateral Transfer or otherwise (any such third party, an "Additional Notice Party"), then the following provisions shall apply until such time as Landlord shall receive written confirmation that such Additional Notice Party's interests in this Lease, the System or the Premises are released:

(a) Without limiting Section 29, no assignment, amendment, termination or other modification of this Lease shall be effective unless approved by the Additional Notice Party in writing.

(b) Upon the termination of this Lease pursuant to a Tenant Default, Landlord shall enter into a new lease with Additional Notice Party or its nominee on the same terms as set forth herein, and for a term equal to the then-unexpired portion of this Lease, with an option to extend for any then-remaining Renewal Term(s). Such new lease shall be effective as of the date of termination of this Lease.

(c) If this Lease is terminated pursuant to a rejection in bankruptcy or other similar proceeding with respect to Landlord, then Landlord, or its successor in interest to the Land, if any, shall enter into a new lease with Tenant on substantially the same terms as this Lease and for the then otherwise unexpired portion of the Term. Such new lease shall be effective as of the date of termination of this Lease.

(d) If any event of Default by Tenant remains uncured following the applicable cure period under Section 16, Landlord shall send written notice of such uncured Default to each Additional Notice Party at the address provided therefor, whereupon the Additional Notice Party shall have an additional thirty (30) days during which it may, in its sole discretion, cure such Default on Tenant's behalf. Landlord may not pursue any remedy for such Default unless it remains uncured following the expiration of such Additional Notice Party's thirty (30) day cure period. No notice shall be effective against an Additional Notice Party unless and until actually received by such Additional Notice Party.

27. Estoppel. Upon the request of Tenant or an Additional Notice Party, Landlord shall deliver to the requesting party a certificate setting forth the material terms of the Lease, the existence of any Default under the Lease, the date through which Rent has been paid and any amounts on deposit with Landlord,

the current Rent rate, and such other reasonable terms requested by the requesting party. The failure by Landlord to respond to such request within fifteen (15) business days shall constitute an event of Default, and in addition, shall result in the deemed acceptance, approval and confirmation of the truth of the matters set forth in the certificate sent with the original request.

28. Brokerage Commission. Except as pursuant to a separate agreement between Tenant and Tenant's broker, if any, neither Landlord or Tenant knows of any real estate broker or agents that may be entitled to receive any fees or commission in connection with this Lease.

29. Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of North Carolina, and any disputes arising from or relating to this Lease shall be construed, governed and interpreted and regulated under the laws of the State of North Carolina.

30. Interpretation: Amendment. The terms of this Lease shall not be amended, restated, changed or otherwise modified except in a writing signed by Landlord, Tenant and any Additional Notice Party. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each other term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

31. Integration: Anti-Merger. This instrument contains the complete agreement of the parties regarding the subject matter of this Lease, and there are no oral or written conditions, terms, understandings or other agreements pertaining thereto which have not been incorporated herein. This instrument creates only the relationship of landlord and tenant between the parties as to the Premises; and nothing in this Lease shall in any way be construed to impose upon either party any obligations or restrictions not expressly set forth in this Lease. This Lease shall continue until the expiration or termination of the Lease and Term, and shall not be extinguished by operation of law pursuant to the acquisition by a single party of the interests in both Tenant and Landlord hereunder.

32. Exclusive Control: Quiet Enjoyment. Tenant shall have exclusive control, possession, occupancy, use and management of the Premises during the Term, subject to any easements or Security Instruments existing on the Effective Date, or as caused by Tenant. Landlord shall warrant and defend Tenant's right to quietly hold and enjoy the Premises to the Term. For the avoidance of doubt, this Lease does not convey any subsurface or mineral rights to Tenant; provided, however, that Landlord shall not, and shall not permit, any activity, including without limitation the extraction of minerals, gas or other liquid, if such activity could result, in Tenant's sole discretion, in a failure of subsurface support for the Premises or otherwise impair or adversely affect Tenant's Property or Tenant's use of the Premises.

33. Waiver. The waiver by any party of any instance of a breach of any covenant or agreement herein shall not be deemed to constitute waiver of any subsequent breach of the same or any other covenant or agreement under this Lease.

34. Nonrecourse. The performance of this Lease by Landlord and Tenant shall be secured by their respective interests in the Premises. Except for such interests in the Premises, neither Landlord's, nor Tenant's property or assets (including without limitation Tenant's Property), shall be subject to levy, execution or any other enforcement procedure in connection with the satisfaction of liability under this Lease.

35. Further Assurances. Each party shall execute and deliver such further documents, and perform such other acts, as may be reasonably necessary to achieve the parties' intent in entering into this Lease.

36. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original once executed and delivered.

37. Survival. Upon the expiration or earlier termination of this Lease in accordance with its terms, this Lease shall cease to have force and effect, unless the context requires otherwise to achieve the parties' intent with respect thereto.

[END OF TEXT. SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the Effective Date.

LANDLORD:

By: *Richard DeLoatch*
Name: *Allen West*

By: _____
Name: _____

Landlord's Spouse, if any:

By: _____
Name: _____

TENANT:

STRATA SOLAR DEVELOPMENT, LLC

By: *[Signature]*
Name: *Markus Wilhelm*
Its: *Manager*

Schedule 21(a)(vii) above
Other Leases, Options and Licenses

Exhibit A
Depiction of the Premises



Up to 35 acres from Property with Tax Parcel ID # 261400-11-7632 in Smithfield in Johnston County, North Carolina. The area outlined in blue in the image shown above represents the approximate area in which the System is expected to be located. (The highlighted area is approximately 50 acres.)

EXHIBIT #2

	<p>the buffering, and voluntary annexation of the property. She asked that the detail around the perimeter of the landscape buffer be included on the site plan.</p> <p>A motion was made by Mr. Roger Diegele and seconded by Ms. Dina Flowers to approve the special use permit by Red Toad (Phase II), to accept the findings of fact as their own, and approval be contingent upon voluntary annexation and the detail around the perimeter of the landscape buffer be included on the site plan. Motion carried unanimously.</p>
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<p>Special Use Permit for Solar Farm (Phase II) at 5840 Buffalo Road, Selma NC – Robert & Wellons, Red Toad, LLC / Reynaldo Rodriguez:</p>	<p>Planning Director Julie Maybee stated that Red Toad has requested to build a 1.99 megawatt solar farm at 5840 Buffalo Road, Selma, North Carolina. She said that the 50-acre parcel is located in Selma's extraterritorial jurisdiction and is zoned R-20, which requires a special use permit. Ms. Maybee requested that the staff report and exhibits be incorporated into the record. She said that the property backs up to the Holly Berry Subdivision. She also stated that the future land use map show the area as residential. Ms. Maybee stated that site plan has the farm at about 15 acres. She said that the entrance location has been approved by DOT and would be subject to a driveway permit. Ms. Maybee stated that the predominate use in that area is agriculture with some residential.</p> <p>Ms. Maybee stated that if the owner was going to have other uses on the property, she would recommend that the 15 acres solar farm be subdivided out.</p> <p><u>5840 Buffalo Road</u></p> <p>Attorney Odom reviewed the Solar Impact Study, Exhibit A, which states that the panels that are installed on the mounting system would not exceed 20 feet in height. He said the actual height would be closer to 12 feet. Attorney Odom stated that the site plan, Exhibit B, shows the location of the panels, inverter pad, and the solar farm access roads. He said that the panels are back 45 feet from the lease line of the property with a 20 foot planting buffer which includes 5 small evergreen trees and 5 small evergreen bushes would be planted for every 100 linear feet. Attorney Odom stated that a 6 foot chain-linked fence would be installed inside the planting buffer and the solar panels would be set back an additional 25 feet from the fence. He said that all buildings and structures would be removed from the leased area prior to construction of the solar farm. Attorney Odom stated that the only parking required for the site would be for the cleaning of the panels about once every six months, or occasional maintenance of the panels. He said that the site access easement would be at least 16 feet and along with the site parking, would provide more than enough parking for cleaning and maintenance. Attorney Odom stated that as far as access easements, the applicant does not see the necessity for any. He said that the interconnection point runs east to west on the north side of the property, and the actual disconnect switch would be located at the main entrance to the property. He said that the interconnection with Duke Energy would be selected by Duke Energy. Attorney Odom stated that the only additional structure would be the required housing for the two inverters and the mounted transformer, which will be located in the middle of the facility. He said that the area of impervious surfaces is only 400 square feet, which is composed of two 20' x 10' slabs that would hold the required housing for the inverters and mounted transformer. Attorney Odom stated that as mentioned above (Exhibit B) the site would be fully screened from adjoining property with an evergreen buffer capable of reaching a height of ten feet within three years of planting, and with at least 75% opacity at the time of planting. He said that there was no outdoor lighting proposed for the solar farm, and all wiring for the system would be</p>
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underground with the exception of the interconnection point. Attorney Odom stated that the panels would be mounted on racks according to manufacturer's specifications, and the mounting structure would be comprised of materials approved by the manufacturer that would support the structure and withstand adverse weather conditions. He said that the mounting structure would be spaced apart at a distance recommended by the manufacturer to ensure safety and maximum efficiency. Attorney Odom stated that the panels would only be mounted on these racks and not on any other structure. He said the applicant would comply with restrictions on signage at the solar farm. Attorney Odom stated that in regards to removal plan (Exhibit C), decommissioning would occur as a result of the following conditions: the land lease ends, the system does not produce power for 12 months, or the system is damaged and would not be repaired or replaced. He said that if any of these conditions occur, the applicant would remove all non-utility owned equipment to a depth of at least three feet below grade; remove all graveled areas, access roads, and fencing unless the owner of the leased property requests it in writing for it to stay in place; and restore the land to its condition before the solar farm development. Attorney Odom also presented a copy of the letter of intent to lease (Exhibit D) between the applicant and owner of the property. He said that the applicant has applied for, but has not yet obtained conditional approval from Duke Energy. Attorney Odom stated that they hoped to have approval within the next 60 days. He said that the farm would meet all requirements of the North Carolina state building code in addition to complying with the current edition of National Electric Code. Attorney Odom stated that the inverter noise level at the property line would not exceed 40 dBA, and would practically be silent at the property line.

Attorney Odom reviewed the following findings of fact.

1. All applicable specific conditions pertaining to the proposed use have been or will be satisfied.
All local, state, and federal conditions/regulations have been or will be fully satisfied.
2. Access roads or entrance and exit drives are or will be sufficient in size and properly located to ensure automotive and pedestrian safety and convenience, traffic flow, and control and access in case of fire or other emergency.
Access roads will conform to all applicable regulations to ensure minimum impact on traffic conditions and easy emergency inbound and outbound traffic.
3. All necessary public and private facilities and services will be adequate to handle the proposed use.
All necessary public and private facilities and services will comply with all applicable regulations to appropriately handle the needs of a solar farm facility.
4. The location and arrangement of the use on the site, screening, buffering, landscaping and pedestrian ways will not impair the integrity or character of adjoining properties and the general area and minimize adverse impacts to public health, safety, and general welfare.
Landscape will be regularly maintained and facility will not impair the integrity of adjacent properties. Proposed use is compatible with the area's mostly agricultural zoning, as it preserves green space from more aggressive forms of development. Land can be returned to its original use with no need for ecological cleaning once the lease is up. Facility will pose no risk to public health, safety and general welfare.
5. The use or development conforms to general plans for the physical development of the Town's planning jurisdiction as embodied in this chapter, the Town's land use plan, or other development policies as adopted by the Town Council.

	<p>Proposed use is permitted and regulated by Town's ordinances and it isn't at odds' its land use plan.</p> <p>Attorney Odom stated that the applicant has shown that all conditions for approval for a special use permit have been or will be satisfied, and requested approval from the Planning Board of this special use permit for the proposed solar farm.</p> <p>Planning Director Julie Maybee stated that staff recommends approval of the special use permit with the condition that a driveway permit being obtained and the detail around the perimeter of the landscape buffer be included on the site plan.</p> <p>A motion was made by Mr. Ronnie Lee and seconded by Ms. Dina Flowers to approve the special use permit by Red Toad, to accept the findings of fact as their own, and approval of the contingencies that a driveway permit being obtained and the detail around the perimeter of the landscape buffer be included on the site plan. Motion carried unanimously.</p>
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<p>Special Use Permit for Solar Farm (Phase II) at 7807 Buffalo Road, Selma NC – Robert & Wellons, Red Toad, LLC / Reynaldo Rodriquez:</p>	<p>Planning Director Julie Maybee stated that Red Toad has requested to build a 1.99 megawatt solar farm at 7807 Buffalo Road, Selma, North Carolina. She said that the 750-acre parcel is located in Selma's extraterritorial jurisdiction and is zoned R-20, which requires a special use permit. Ms. Maybee requested that the staff report and exhibits be incorporated into the record. She said that the property is just inside Selma's extraterritorial jurisdiction. She also stated that the future land use map show the area as residential. Ms. Maybee stated that site plan has the solar farm at about 15 acres. She said that the entrance location has been approved by DOT and would be subject to a driveway permit. Ms. Maybee stated that the predominate use in that area is agriculture with some residential.</p> <p>Ms. Maybee stated that the request has been reviewed by staff and has been found to be in compliance.</p> <p><u>7807 Buffalo Road</u></p> <p>Attorney Odom reviewed the Solar Impact Study, Exhibit A, which states that the panels that are installed on the mounting system would not exceed 20 feet in height. He said the actual height would be closer to 12 feet. Attorney Odom stated that the site plan, Exhibit B, shows the location of the panels, inverter pad, and the solar farm access roads. He said that the panels are back 45 feet from the lease line of the property with a 20 foot planting buffer which includes 5 small evergreen trees and 5 small evergreen bushes would be planted for every 100 linear feet. Attorney Odom stated that a 6 foot chain-linked fence would be installed inside the planting buffer and the solar panels would be set back an additional 25 feet from the fence. He said that all buildings and structures would be removed from the leased area prior to construction of the solar farm. Attorney Odom stated that the only parking required for the site would be for the cleaning of the panels about once every six months, or occasional maintenance of the panels. He said that the site access easement would be 20 feet and along with the site parking, would provide more than enough parking for cleaning and maintenance. Attorney Odom stated that as far as access easements, the applicant does not see the necessity for any. He said that the interconnection point runs east to west on the north side of the property, and the actual disconnect switch would be located at the main entrance to the property. He said that the interconnection with Duke Energy would be located at the main entrance of the property, which is where the disconnect switch would be located. Attorney Odom stated that the only additional</p>
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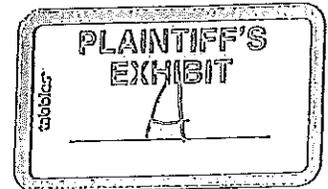


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www.kirklandappraisals.com

April 25, 2015

Mr. Reynaldo Rodriguez
Red Toad, Inc.
215 New Gate Loop
Lake Mary, FL 32746



Mr. Rodriguez

At your request, I have considered the likely impact of a solar farm proposed to be constructed on a portion of a 40.47-acre tract of land located on the west side of Buffalo Road south of Live Oak Church Road, near Selma, North Carolina. Specifically, I have been asked to give my professional opinion on whether the proposed solar farm will "maintain or enhance adjoining or contiguous property values" and whether "the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located."

To form an opinion on these issues, I have researched and visited existing and proposed solar farms in North Carolina, researched articles through the Appraisal Institute and other studies, and discussed the likely impact with other real estate professionals. I have not been asked to assign any value to any specific property.

This letter is a limited report of a real property appraisal consulting assignment and subject to the limiting conditions attached to this letter. My client is Red Toad, Inc., represented to me by Mr. Reynaldo Rodriguez. My findings support the Conditional Use Permit application. The effective date of this consultation is April 16, 2015, the date of my inspection of the property and surrounding area.

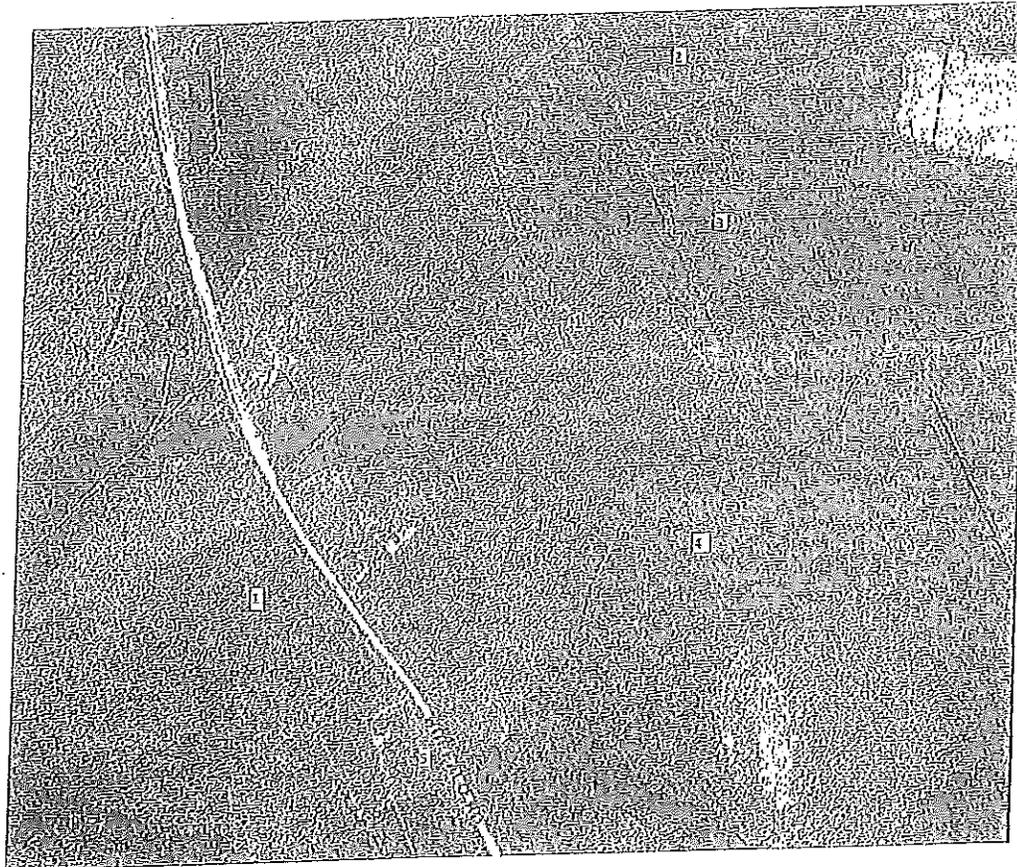
Proposed Use Description

The proposed solar farm will be located on a portion of a 40.47-acre tract of land located on the west side of Buffalo Road south of Live Oak Church Road, near Selma, North Carolina.

Adjoining land is primarily a mix of agricultural and some residential uses, which is common for solar farms in North Carolina as shown later in this report.

The solar farm will consist of fixed solar panels that will generate no noise, no odor, and less traffic than a residential subdivision. The panels less than 12 feet in height and will be located behind a chain link fence.

I have considered adjoining uses and included a map to identify each parcel's location. The breakdown of those uses by acreage and number of parcels is summarized below.



Surrounding Uses

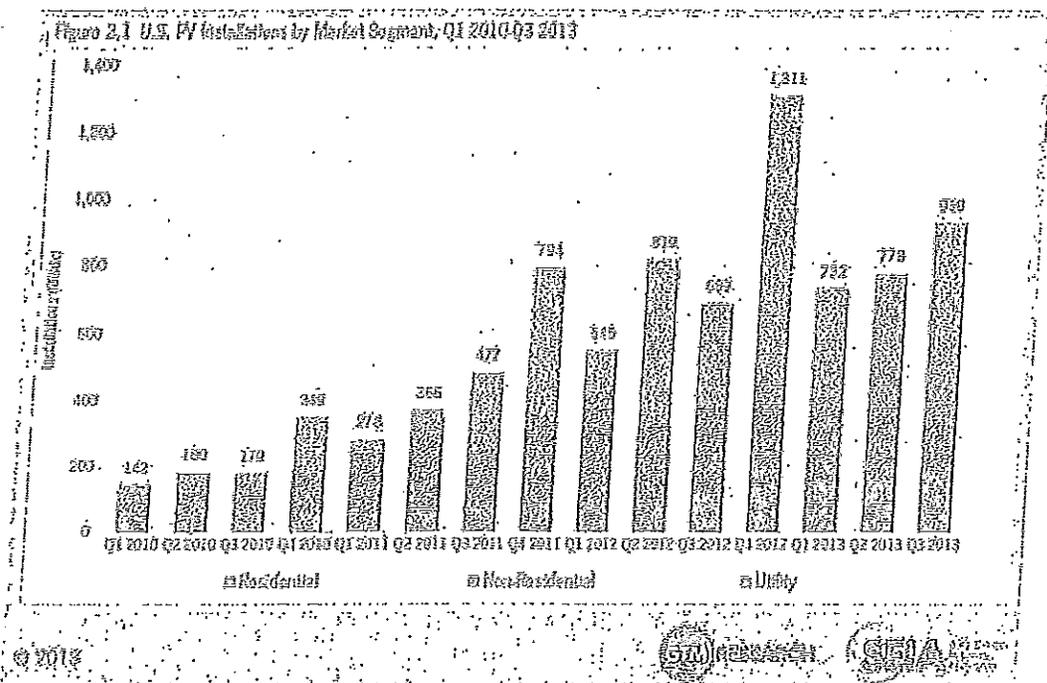
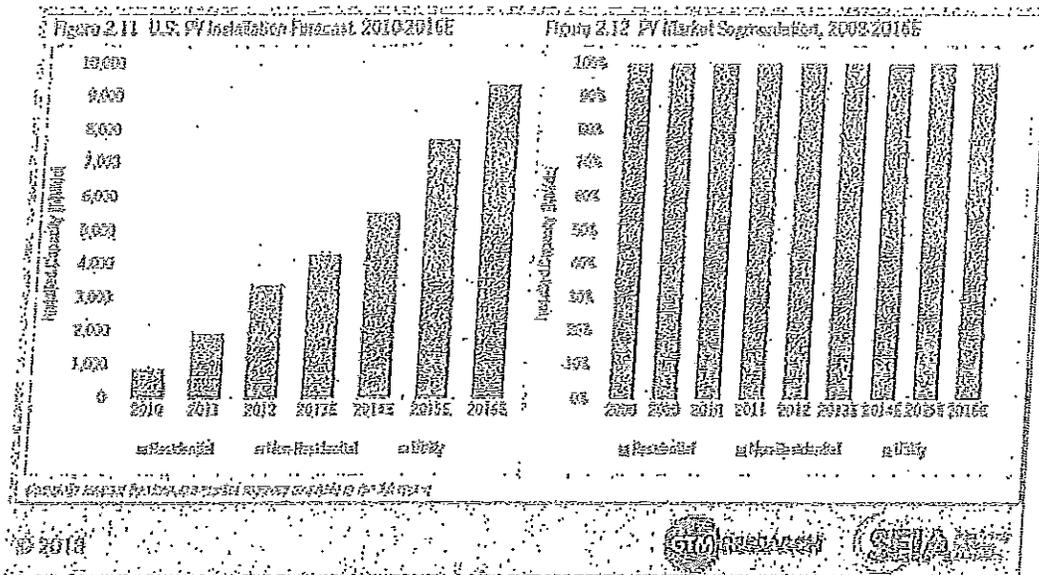
#	MAP ID	Owner	GIS Data		% Adjoining			% Adjoining Distances in Feet:
			Acres	Present Use	Acres	Parcels	Home to Panels	
1	260600-64-3443	Partin	85.735	Agri/Res	35.00%	20.00%	780	
2	260600-86-4651	Barnes	15.722	Agricultural	6.42%	20.00%	N/A	
3	260600-95-0917	Jones	47.110	Agricultural	19.23%	20.00%	N/A	
4	260600-83-5797	Kenneth A Talton Trust	93.577	Agri/Res	38.20%	20.00%	910	
5	260600-74-2009	Partin	2.839	Residential	1.16%	20.00%	220	
Total			244.983		100.00%	100.00%	637	

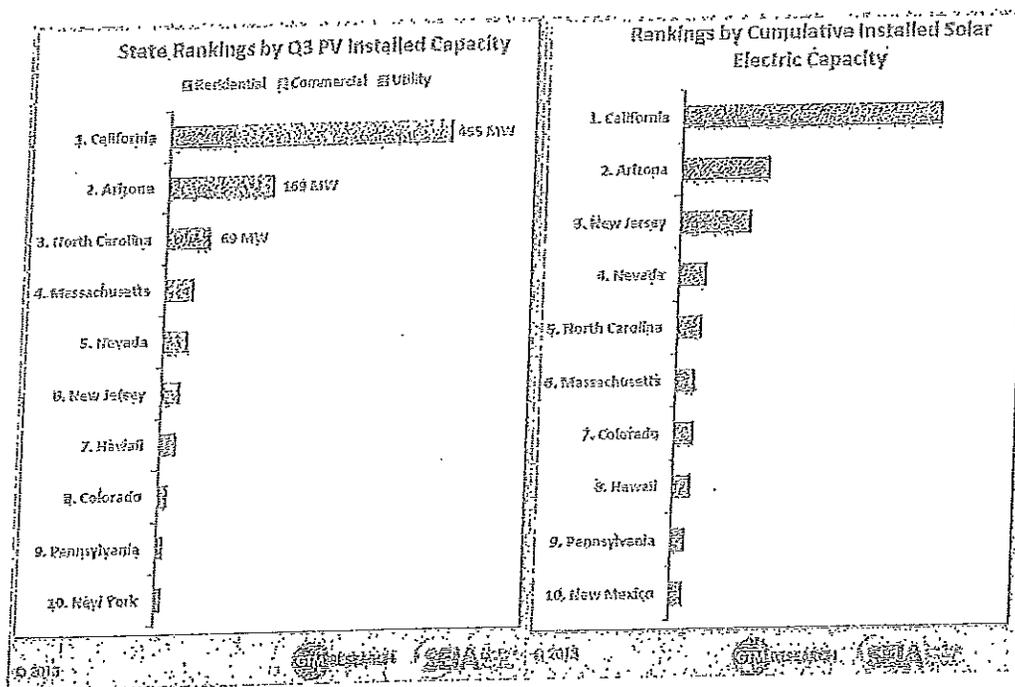
Adjoining Use Breakdown

	Acres	Parcels
Residential	1.16%	20.00%
Agri/Res	73.19%	40.00%
Agricultural	25.65%	40.00%
Total	100.00%	100.00%

I. Overview of Solar Farms Development in North Carolina

Across the nation the number of solar installations has dramatically increased over the last few years as changes in technology and the economy made these solar farms more feasible. The charts below show how this market has grown and is expected to continue to grow from 2010 to 2016. The U.S. Solar Market Insight Reports for 2010 and 2011 which is put out by the Solar Energy Industries Association note that 2010 was a "breakout" year for solar energy. The continued boom of solar power is shown in the steady growth. North Carolina was ranked as having the 3rd most active photovoltaic installed capacity in 2013.





As shown in the charts above, North Carolina ranked third in installed solar energy in the third quarter of 2013. North Carolina ranked fifth in installed solar energy in the United States.

II. Market Analysis of the Impact on Value from Solar Farms

I have researched a number of solar farms in North Carolina to determine the impact of these facilities on the value of adjoining property. I have provided a breakdown of the adjoining uses to show what adjoining uses are typical for solar farms and what uses would likely be considered consistent with a solar farm use. This breakdown is included in the Harmony of Use section of this report.

I also conducted a series of matched pair analyses. A matched pair analysis considers two similar properties with only one difference of note to determine whether or not that difference has any impact on value. Within the appraisal profession, matched pair analysis is a well-recognized method of measuring impact on value. In this case, I have considered residential properties adjoining a solar farm versus similar residential properties that do not adjoin a solar farm. I have also considered matched pairs of vacant residential and agricultural land.

As outlined in the discussion of each matched pair, I concluded from the data and my analysis that there has been no impact on sale price for residential, agricultural, or vacant residential land that adjoins the existing solar farms included in my study.

1. Matched Pair A – AM Best Solar Farm, Goldsboro, NC

This solar farm adjoins Spring Garden Subdivision which had new homes and lots available for new construction during the approval and construction of the solar farm. The recent home sales have ranged from \$200,000 to \$250,000. This subdivision sold out the last homes in late 2014. The solar farm is clearly visible particularly along the north end of this street where there is only a thin line of trees separating the solar farm from the single-family homes.

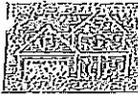
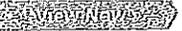
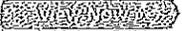


Homes backing up to the solar farm are selling at the same price for the same floor plan as the homes that do not back up to the solar farm in this subdivision. According to the builder, the solar farm has been a complete non-factor. Not only do the sales show no difference in the price paid for the various homes adjoining the solar farm versus not adjoining the solar farm, but there are actually more recent sales along the solar farm than not. There is no impact on the sellout rate, or time to sell for the homes adjoining the solar farm.

I spoke with a number of owners who adjoin the solar farm and none of them expressed any concern over the solar farm impacting their property value.

The data presented on the following page shows multiple homes that have sold in 2013 and 2014 adjoining the solar farm at prices similar to those not along the solar farm. These series of sales indicate that the solar farm has no impact on the adjoining residential use.

The homes that were marketed at Spring Garden are shown below.

	American Sqft: 3,194 Bed / Bath: 3 / 3.5	Price: \$237,900 		Washington Sqft: 3,292 Bed / Bath: 4 / 3.5	Price: \$244,900 
	Presidential Sqft: 3,400 Bed / Bath: 5 / 3.5	Price: \$247,900 		Kennedy Sqft: 3,494 Bed / Bath: 5 / 3	Price: \$249,900 
	Virginia Sqft: 3,449 Bed / Bath: 5 / 3	Price: \$259,900 			

AM Best Solar Farm, Goldsboro, NC

Matched Pairs

As of Date: 9/3/2014

Adjoining Sales After Solar Farm Completed

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600195570	Helm	0.76	Sep-13	\$250,000	2013	3,292	\$75.94	2 Story
3600195361	Leak	1.49	Sep-13	\$260,000	2013	3,652	\$71.19	2 Story
3600199891	McBrayer	2.24	Jul-14	\$250,000	2014	3,292	\$75.94	2 Story
3600198632	Foresman	1.13	Aug-14	\$253,000	2014	3,400	\$74.41	2 Story
3600196656	Hinson	0.75	Dec-13	\$255,000	2013	3,453	\$73.85	2 Story
	Average	1.27		\$253,600	2013.4	3,418	\$74.27	
	Median	1.13		\$253,000	2013	3,400	\$74.41	

Adjoining Sales After Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
0	Feddersen	1.56	Feb-13	\$247,000	2012	3,427	\$72.07	Ranch
0	Gentry	1.42	Apr-13	\$245,000	2013	3,400	\$72.06	2 Story
	Average	1.49		\$246,000	2012.5	3,414	\$72.07	
	Median	1.49		\$246,000	2012.5	3,414	\$72.07	

Adjoining Sales Before Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600183905	Carter	1.57	Dec-12	\$240,000	2012	3,347	\$71.71	1.5 Story
3600193097	Kelly	1.61	Sep-12	\$198,000	2012	2,532	\$78.20	2 Story
3600194189	Hadwan	1.55	Nov-12	\$240,000	2012	3,433	\$69.91	1.5 Story
	Average	1.59		\$219,000	2012	2,940	\$74.95	
	Median	1.59		\$219,000	2012	2,940	\$74.95	

Nearby Sales After Solar Farm Completed

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600193710	Barnes	1.12	Oct-13	\$248,000	2013	3,400	\$72.94	2 Story
3601105180	Nackley	0.95	Dec-13	\$253,000	2013	3,400	\$74.41	2 Story
3600192528	Mattheis	1.12	Oct-13	\$238,000	2013	3,194	\$74.51	2 Story
3600198928	Beckman	0.93	Mar-14	\$250,000	2014	3,292	\$75.94	2 Story
3600196965	Hough	0.81	Jun-14	\$224,000	2014	2,434	\$92.03	2 Story
3600193914	Preskitt	0.67	Jun-14	\$242,000	2014	2,825	\$85.66	2 Story
3600194813	Bordner	0.91	Apr-14	\$258,000	2014	3,511	\$73.48	2 Story
3601104147	Shaffer	0.73	Apr-14	\$255,000	2014	3,453	\$73.85	2 Story
	Average	0.91		\$246,000	2013.625	3,189	\$77.85	
	Median	0.92		\$249,000	2014	3,346	\$74.46	

Nearby Sales Before Solar Farm Announced

TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
3600191437	Thomas	1.12	Sep-12	\$225,000	2012	3,276	\$68.68	2 Story
3600087968	Lilley	1.15	Jan-13	\$238,000	2012	3,421	\$69.57	1.5 Story
3600087654	Burke	1.26	Sep-12	\$240,000	2012	3,543	\$67.74	2 Story
3600088796	Hobbs	0.73	Sep-12	\$228,000	2012	3,254	\$70.07	2 Story
	Average	1.07		\$232,750	2012	3,374	\$69.01	
	Median	1.14		\$233,000	2012	3,349	\$69.13	

Matched Pair Summary

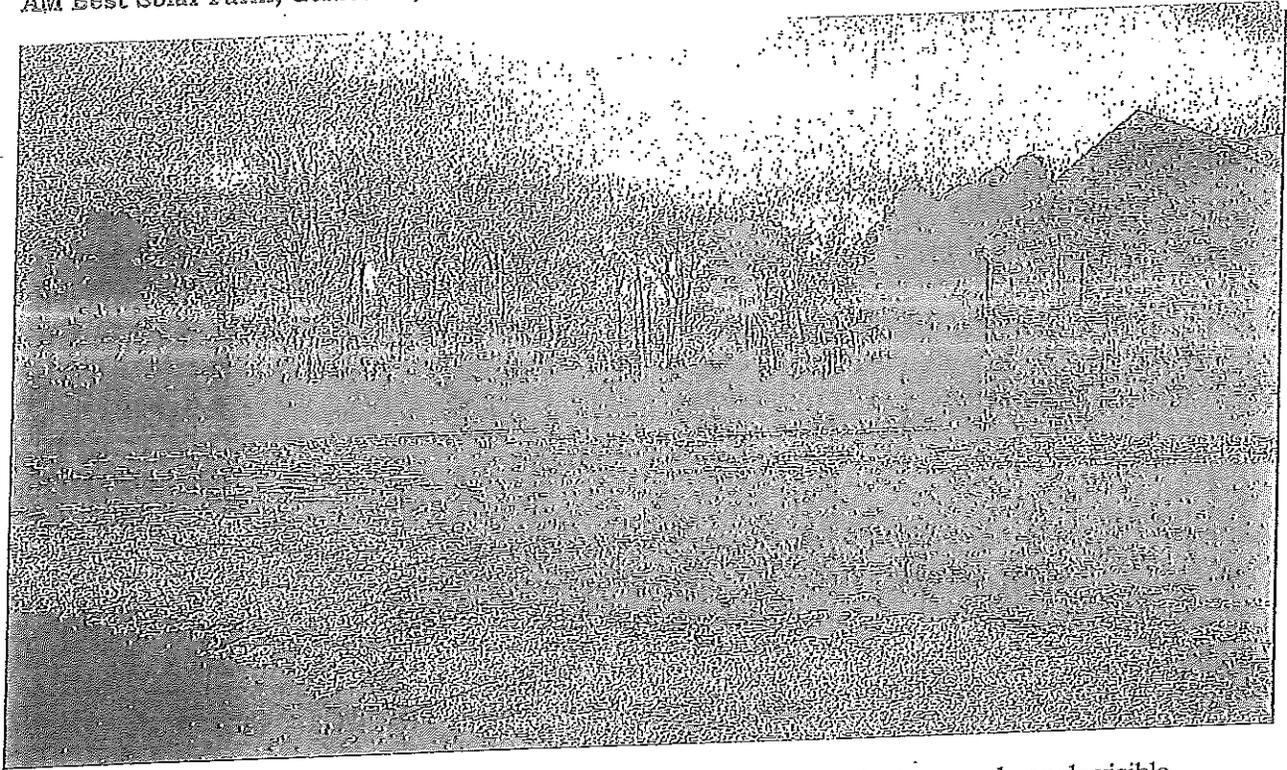
	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$253,600	\$253,000	\$246,000	\$249,000
Year Built	2013	2013	2014	2014
Size	3,418	3,400	3,189	3,346
Price/SF	\$74.27	\$74.41	\$77.85	\$74.46

Percentage Differences

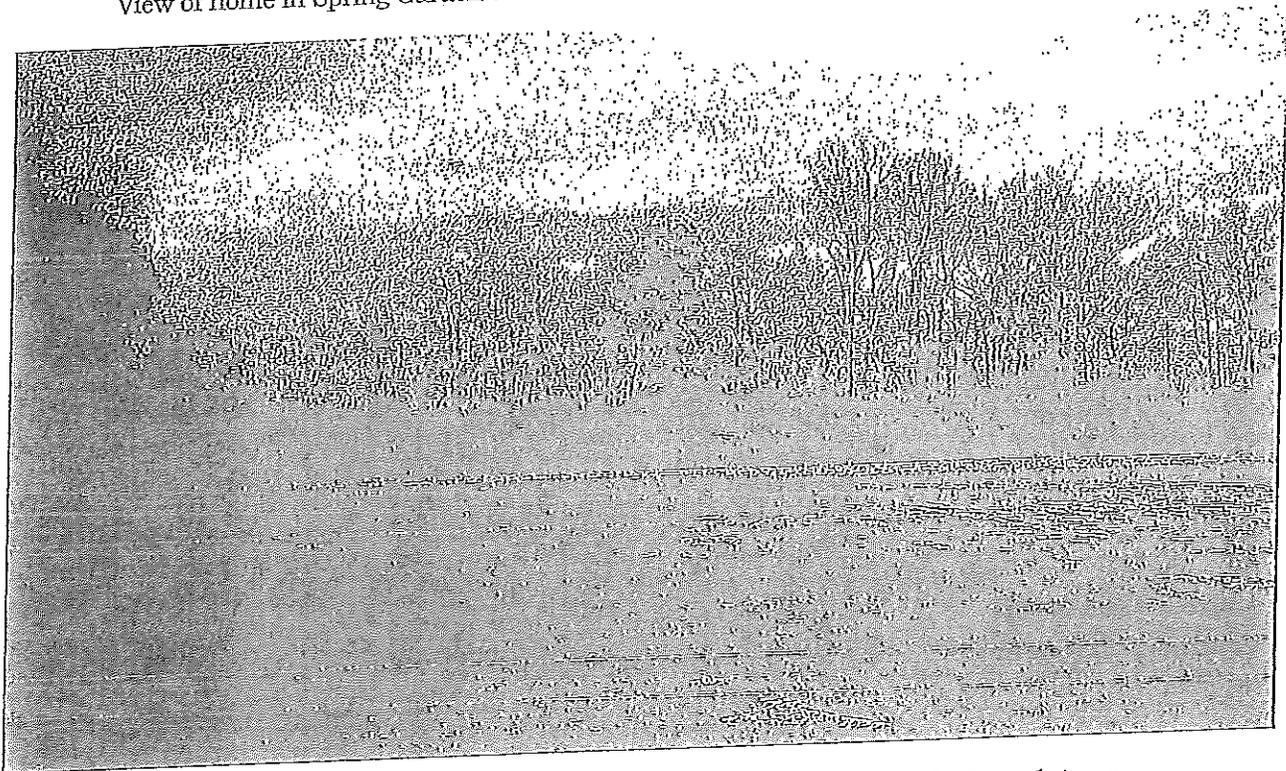
Median Price	-2%
Median Size	-2%
Median Price/SF	0%

The Median Price is the best indicator to follow in any analysis as it avoids outlying samples that would otherwise skew the results. The median sizes and median prices are all consistent throughout the sales both before and after the solar farm whether you look at sites adjoining or nearby to the solar farm. The average for the homes nearby the solar farm shows a smaller building size and a higher price per square foot. This reflects a common occurrence in real estate where the price per square foot goes up as the size goes down. This is similar to the discount you see in any market where there is a discount for buying larger volumes. So when you buy a 2 liter coke you pay less per ounce than if you buy a 16 oz. coke. So even comparing averages the indication is for no impact, but I rely on the median rates as the most reliable indication for any such analysis.

AM Best Solar Farm, Goldsboro, NC



View of home in Spring Garden with solar farm located through the trees and panels visible.



View from vacant lot at Spring Garden with solar farm panels visible through trees.

2. Matched Pair B - White Cross Solar Farm, Chapel Hill, NC

A new solar farm was built at 2159 White Cross Road in Chapel Hill, Orange County in 2013. After construction, the owner of the underlying land sold the balance of the tract not encumbered by the solar farm in July 2013 for \$265,000 for 47.20 acres, or \$5,606 per acre. This land adjoins the solar farm to the south and was clear cut of timber around 10 years ago. I compared this purchase to a nearby transfer of 59.09 acres of timber land just south along White Cross Road that sold in November 2010 for \$361,000, or \$6,109 per acre. After purchase, this land was divided into three mini farm tracts of 12 to 20 acres each. These rates are very similar and the difference in price per acre is attributed to the timber value and not any impact of the solar farm.

Type	TAX ID	Owner	Acres	Date	Price	\$/Acre	Notes	Conf By
Adjoins Solar	9748336770	Haggerty	47.20	Jul-13	\$265,000	\$5,614	Clear cut	Betty Cross, broker
Not Near Solar	9747184527	Purcell	59.09	Nov-10	\$361,000	\$6,109	Wooded	Dickie Andrews, broker

The difference in price is attributed to the trees on the older sale.

No impact noted for the adjacency to a solar farm according to the broker.

I looked at a number of other nearby land sales without proximity to a solar farm for this matched pair, but this land sale required the least allowance for differences in size, utility and location.

Matched Pair Summary

	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$5,614	\$5,614	\$6,109	\$6,109
Adjustment for Timber	\$500	\$500		
Adjusted	\$6,114	\$6,114	\$6,109	\$6,109
Tract Size	47.20	47.20	59.09	59.09
Percentage Differences				
Median Price Per Acre	0%			

This matched pair again supports the conclusion that adjacency to a solar farm has no impact on adjoining residential/agricultural land.

3. Matched Pair C - Wagstaff Farm, Roxboro, NC

This solar farm is located at the northeast corner of a 594-acre farm with approximately 30 acres of solar farm area. This solar farm was approved and constructed in 2013.

After approval, 18.82 acres were sold out of the parent tract to an adjoining owner to the south. This sale was at a similar price to nearby land to the east that sold in the same time from for the same price per acre as shown below.

Type	TAX ID	Owner	Acres	Present Use	Date Sold	Price	\$/AC
Adjoins Solar	0918-17-11-7960	Piedmont	18.82	Agricultural	8/19/2013	\$164,000	\$8,714
Not Near Solar	0918-00-75-9812 et al	Blackwell	14.88	Agricultural	12/27/2013	\$130,000	\$8,739

Matched Pair Summary

	Adjoins Solar Farm		Nearby Solar Farm	
	Average	Median	Average	Median
Sales Price	\$8,714	\$8,714	\$8,739	\$8,739
Tract Size	18.82	18.82	14.88	14.88

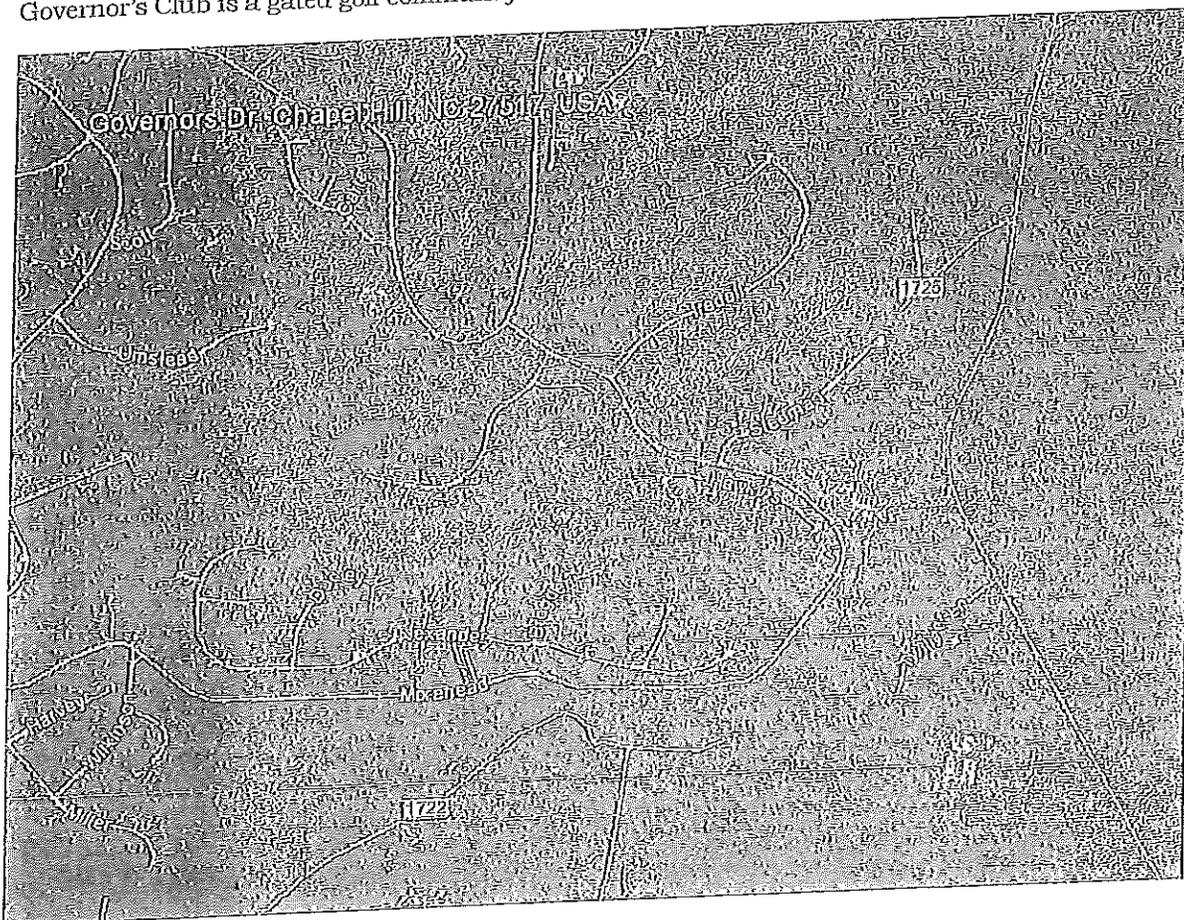
Percentage Differences

Median Price Per Acre 0%

This matched pair again supports the conclusion that adjacency to a solar farm has no impact on adjoining residential/agricultural land.

Harmony of Use/Compatibility of Use

I have visited over 40 solar farms and sites on which solar farms are proposed in North Carolina to determine what uses are compatible with a solar farm. The data I have collected and provide in this report strongly supports the compatibility of solar farms with adjoining agricultural and residential uses. While I have focused on adjoining uses, I note that there are many examples of solar farms being located within a quarter mile of residential developments, including such notable developments as Governor's Club in Chapel Hill, which has a solar farm within a quarter mile as you can see on the following aerial map. Governor's Club is a gated golf community with homes selling for \$300,000 to over \$2 million.



The subdivisions included in the matched pair analysis also show an acceptance of residential uses adjoining solar farms as a harmonious use.

Beyond these anecdotal references, I have quantified the adjoining uses for a number of solar farm comparables to derive a breakdown of the adjoining uses for each solar farm. The chart below shows the breakdown of adjoining uses by total acreage.

Percentage By Adjoining Acreage								All Res	All Comm
	Res	Ag	Res/AG	Parlc	Sub	Comm	Ind	Uses	Uses
1 Goldshoro	35%	23%	0%	0%	3%	2%	37%	61%	39%
2 Willow Springs	8%	26%	66%	0%	0%	0%	0%	100%	0%
3 Kings Mtn	3%	12%	4%	0%	0%	0%	82%	18%	82%
4 White Cross	5%	51%	44%	0%	0%	0%	0%	100%	0%
5 Two Lines	3%	87%	8%	0%	3%	0%	0%	100%	0%
6 Strata	0%	0%	0%	100%	0%	0%	0%	100%	0%
7 Avery	13%	40%	47%	0%	0%	0%	0%	100%	0%
8 Mayberry	24%	51%	0%	0%	0%	4%	20%	76%	24%
9 Progress I	0%	45%	4%	0%	0%	0%	50%	50%	50%
10 Progress II	1%	99%	0%	0%	0%	0%	0%	100%	0%
11 Sandy Cross	0%	0%	100%	0%	0%	0%	0%	100%	0%
12 Baldenboro	18%	59%	22%	0%	0%	0%	0%	100%	0%
13 Dement	33%	40%	27%	0%	0%	0%	0%	100%	0%
14 Vale Farm	1%	13%	86%	0%	0%	0%	0%	100%	0%
15 Eastover	0%	0%	0%	0%	0%	0%	0%	0%	0%
16 Wagstaff	7%	89%	4%	0%	0%	0%	0%	100%	0%
17 Roxboro	1%	93%	5%	0%	0%	0%	1%	99%	1%
18 McCallum	5%	93%	1%	0%	0%	0%	0%	100%	0%
19 Vickers	21%	58%	13%	0%	0%	2%	6%	92%	8%
20 Stout	52%	38%	0%	0%	0%	0%	10%	90%	10%
21 Mile	0%	36%	45%	0%	0%	0%	18%	82%	18%
22 Sun Fish	19%	57%	23%	0%	0%	0%	0%	100%	0%
23 Freemont	0%	100%	0%	0%	0%	0%	0%	100%	0%
24 Yadkin 601	4%	45%	51%	0%	0%	0%	0%	100%	0%
25 Battleboro	2%	75%	23%	0%	0%	0%	0%	100%	0%
26 Greenville 2	1%	98%	0%	0%	1%	0%	0%	100%	0%
27 Parmele Farm	2%	86%	12%	0%	0%	0%	0%	100%	0%
28 Erwin	63%	9%	0%	0%	22%	2%	3%	94%	6%
29 Star Solar	6%	94%	0%	0%	0%	0%	0%	100%	0%
30 Morgans Corner N	29%	70%	0%	0%	1%	0%	0%	100%	0%
31 Morgans Corner S	16%	84%	0%	0%	0%	0%	0%	100%	0%
32 Whitakers	2%	94%	4%	0%	0%	0%	0%	100%	0%
33 Binks	15%	78%	6%	0%	0%	0%	0%	100%	0%
Average	12%	56%	18%	3%	1%	0%	7%	90%	7%
Median	5%	57%	4%	0%	0%	0%	0%	100%	0%
High	63%	100%	100%	100%	22%	4%	82%	100%	82%
Low	0%	0%	0%	0%	0%	0%	0%	0%	0%

Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.

I have also included a breakdown of each solar farm by number of adjoining parcels rather than acreage. Using both factors provides a more complete picture of the neighboring properties.

Percentage By Number of Parcels Adjoining								All Res	All Comm
	Res	Ag	Res/AG	Part	Sub	Comm	Ind	Uses	Uses
1	Goldshoro	47%	3%	0%	0%	3%	43%	53%	47%
2	Willow Springs	42%	37%	21%	0%	0%	0%	100%	0%
3	Kings Mtn	40%	30%	10%	0%	0%	20%	80%	20%
4	White Cross	33%	20%	40%	0%	7%	0%	100%	0%
5	Two Lines	38%	46%	8%	0%	8%	0%	100%	0%
6	Strata	71%	0%	14%	14%	0%	0%	100%	0%
7	Avery	50%	38%	13%	0%	0%	0%	100%	0%
8	Mayberry	42%	8%	0%	0%	0%	25%	50%	50%
9	Progress I	0%	50%	25%	0%	0%	25%	75%	25%
10	Progress II	20%	80%	0%	0%	0%	0%	100%	0%
11	Sandy Cross	17%	0%	83%	0%	0%	0%	100%	0%
12	Bladenboro	62%	28%	7%	0%	3%	0%	100%	0%
13	Dement	83%	6%	11%	0%	0%	0%	100%	0%
14	Vale Farm	10%	20%	70%	0%	0%	0%	100%	0%
15	Eastover	0%	0%	0%	0%	0%	0%	0%	0%
16	Wagstaff	65%	30%	3%	0%	0%	3%	98%	3%
17	Roxboro	33%	50%	8%	0%	0%	8%	92%	8%
18	McCallum	77%	15%	4%	0%	0%	4%	96%	4%
19	Vickers	47%	32%	5%	0%	0%	5%	84%	16%
20	Stout	78%	6%	0%	0%	0%	17%	83%	17%
21	Mile	0%	36%	45%	0%	0%	18%	82%	18%
22	Sun Fish	78%	4%	17%	0%	0%	0%	100%	0%
23	Freemont	14%	86%	0%	0%	0%	0%	100%	0%
24	Yadkin 601	44%	28%	28%	0%	0%	0%	100%	0%
25	Battleboro	53%	33%	7%	0%	7%	0%	100%	0%
26	Greenville 2	38%	50%	0%	0%	13%	0%	100%	0%
27	Parmele Farm	21%	68%	5%	0%	5%	0%	76%	24%
28	Erwin	67%	5%	0%	0%	5%	19%	100%	0%
29	Star Solar	38%	63%	0%	0%	0%	0%	100%	0%
30	Morgans Corner N	71%	19%	0%	0%	5%	0%	95%	5%
31	Morgans Corner S	69%	31%	0%	0%	0%	0%	100%	0%
32	Whitakers	71%	24%	6%	0%	0%	0%	100%	0%
33	Blinks	90%	5%	5%	0%	0%	0%	100%	0%
Average									
		46%	29%	19%	0%	2%	2%	90%	7%
Median									
		44%	28%	6%	0%	0%	0%	100%	0%
High									
		90%	86%	83%	14%	13%	25%	100%	50%
Low									
		0%	0%	0%	0%	0%	0%	0%	0%

Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.

Both of the above charts show a marked residential and agricultural adjoining use for most solar farms. Every single solar farm considered included an adjoining residential use except for Progress I, which included an adjoining residential/agricultural use. These comparable solar farms clearly support a compatibility with adjoining residential uses along with agricultural uses.

III. Specific Factors on Harmony of Use

1. Appearance

Solar farm panels have no associated stigma at this time and in smaller collections are found in yards and roofs in many residential communities. Larger solar farms using fixed panels are a passive use of the land that is considered in keeping with a rural/residential area. As shown below, solar farms are comparable to larger greenhouses. This is not surprising given that a greenhouse is essentially another method for collecting passive solar energy. The greenhouse use is well received in residential/rural areas and has a similar visual impact as a solar farm.



The fixed solar panels are all less than 12 feet high, which means that the visual impact of the solar panels will be similar in height to a typical greenhouse or lower than a single story residential dwelling. This property could be developed with single family housing that would have a much greater visual impact on the surrounding area given that a two-story home with attic could be four times as high as these proposed panels. The panels will be located behind a chain link fence.

2. Noise

The proposed solar panels will be fixed and will not move to follow the sun. These are passive, fixed solar panels with no associated noise. The transformer reportedly has a hum that can only be heard in close proximity to this transformer and the buffers on the property are sufficient to make this hum inaudible from the adjoining properties.

There will be minimal onsite traffic generating additional noise.

The various solar farms that I have inspected were inaudible from the roadways. I heard nothing on any of these sites associated with the solar farm.

3. Odor

The solar panels give off no odor of which I am aware.

The various solar farms that I have inspected and identified in the addenda produced no noticeable odor off site.

4. Traffic

The solar farm will have no onsite employee's or staff. Maintenance of the site is minimal and relative to other potential uses of the site, such as a residential subdivision. The additional traffic on this site is insignificant.

5. Hazardous material

The solar farm presents no potential hazardous waste byproduct as part of normal operation. Any fertilizer, weed control, vehicular traffic, or construction will be significantly less than typically applied in a residential development or even most agricultural uses.

The various solar farms that I have inspected and identified in the addenda have no known pending environmental impacts associated with the development and operation.

6. Conclusion

On the basis of the factors described above, it is my professional opinion that the proposed solar farm will be in harmony with the area in which it is to be developed in Pasquotank County.

IV. Market Commentary

I have surveyed a number of builders, developers and investors regarding solar farms over the last year. I have received favorable feedback from a variety of sources; below are excerpts from my conversations with different clients or other real estate professionals.

I spoke with Betty Cross with Keller Williams Realty in Chapel Hill, who sold the tract of land adjoining the White Cross Road solar farm. She indicated that the solar farm was not considered a negative factor in marketing the property and that it had no impact on the final price paid for the land.

I spoke with Lynn Hayes a broker with Berkshire Hathaway who sold a home at the entrance to Pickards Mountain where the home exits onto the Pickard Mountain Eco Institute's small solar farm. This property is located in rural Orange County west of Chapel Hill. This home closed in January 2014 for \$735,000. According to Ms. Hayes the buyer was excited to be living near the Eco Institute and considered the solar farm to be a positive sign for the area. There are currently a number of 10 acre plus lots in Pickards Meadow behind this house with lots on the market for \$200,000 to \$250,000.

A new solar farm was built on Zion Church Road, Hickory at the Two Lines Solar Farm on the Punch property. After construction of the solar farm in 2013, an adjoining tract of land with 88.18 acres sold for \$250,000, or \$2,835 per acre. This was a highly irregular tract of land with significant tree cover between it and the solar farm. I have compared this to a current listing of 20.39 acres of land that is located southeast just a little ways from this solar farm. This land is on the market for \$69,000, or \$3,428 per acre. Generally, a smaller tract of land would be listed for more per acre. Considering a size adjustment of 5% per doubling in size, and a 10% discount for the likely drop in the closed price off of the asking price, I

derive an indicated value per acre of the smaller tract of \$2,777 per acre. This is very similar to the recently closed sale adjoining the solar farm, which further supports the matched pair analysis earlier in this report.

Rex Vick with Windjam Developers has a subdivision in Chatham County off Mt. Gilead Church Road known as The Hamptons. Home prices in The Hamptons start at \$600,000 with homes over \$1,000,000. Mr. Vick expressed interest in the possibility of including a solar farm section to the development as a possible additional marketing tool for the project.

Mr. Eddie Bacon, out of Apex North Carolina, has inherited a sizeable amount of family and agricultural land, and he has expressed interest in using a solar farm as a method of preserving the land for his children and grandchildren while still deriving a useful income from the property. He believes that solar panels would not in any way diminish the value for this adjoining land.

I spoke with Carolyn Craig, a Realtor in Kinston, North Carolina who is familiar with the Strata Solar Farms in the area. She noted that a solar farm in the area would be positive: "A solar farm is color coordinated and looks nice." "A solar farm is better than a turkey farm," which is allowed in that area. She would not expect a solar farm will have any impact on adjoining home prices in the area.

Mr. Michael Edwards, a broker and developer in Raleigh, indicated that a passive solar farm would be a great enhancement to adjoining property: "You never know what might be put on that land next door. There is no noise with a solar farm like there is with a new subdivision."

These are just excerpts I've noted in my conversations with different clients or other real estate participants that provided other thoughts on the subject that seemed applicable.

V. Conclusion

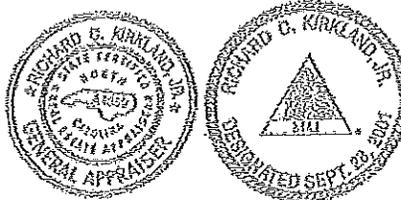
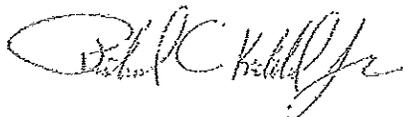
The matched pair analysis shows no impact in home values due to the adjacency to the solar farm as well as no impact to adjacent vacant residential or agricultural land. The solar farm at Pickards Mountain Eco Institute shows no impact on lot and home marketing nearby. The criteria for making downward adjustments on property values such as appearance, noise, odor, and traffic all indicate that a solar farm is a compatible use for a rural/residential transition area.

Similar solar farms have been approved adjoining agricultural uses and residential developments. The adjoining residential uses have included single family homes up to \$260,000 on lots as small as 0.74 acres. The solar farm at the Pickards Mountain Eco Institute adjoins a home that sold in January 2014 for \$735,000 and in proximity to lots being sold for \$200,000 to \$250,000 for homes over a million dollars. A recent sale in Chapel Hill adjoining a solar farm shows no impact. Clearly, adjoining agricultural uses are consistent with a solar farm.

Based on the data and analysis in this report, it is my professional opinion that the solar farm proposed at the subject property will not substantially injure the value of adjoining or abutting property and that the proposed use is in harmony with the surrounding area.

If you have any further questions please call me any time.

Sincerely,



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

- ❖ The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property would sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market value, as defined herein, is an opinion of the probable price that is obtainable in a market free of abnormal influences.
- ❖ I do not assume any responsibility for the legal description provided or for matters pertaining to legal or title considerations. I assume that the title to the property is good and marketable unless otherwise stated.
- ❖ I am appraising the property as though free and clear of any and all liens or encumbrances unless otherwise stated.
- ❖ I assume that the property is under responsible ownership and competent property management.
- ❖ I believe the information furnished by others is reliable, but I give no warranty for its accuracy.
- ❖ I have made no survey or engineering study of the property and assume no responsibility for such matters. All engineering studies prepared by others are assumed to be correct. The plot plans, surveys, sketches and any other illustrative material in this report are included only to help the reader visualize the property. The illustrative material should not be considered to be scaled accurately for size.
- ❖ I assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. I take no responsibility for such conditions or for obtaining the engineering studies that may be required to discover them.
- ❖ I assume that the property is in full compliance with all applicable federal, state, and local laws, including environmental regulations, unless the lack of compliance is stated, described, and considered in this appraisal report.
- ❖ I assume that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in this appraisal report.
- ❖ I assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- ❖ I assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- ❖ I am not qualified to detect the presence of floodplain or wetlands. Any information presented in this report related to these characteristics is for this analysis only. The presence of floodplain or wetlands may affect the value of the property. If the presence of floodplain or wetlands is suspected the property owner would be advised to seek professional engineering assistance.
- ❖ For this appraisal, I assume that no hazardous substances or conditions are present in or on the property. Such substances or conditions could include but are not limited to asbestos, urea-formaldehyde foam insulation, polychlorinated biphenyls (PCBs), petroleum leakage or underground storage tanks, electromagnetic fields, or agricultural chemicals. I have no knowledge of any such materials or conditions unless otherwise stated. I make no claim of technical knowledge with regard to testing for or identifying such hazardous materials or conditions. The presence of such materials, substances or conditions could affect the value of the property. However, the values estimated in this report are predicated on the assumption that there are no such materials or conditions in, on or in close enough proximity to the property to cause a loss in value. The client is urged to retain an expert in this field, if desired.
- ❖ Unless otherwise stated in this report the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the

Americans with Disabilities Act (effective 1/26/92). The presence of architectural and/or communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

- ❖ Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- ❖ Possession of this report, or a copy thereof, does not carry with it the right of publication.
- ❖ I have no obligation, by reason of this appraisal, to give further consultation or testimony or to be in attendance in court with reference to the property in question unless further arrangements have been made regarding compensation to Kirkland Appraisals, LLC.
- ❖ Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of Kirkland Appraisals, LLC, and then only with proper qualifications.
- ❖ Any value estimates provided in this report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
- ❖ Any income and expenses estimated in this report are for the purposes of this analysis only and should not be considered predictions of future operating results.
- ❖ This report is not intended to include an estimate of any personal property contained in or on the property, unless otherwise stated.
- ❖ This report is subject to the Code of Professional Ethics of the Appraisal Institute and complies with the requirements of the State of North Carolina for State Certified General Appraisers. This report is subject to the certification, definitions, and assumptions and limiting conditions set forth herein.
- ❖ The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- ❖ This is a Real Property Appraisal Consulting Assignment.

Certification - Richard C. Kirkland, Jr., MAI

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 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 with this assignment;
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal;
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
10. I have made a personal inspection of the property that is the subject of this report, and;
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. As of the date of this report I have completed the requirements of the continuing education program of the Appraisal Institute;
13. I have not appraised this property within the last three years.

Disclosure of the contents of this appraisal report is governed by the bylaws and regulations of the Appraisal Institute and the National Association of Realtors.

Neither all nor any part of the contents of this appraisal report shall be disseminated to the public through advertising media, public relations media, news media, or any other public means of communications without the prior written consent and approval of the undersigned.



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser





Kirkland Appraisals, LLC

Richard C. Kirkland, Jr., MAI
9408 Northfield Court
Raleigh, North Carolina 27603
Mobile (919) 414-6142
rkirkland@email.com
www.kirklandappraisals.com

PROFESSIONAL EXPERIENCE

Kirkland Appraisals, LLC, Raleigh, N.C. Commercial appraiser	2003 - Present
Hester & Company, Raleigh, N.C. Commercial appraiser	1996 - 2003

PROFESSIONAL AFFILIATIONS

MAI (Member, Appraisal Institute) designation #11796	2001
NC State Certified General Appraiser #A4359	1999

EDUCATION

Bachelor of Arts in English, University of North Carolina, Chapel Hill	1993
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CONTINUING EDUCATION

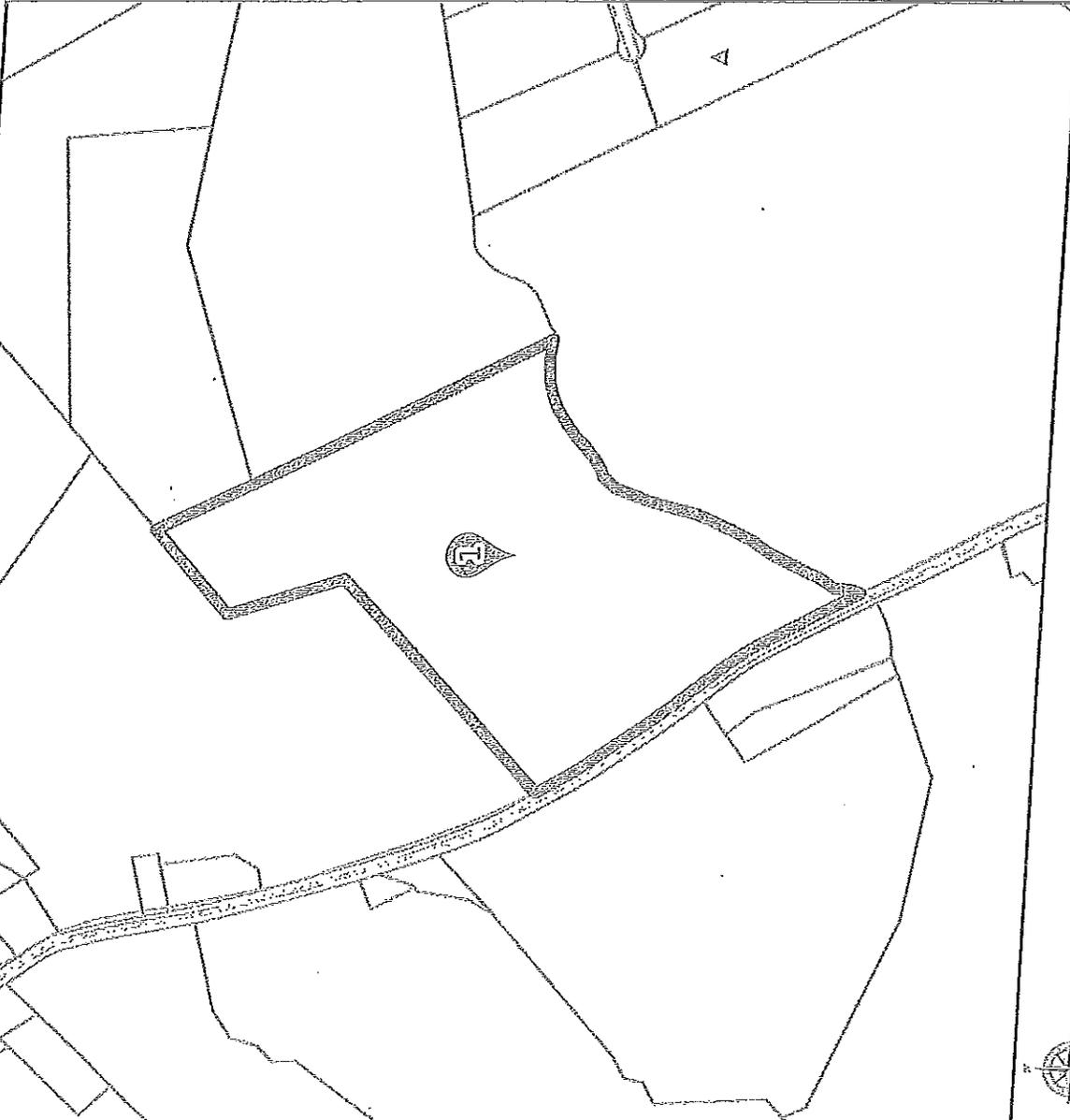
Business Practices and Ethics	2014
Online Subdivision Valuation	2014
Uniform Standards of Professional Appraisal Practice Update	2014
Introduction to Vineyard and Winery Valuation	2013
Appraising Rural Residential Properties	2012
Uniform Standards of Professional Appraisal Practice Update	2012
Supervisors/Trainers	2011
Rates and Ratios: Making sense of CIMS, CAEs, and DCFs	2011
Advanced Internet Search Strategies	2011
Analyzing Distressed Real Estate	2011
Uniform Standards of Professional Appraisal Practice Update	2011
Business Practices and Ethics	2011
Appraisal Curriculum Overview (2 Days - General)	2009
Appraisal Review - General	2009
Uniform Standards of Professional Appraisal Practice Update	2008
Subdivision Valuation: A Comprehensive Guide	2008
Office Building Valuation: A Contemporary Perspective	2008
Valuation of Detrimental Conditions in Real Estate	2007
The Appraisal of Small Subdivisions	2007
Uniform Standards of Professional Appraisal Practice Update	2006
Evaluating Commercial Construction	2005
Conservation Easements	2005
Uniform Standards of Professional Appraisal Practice Update	2004
Condemnation Appraising	2004
Land Valuation Adjustment Procedures	2004
Supporting Capitalization Rates	2004
Uniform Standards of Professional Appraisal Practice, C	2002
Wells and Septic Systems and Wastewater Irrigation Systems	2002
Appraisals 2002	2002
Analyzing Commercial Lease Clauses	2002
Conservation Easements	2000
Preparation for Litigation	2000
Appraisal of Nonconforming Uses	2000
Advanced Applications	2000
Highest and Best Use and Market Analysis	1999
Advanced Sales Comparison and Cost Approaches	1999
Advanced Income Capitalization	1999
Valuation of Detrimental Conditions in Real Estate	1999
Report Writing and Valuation Analysis	1999
Property Tax Values and Appeals	1997
Uniform Standards of Professional Appraisal Practice, A & B	1997
Basic Income Capitalization	1995

*** DISCLAIMER ***

Johnston County assumes no legal responsibility for the information represented here.

Result 1

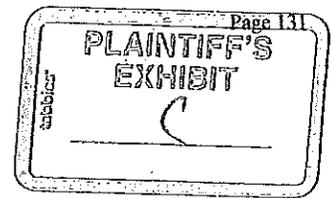
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 Tax Unique Id: 4192346
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 Mapsheet No: 2606
 Owner Name 1: ROBERTS & WELLONS
 Owner Name 2:
 Mail Address 1: P O BOX 299
 Mail Address 2:
 Mail Address 3: SMITHFIELD, NC 27577-0000
 Site Address 1: 5840 BUFFALO RD
 Site Address 2: SELMA, NC 27576-
 Book: 00561
 Page: 0113
 Market Value: 253410
 Assessed Acreage: 50
 Calc. Acreage: 40.47
 Sales Price: 0
 Sale Date: 1958-01-01



Scale: 1:7507 - 1 in. = 625.59 feet

(The scale is only accurate when printed landscape on a 8 1/2 x 11 size sheet with no page scaling.)

Red Toad, Inc.



Decommissioning Plan

Decommission Plan for Red Toad 5840 Buffalo Road, LLC

Date: April 22, 2015

Prepared and Submitted by Red Toad 5840 Buffalo Road, LLC

As requested required by the Town of Selma NC as a condition of the Special Use Permit, Red Toad 5840 Buffalo Road, LLC presents the decommissioning plan.

Decommissioning will occur as a result of any of the following conditions:

1. The land lease ends
2. The system does not produce power for 12 months
3. The system is damaged and will not be repaired or replaced

The operator of the facility will do the following as a minimum to decommission the project.

1. Remove all non-utility owned equipment, conduits, structures, and foundations to a depth of at least three feet below grade.
2. Remove all graveled areas, access roads and fencing unless the owner of the leased real estate requests in writing for it to stay in place.
3. Restore the land to its condition before the solar farm development.

All said removal and decommissioning shall occur within 12 months of the facility ceasing to produce power for sale.

The operator of the farm, currently Red Toad 5840 Buffalo Road, LLC, is responsible for this decommissioning. The land lease shall run for 15 years beginning at the system commercial operation date with three optional 5 year extensions.

This plan may be modified from time to time with Town/County planning staff approval. Any updates will be submitted to the Town of Selma NC by the party responsible for decommissioning.

Signature: _____

A handwritten signature in black ink, appearing to be "Reynaldo Rodriguez", written over a horizontal line.

Date: April 22, 2015

For: Reynaldo Rodriguez

Title: Managing Member



Letter of Intent to Lease Land (Amendment)

We are pleased to submit this Amendment to the Letter of Intent to you in connection with the lease of certain land located at 5840 Buffalo Rd. Selma, NC 27576 owned by Roberts & Wellons.

We are interested in installing an approximately 2 megawatt AC ("MW") solar energy system and we would insure and maintain such system with no cost or liability to you. The terms contained herein are not comprehensive and we expect that additional terms, including insurance coverage, reasonable warranties and representations, will be incorporated into a formal ground lease agreement (the "Formal Agreement"). The basic terms are as follows:

1. Lessee: The Lessee shall be Red Toad 5840 Buffalo Road, LLC, which installs and operates photovoltaic ("PV") generating facilities.
2. Lessor: The Lessors shall be Roberts & Wellons, see owners above.
3. Premises. The premises which is the subject of this Letter of Intent is the 15 acres towards the rear of the property, as delineated in Exhibit 1, NCPIN260660-73-5128.
4. Use of Premises. The Lessor hereby acknowledges and agrees that the Lessee intends to install and operate a ground mount photovoltaic generating facility at the property. Lessor acknowledges and agrees Lessee will install an 8' perimeter fence around the lease area to secure the improvements and the Lessor will be able to utilize the remaining land not used by the Lessee's facility. Lessee shall notify Lessor of the specific area of the property that shall be utilized for placement of the solar system on or before December 30, 2014.
5. Rent. During the term of the Lease, the Lessee shall pay to the Lessor annual rent in the amount of \$760 per utilized acre, with rent commencing at the start of construction on site. The rent shall be subject to a 1.5% escalator every 3 years. Any additional real estate taxes incurred that are solely related to the solar system shall be paid by Lessee. Any roll-back taxes shall be paid by Lessee capped at \$3,000.
6. Term. The term of this lease shall be for a period of fifteen (15) years beginning on the Operational Date of the solar system. Each such term may be extended, at the option of the Lessee, for up to three five year extension terms.
7. Condition Precedent. The obligation of the Lessee to enter into the Ground will be subject to the approval of the final agreement of project details between Lessee and Lessor, the Town, County of Johnston, owners being vested with marketable fee simple title sufficient to grant to Lessee the easements and leasehold rights described herein without encumbrance and approval by Duke Progress Energy of the solar application and associated interconnection studies. Within thirty (30) business days from the Lessee's receipt of notification of application the Lessee and the Lessor shall work towards executing the Ground Lease and Easement Agreement.
8. Binding Obligation. It is intended that this Letter of Intent shall be subject to the condition

precedent set forth in Paragraph 7 above, constitute a binding obligation between the Lessor and the Lessee. At such time as the condition precedent set forth in Paragraph 7 above has been satisfied, Lessor and Lessee shall complete the Ground Lease.

9. Confidentiality: All negotiations regarding the Ground Lease will be confidential and will not be disclosed to anyone other than respective advisors and internal staff of the parties. No press or other publicity release will be issued to the general public concerning the proposed Lease Agreement.

10. Exclusive Opportunity. Following the execution of this Letter of Intent, the Lessor will not offer the Premises for lease or sale to any other party until the time herein provided for the execution and/or settlement of the formal Ground Lease has expired.

11. Acceptance: If you are agreeable to the foregoing terms, please sign and return a duplicate copy of this Letter of Intent (which may be executed in counterparts, each of which shall be deemed an original) by no later than August 15, 2014. This LOI shall expire on August 15, 2015, unless otherwise extended and agreed upon by both parties in writing. The LOI may be further extended upon mutual agreement.

Sincerely,

AGREED AND ACCEPTED:


By: Alex Wilton

Printed Name:

Date: 11/11/2014


By: Reynalda Rodriguez

Printed Name: Reynalda Rodriguez

Date: 11/11/2014

DRAFT

SELMA TOWN COUNCIL MOTION AND FINDINGS OF FACT
SUP 5.1.15

On July 14, 2015, the Selma Town Council conducted a quasi-judicial public hearing on Special Use Permit request submitted by Narenco/Michael Cox and property owner Roberts and Wellons, Inc. for a solar farm on a proposed 39 acre lot on the east side of Yelverton Grove Road, Smithfield. The property is referenced as Johnston County Tag ID #14L10050.

After deliberation, _____ moved to approve the following findings of fact. The motion was seconded by _____ and approved by a ___ to ___ vote.

1. **All applicable specific conditions pertaining to the proposed use have been or will be satisfied;**

The applicant has submitted into evidence a copy of an updated site plan depicting vegetative buffer, vicinity maps, 10' contour map, wetland map, map of existing utility poles, an affidavit of publication from the NCUC, -CPNC, FERC-CF, FAA approval, Interconnection Estimate, received approval on Exempt Plat for proposed 39 acre lot, and have applied for a NC Department of Transportation driveway permit. The site plan has been reviewed by the Selma Fire Chief, Pine Level Fire Chief, Public Works Director, Electric Director, Planning Director and NC Department of Transportation.

2. **Access roads or entrance and exit drives are or will be sufficient in size and properly located to ensure automotive and pedestrian safety and convenience, traffic flow, and control and access in case of fire or other emergency;**

Entrance/exit drives location have received preliminary approval by NC Department of Transportation; driveway permit applied for with NC Department of Transportation; and the site plan has been approved by the Pine Level Fire Chief. Entrance and exit drives will be sufficient in size and properly located to ensure automotive and pedestrian safety and convenience. Site accommodates traffic flow, control and access in case of fire other emergency.

3. **All necessary public and private facilities and services will be adequate to handle the proposed use;**

Solar Farms are limited in their public needs requiring only power lines. The solar farm will not need any public improvements from the City of Selma. The site also meets all of the company's needs.

4. The location and arrangement of the use on the site, screening, buffering, landscaping, and pedestrian ways will not impair the integrity or character of adjoining properties and the general area and minimize adverse impacts to public health, safety, and general welfare.

Screening along the road has been designed to exceed opacity requirements, and is intended to protect/buffer any neighbors from what they might believe to be an ugly site. The solar farm will not have any adverse impact to the public health, safety and general welfare. The solar farm does not produce heat or impact FAA with glare. The site is designed to meet the requirements of the applicable special use permit ordinance requirements.

5. The use or development conforms to general plans for the physical development of the Town's planning jurisdiction as embodied in this chapter, the Town's land use plan, or other development policies as adopted by the Town Council.

The solar farm conforms to all requirements listed in the Selma Municipal Code pertaining to solar farms. The site plan complies with setbacks, height requirements, site plan specifications and all other requirements.

Based on the above, a motion was made by _____ and seconded by _____ to approve the special use permit conditioned upon: (1) grass/weeds on site not to exceed 10", (2) landscape buffer to be in place prior to the commencement of the solar farm operation; and that the landscape buffer, as depicted on the revised site plan, approved by the Planning Director, be maintained; (3) provide a copy of the NC Department of Transportation Drive permit.

The motion was approved by a ___ to ___ vote.

Planning Director Julie Maybee

Again, this property is located on the eastside of Yelverton Grove Road. I've included a copy of this in your staff report, but again, 70 By-Pass, and this property does go all the way up to Highway 70 By-Pass. It has been subdivided out. The plat has been recorded in the Register of Deeds Office for a 39-acre parcel that is cut out of a larger track. It is owned by Roberts and Wellons, Inc. The proper is located in the Town's extraterritorial jurisdiction. It is zoned R-20. Because it is zoned R-20, a solar farm is a special use permit in t

hat zoning district. In accordance with ordinance provisions, when considering a special use permit, you need to have a quasi-judicial public hearing, as we are here tonight. We will bring background information. The site plan has been reviewed by the Pine Level Fire Department and has been approved as well, because this is your jurisdiction. Public Works and Electric Director, and myself, and, also the North Carolina Department of Transportation. The entrance location on Yelverton Road has been approved by the North Carolina Department of Transportation. It is important to have that done because the whole site design depends on the location of the access. As far as the proposed subdivision, it does comply with the Town of Selma's subdivision regulations. It is an exempt plat. No employees will work on site after the installation is complete. It is not located within a protective water supply watershed. According to the Future Land Use Plan maps, the property is located in an area designated as residential. As to ordinances right now, it is consistent with the Comprehensive Land Use Plan. Again the area that is outlined in blue off Yelverton Grove Road that is the 39-acre lot. Just looking at the site plan. It does require buffering around the perimeter of the site. It is zoned R-20. The Future Land Use is showing it as R-20. The solar farm does not have wetlands on it. Just looking at some aerial vicinity photographs. It is primarily agricultural, rural, residential uses. There are some residents in the area. A lot of farmlands. As far as site specific information, it will be screened by planting a combination of Leyland Cypress and Nellie Holly Stevens, not outdoor lighting, electrical wiring used in the system will be trenched underground except for the interconnection point, RBI will be the racking manufacturer, and the entire system will not be taller than 12' 3 1/2". The reason I mention these things is because of conditions of special use permits this information needs to be provided. They do have conditional approval from Duke for pricing to interconnect; and have met them on site, and they are proceeding with the Power Purchase Agreement. As far as their impervious surface, it does comply with our ordinance provisions. It is not within a protected watershed. The inverter noise level measured at the property line will be less than 40 db. The solar farm and its components will comply with all the North Carolina State Building Code requirements and the Electrical Code. There will be no solar farm easements. There will be a disconnect switch along Yelverton Grove Road. I've included for your

consideration a draft motion. I would also like to mention that the Planning Board did consider this request at their May 26, 2015 meeting. The Planning Board recommended to adopt the applicant's findings of facts, and recommended approval of the special use permit contingent upon the site plan specifying buffering details, approval from the departments, a driveway permit from the NCDOT, and that the grass be maintained. If you have any questions, I'll be glad to answer them.

Councilmember William Overby

Can you kind of talk on that?

Planning Director Julie Maybee

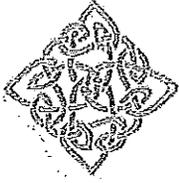
That is the entire tract that is owned by Roberts and Wellons, Inc., and it is right behind the staff report. That is the property from which the 39-acre was subdivided out of. The 39-acre lot was cut out and recorded today.

Mayor Cheryl Oliver

Any more discussion or questions for Ms. Maybee? If not, we will move to the applicant comments.

Attorney Kirkland Odom, 377 Barrett Lane, Wendell, NC 27591

I first would like to present evidence A through D into evidence.

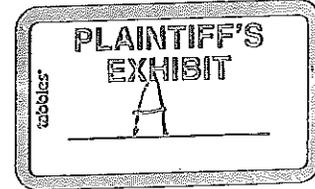


Kirkland Appraisals, LLC

Richard C. Kirkland, Jr., MAI
9408 Northfield Court
Raleigh, North Carolina 27603
Phone (919) 414-8142
rkirkland2@gmail.com
www.kirklandappraisals.com

July 8, 2015

Mr. R. Michael Cox
National Renewable Energy Corporation
227-B Southside Drive
Charlotte, North Carolina 28217



Dear Mr. Cox:

At your request, I have considered the likely impact of a solar farm proposed to be constructed on a 34.85-acres out of a parent tract of 241.74 acres of land located on Yelverton Grove Road, in Selma, Johnston County, North Carolina. Specifically, I have been asked to give my professional opinion on whether the proposed solar farm will "maintain, enhance or diminish adjoining or contiguous property values" and whether "the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located."

To form an opinion on these issues, I have researched and visited existing and proposed solar farms in North Carolina, researched articles through the Appraisal Institute and other studies, and discussed the likely impact with other real estate professionals. I have not been asked to assign any value to any specific property.

This letter is a limited report of a real property appraisal consulting assignment and subject to the limiting conditions attached to this letter. My client is National Renewable Energy Corporation, represented to me by Mr. R. Michael Cox. My findings support the Conditional Use Permit application. The effective date of this consultation is July 7, 2015, the date of my inspection of the property and surrounding area.

Proposed Use Description

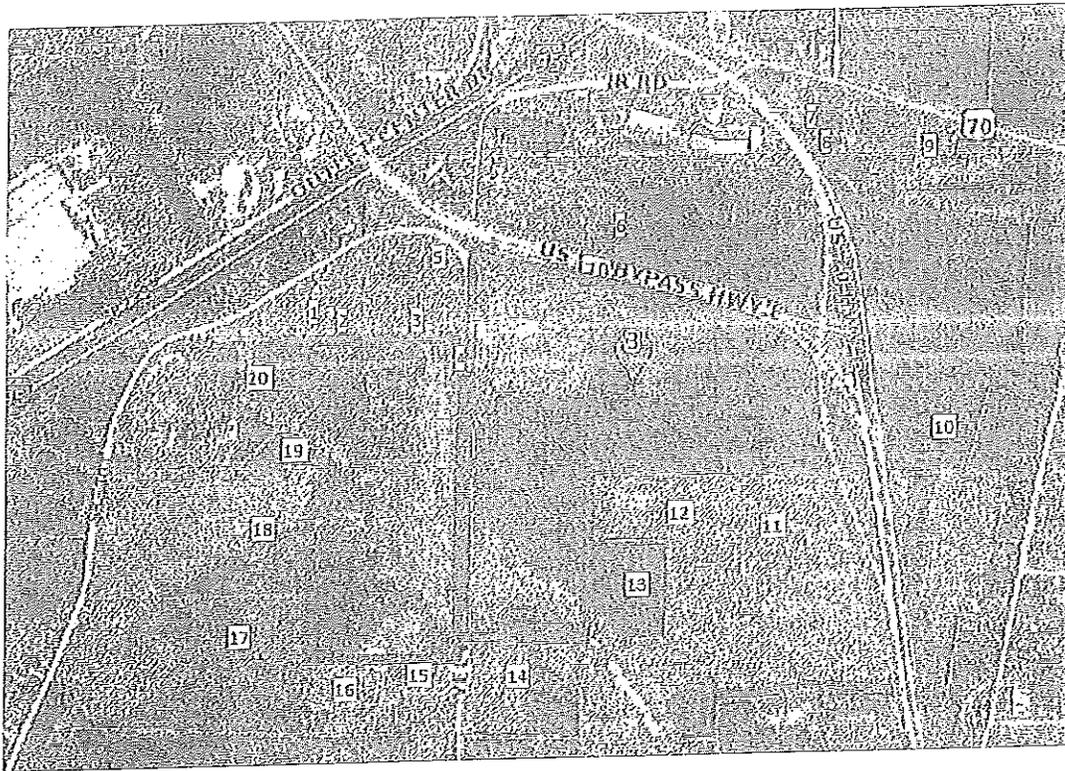
The proposed solar farm proposed to be constructed on a 34.85-acres out of a parent tract of 241.74 acres of land located on Yelverton Grove Road, in Selma, Johnston County, North Carolina.

Adjoining land is primarily a mix of agricultural and residential uses. Solar farms in NC are predominately located in residential/agricultural districts as outlined later in this report.

I have considered adjoining uses and included a map to identify each parcel's location. The breakdown of those uses by acreage and number of parcels is summarized below.

Adjoining Use Breakdown

	Acreage	Parcels
Residential	19.67%	60.00%
Agri/Res	3.36%	5.00%
Agricultural	76.98%	35.00%
Total	100.00%	100.00%

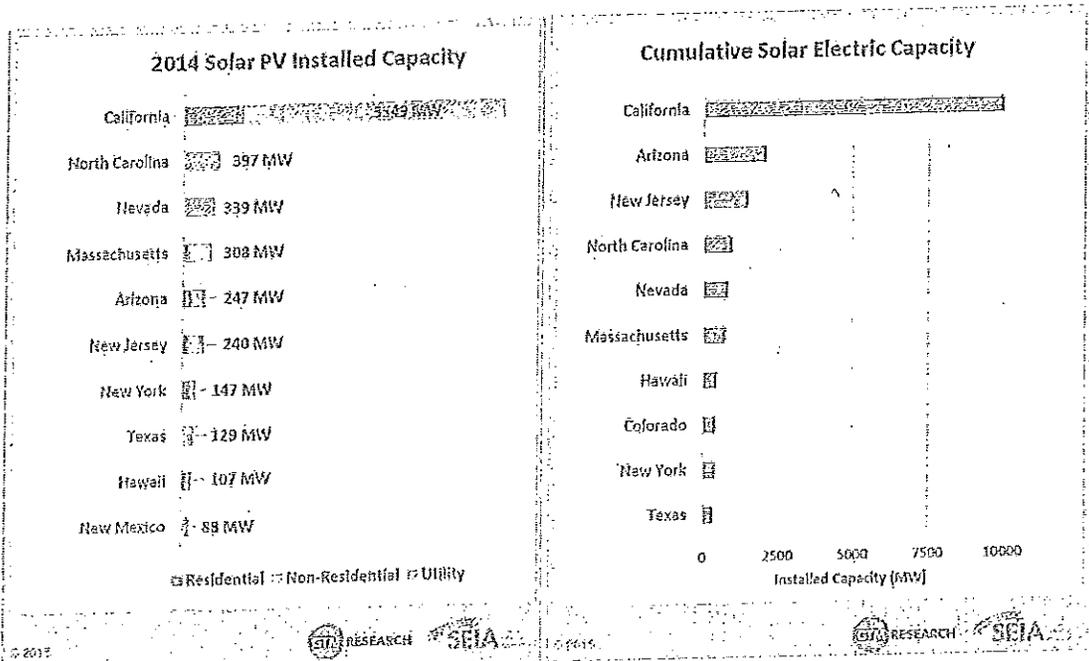
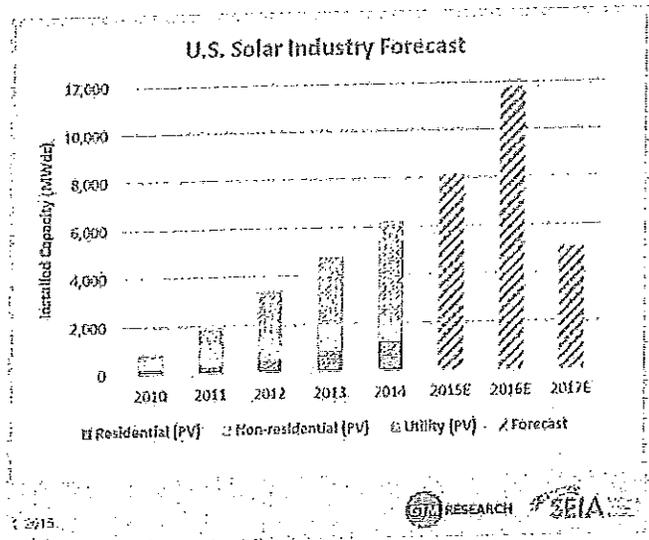


Surrounding Uses

#	MAP ID	Owner	GIS Data		% Adjoining		Distance in Feet:
			Acres	Present Use	Acres	Parcels	Home to Panels
1	14L10008	Shearon	6.081	Residential	0.95%	5.00%	N/A
2	14L10009B	Davenport	3.821	Residential	0.59%	5.00%	N/A
3	14L10009	Davenport	7.899	Residential	1.23%	5.00%	N/A
4	14L10054	Stanley	1.043	Residential	0.16%	5.00%	380
5	14L10011	Hughes	15.213	Residential	2.37%	5.00%	1,250
6	14M12001A	Levinson	51.703	Agricultural	8.05%	5.00%	N/A
7	14M12001C	Abdalla	1.261	Residential	0.20%	5.00%	N/A
8	12M12004k	Crocker	52.090	Agricultural	8.11%	5.00%	N/A
9	12M12003	Crocker	21.562	Agri/Res	3.36%	5.00%	2,900
10	12M11019	Eastfield	90.275	Agricultural	14.06%	5.00%	N/A
11	12M12029	Creech	84.520	Agricultural	13.16%	5.00%	N/A
12	14M12043	Creech	51.500	Agricultural	8.02%	5.00%	N/A
13	15M13199J	Arthur	13.631	Residential	2.12%	5.00%	N/A
14	15M13199G	Arthur	21.500	Residential	3.35%	5.00%	2,100
15	14L10012A	Hicks	4.906	Residential	0.76%	5.00%	1,790
16	14L10012	Corbett	13.540	Residential	2.11%	5.00%	N/A
17	15L10042A	Gardner	86.298	Agricultural	13.44%	5.00%	N/A
18	15L10046	Langdon	77.967	Agricultural	12.14%	5.00%	N/A
19	15L10045	Davenport	18.386	Residential	2.86%	5.00%	N/A
20	15O99005	Stephenson	19.023	Residential	2.96%	5.00%	2,830
Total			642.219		100.00%	100.00%	1,875

Overview of Solar Farms Development in North Carolina

Across the nation the number of solar installations has dramatically increased over the last few years as changes in technology and the economy made these solar farms more feasible. The charts below show how this market has grown and is expected to continue to grow from 2010 to 2017, the drop off in 2017 is expected due to the expiration of tax credits for solar installations. The U.S. Solar Market Insight Reports for 2010 and 2011 which is put out by the Solar Energy Industries Association note that 2010 was a "breakout" year for solar energy. The continued boom of solar power is shown in the steady growth. North Carolina was ranked as having the second most active photovoltaic installed capacity in 2014.



As shown in the charts above, North Carolina ranked second in installed solar energy in 2014. North Carolina ranked fifth in cumulative installed solar energy in the United States.

I. Market Analysis of the Impact on Value from Solar Farms

I have researched a number of solar farms in North Carolina to determine the impact of these facilities on the value of adjoining property. I have provided a breakdown of the adjoining uses to show what adjoining uses are typical for solar farms and what uses would likely be considered consistent with a solar farm use. This breakdown is included in the Harmony of Use section of this report.

I also conducted a series of matched pair analyses. A matched pair analysis considers two similar properties with only one difference of note to determine whether or not that difference has any impact on value. Within the appraisal profession, matched pair analysis is a well-recognized method of measuring impact on value. In this case, I have considered residential properties adjoining a solar farm versus similar residential properties that do not adjoin a solar farm. I have also considered matched pairs of vacant residential and agricultural land.

As outlined in the discussion of each matched pair, I concluded from the data and my analysis that there has been no impact on sale price for residential, agricultural, or vacant residential land that adjoins the existing solar farms included in my study.