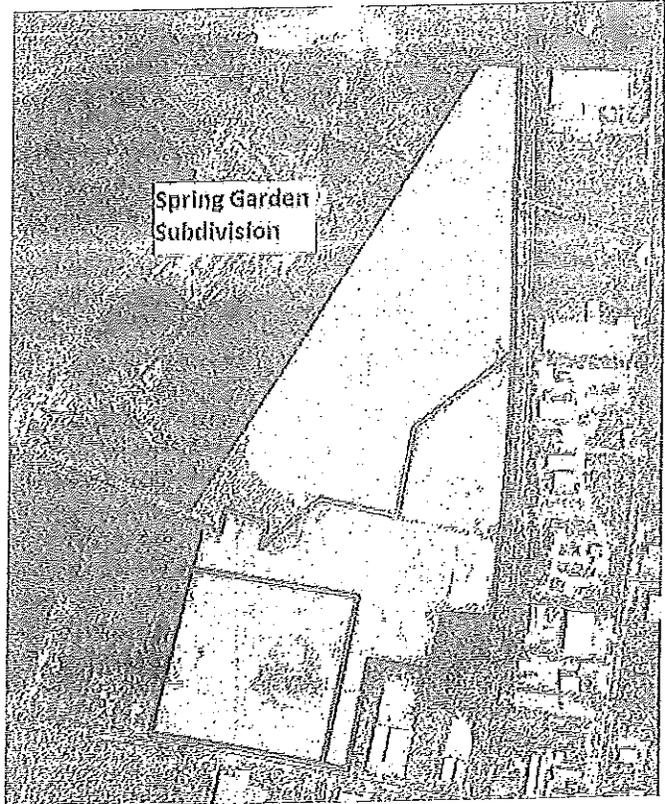


**1. Matched Pair A – AM Best Solar Farm, Goldsboro, NC**

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.

	Americana Sqft: 3,194 Bed / Bath: 3 / 3.5	Price: \$237,900 <a href="#">View Now</a>		Washington Sqft: 3,292 Bed / Bath: 4 / 3.5	Price: \$244,900 <a href="#">View Now</a>
	Presidential Sqft: 3,400 Bed / Bath: 5 / 3.5	Price: \$247,900 <a href="#">View Now</a>		Kennedy Sqft: 3,434 Bed / Bath: 5 / 3	Price: \$249,900 <a href="#">View Now</a>
	Virginia Sqft: 3,449 Bed / Bath: 5 / 3	Price: \$259,900 <a href="#">View Now</a>			

## 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**

	<b>Adjoins Solar Farm</b>		<b>Nearby Solar Farm</b>	
	<b>Average</b>	<b>Median</b>	<b>Average</b>	<b>Median</b>
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
<b>Percentage Differences</b>				
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%
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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



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	Park	Sub	Comm	Ind	Uses	Uses	
1	Goldsboro	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%
<b>Average</b>										
		12%	56%	18%	3%	1%	0%	7%	90%	7%
<b>Median</b>										
		5%	57%	4%	0%	0%	0%	0%	100%	0%
<b>High</b>										
		63%	100%	100%	100%	22%	4%	82%	100%	82%
<b>Low</b>										
		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	Goldsboro	47%	3%	0%	0%	3%	3%	43%	53%	47%
2	Willow Springs	42%	37%	21%	0%	0%	0%	0%	100%	0%
3	Kings Mtn	40%	30%	10%	0%	0%	0%	20%	80%	20%
4	White Cross	33%	20%	40%	0%	7%	0%	0%	100%	0%
5	Two Lines	38%	46%	8%	0%	8%	0%	0%	100%	0%
6	Strata	71%	0%	14%	14%	0%	0%	0%	100%	0%
7	Avery	50%	38%	13%	0%	0%	0%	0%	100%	0%
8	Mayberry	42%	8%	0%	0%	0%	25%	25%	50%	50%
9	Progress I	0%	50%	25%	0%	0%	0%	0%	75%	25%
10	Progress II	20%	80%	0%	0%	0%	0%	0%	100%	0%
11	Sandy Cross	17%	0%	83%	0%	0%	0%	0%	100%	0%
12	Bladenboro	62%	28%	7%	0%	3%	0%	0%	100%	0%
13	Dement	83%	6%	11%	0%	0%	0%	0%	100%	0%
14	Vale Farm	10%	20%	70%	0%	0%	0%	0%	100%	0%
15	Eastover	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Wagstaff	65%	30%	3%	0%	0%	0%	3%	98%	3%
17	Roxboro	65%	30%	3%	0%	0%	0%	8%	92%	8%
18	McCallum	33%	50%	8%	0%	0%	0%	4%	96%	4%
19	Vickers	77%	15%	4%	0%	0%	0%	11%	84%	16%
20	Stout	47%	32%	5%	0%	0%	5%	17%	83%	17%
21	Mile	78%	6%	0%	0%	0%	0%	18%	82%	18%
22	Sun Fish	0%	36%	45%	0%	0%	0%	0%	100%	0%
23	Freemont	78%	4%	17%	0%	0%	0%	0%	100%	0%
24	Yadkin 601	14%	86%	0%	0%	0%	0%	0%	100%	0%
25	Battleboro	44%	28%	28%	0%	0%	0%	0%	100%	0%
26	Battleboro	53%	33%	7%	0%	7%	0%	0%	100%	0%
27	Greenville 2	38%	50%	0%	0%	13%	0%	0%	100%	0%
28	Parmele Farm	21%	68%	5%	0%	5%	0%	0%	100%	0%
29	Erwin	67%	5%	0%	0%	5%	19%	5%	76%	24%
30	Star Solar	38%	63%	0%	0%	0%	0%	0%	100%	0%
31	Morgans Corner N	38%	63%	0%	0%	0%	0%	0%	100%	0%
32	Morgans Corner S	71%	19%	0%	0%	5%	0%	5%	95%	5%
33	Whitakers	69%	31%	0%	0%	0%	0%	0%	100%	0%
	Binks	71%	24%	6%	0%	0%	0%	0%	100%	0%
	Binks	90%	5%	5%	0%	0%	0%	0%	100%	0%
Average		46%	29%	13%	0%	2%	2%	6%	90%	7%
Median		44%	28%	6%	0%	0%	0%	0%	100%	0%
High		90%	86%	83%	14%	13%	25%	43%	100%	50%
Low		0%	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.

## II. Specific Factors on Harmony of Use

I have completed a number of Impact Studies and I have found that the most common areas for impact on adjoining values typically follow the following hierarchy with descending levels of potential impact. I will discuss each of these categories and how they relate to a solar farm.

1. Hazardous material
2. Odor
3. Noise
4. Traffic
5. Stigma
6. Appearance

### 1. 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.

### 2. 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.

### 3. 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.

### 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.

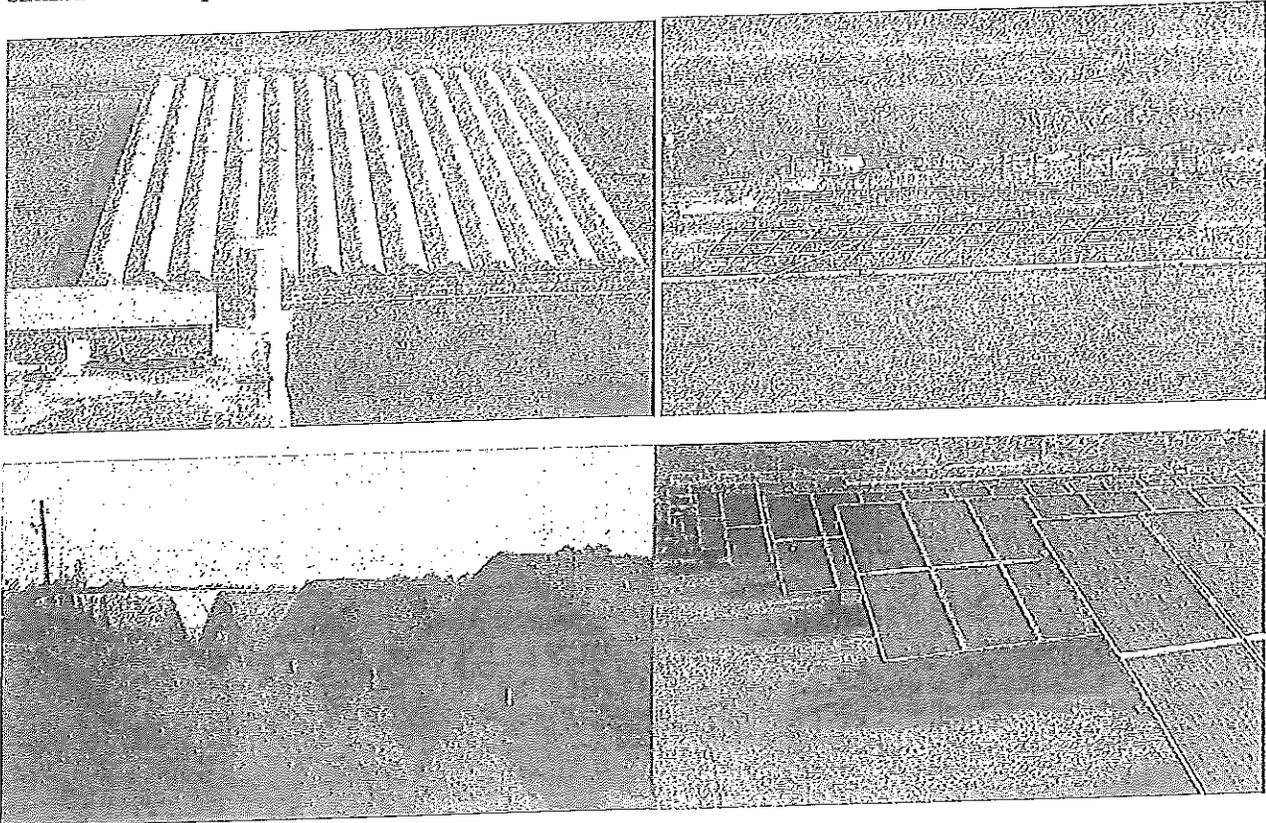
### 5. Stigma

There is no stigma associated with solar farms and solar farms and people generally respond favorably towards such a use. While an individual may express concerns about proximity to a solar farm, there is no specific stigma associated with a solar farm. Stigma generally refers to things such as adult establishments, prisons, rehabilitation facilities, and so forth.

I see no basis for an impact from stigma due to a solar farm.

## 6. 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 three to four times as high as these proposed panels. The panels will be located behind a chain link fence.

## 7. 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.

### III. 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.

### IV. 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. Matched pairs in Goldsboro, Chapel Hill, and Roxboro show no impact on adjoining property value. The solar farm at Pickards Mountain Eco Institute shows no impact on lot and home marketing nearby. The criteria for making downward

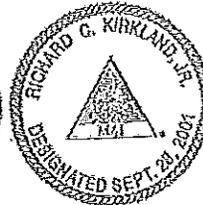
adjustments on property values such as appearance, noise, odor, and traffic all indicate that a solar farm is a compatible use for a rural/residential transition area.

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:

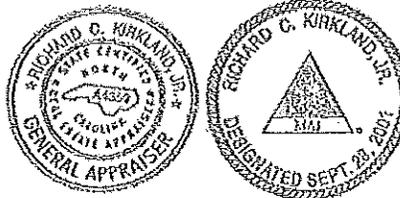
1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective 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) 414-8142  
[rkirkland2@gmail.com](mailto:rkirkland2@gmail.com)  
[www.kirklandappraisals.com](http://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

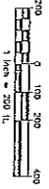
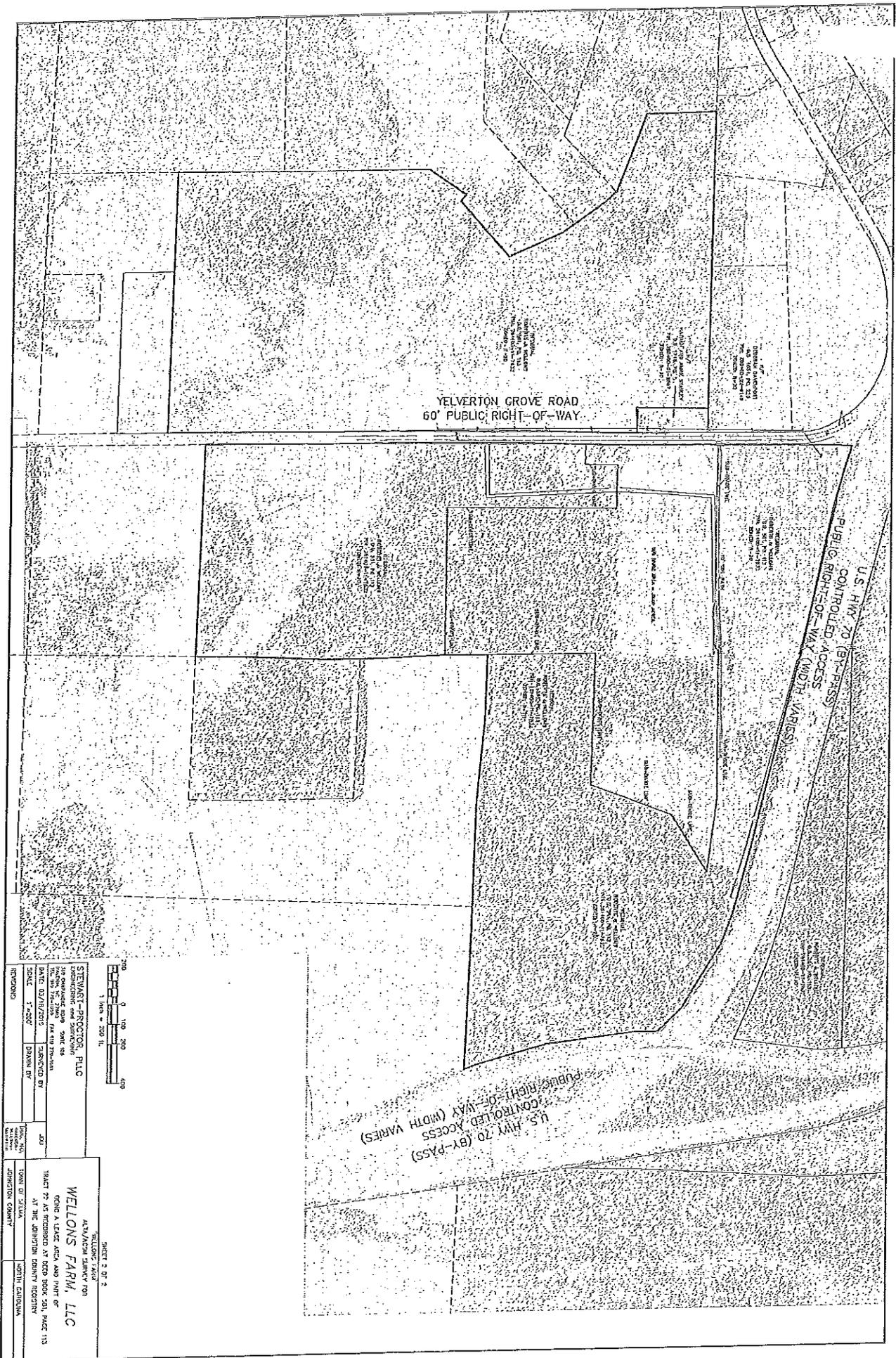
## EDUCATION

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	2011
Supervisors/Trainers	2011
Rates and Ratios; Making sense of CDMs, OARs, 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	2009
Appraisal Curriculum Overview (2 Days - General)	2009
Appraisal Review - General	2008
Uniform Standards of Professional Appraisal Practice Update	2008
Subdivision Valuation: A Comprehensive Guide	2008
Office Building Valuation: A Contemporary Perspective	2007
Valuation of Detrimental Conditions in Real Estate	2007
The Appraisal of Small Subdivisions	2006
Uniform Standards of Professional Appraisal Practice Update	2005
Evaluating Commercial Construction	2005
Conservation Easements	2004
Uniform Standards of Professional Appraisal Practice Update	2004
Condemnation Appraising	2004
Land Valuation Adjustment Procedures	2004
Supporting Capitalization Rates	2002
Uniform Standards of Professional Appraisal Practice, C	2002
Wells and Septic Systems and Wastewater Irrigation Systems	2002
Appraisals 2002	2002
Analyzing Commercial Lease Clauses	2000
Conservation Easements	2000
Preparation for Litigation	2000
Appraisal of Nonconforming Uses	2000
Advanced Applications	1999
Highest and Best Use and Market Analysis	1999
Advanced Sales Comparison and Cost Approaches	1998
Advanced Income Capitalization	1999
Valuation of Detrimental Conditions in Real Estate	1999
Report Writing and Valuation Analysis	1997
Property Tax Values and Appeals	1997
Uniform Standards of Professional Appraisal Practice, A & B	1995
Basic Income Capitalization	1995

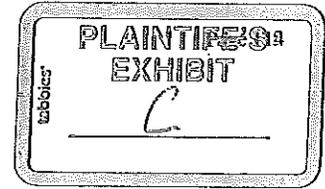




STEWART-PROCTOR, PLLC  
 2000 W. 10th Street  
 Suite 100  
 Lincoln, NE 68502  
 DATE: 02/18/2015  
 DRAWN BY: [Name]

WELLONS FARM, LLC  
 A/LM/ACM SURVEY FOR  
 IRONIC A LEASE AREA AND PART OF  
 TRACT 77 AS REFERRED TO ON DEED BOOK 501, PAGE 113  
 AT THE ADIRONDACK COUNTY REGISTRY  
 NORTH CAROLINA

SHEET 2 OF 2



Town of Selma  
100 North Raiford Street  
Selma, NC 27576

Decommissioning Plan for Wellons Farm, LLC

Prepared and Submitted by National Renewable Energy Corporation, ("NARENCO").

As required by the Town of Selma, North Carolina, as a condition of the Special Use Permit for the proposed solar farm, Wellons Farm, LLC, located at 88 Yelverton Grove Road, Smithfield, North Carolina 27577, NARENCO presents the following 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, unless active repairs are underway;
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 surface non-utility owned equipment, conduits, structures and foundations;
2. Remove all fencing, unless the owner of the leased real estate requests in writing for it to stay in place;
3. Restore the land to substantially the condition before the solar farm development.

The owner of the solar facility is responsible for this decommissioning. The land lease runs for 249 months, with two optional 5 year extensions.

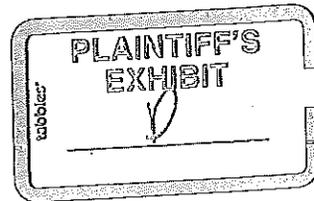
This plan may be modified from time to time with Town and County planning staff approval. Any updates will be submitted to the Town of Selma, North Carolina, by the party responsible for decommissioning.

National Renewable Energy Corporation

DocuSigned by:  
Jesse Montgomery  
By: DB36A0AA607C42E  
Jesse Montgomery, President - Development

Presented  
7.14.15 @  
Town Council Meeting

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 (249<sup>th</sup>) 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 (189<sup>th</sup>) 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 (5<sup>th</sup>) 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.

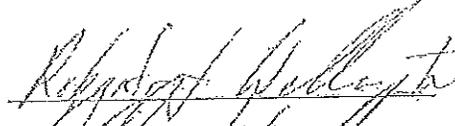
36. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original once executed and delivered.

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:   
Name: Ellen West

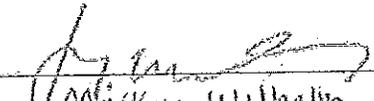
By: \_\_\_\_\_  
Name: \_\_\_\_\_

*Landlord's Spouse, if any:*

By: \_\_\_\_\_  
Name: \_\_\_\_\_

TENANT:

STRATA SOLAR DEVELOPMENT, LLC

By:   
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 B  
Form of Notice of Rent Commencement

[LETTERHEAD]

[DATE]

[LANDLORD]

*Re: Notice of Rent Commencement of Lease for [PROJECT NAME]*

[LANDLORD],

Reference is hereby made to that certain Ground Lease Agreement between you and [TENANT NAME] ("Tenant"), dated as of \_\_\_\_\_ (as amended, restated and supplemented, the "Lease"). Capitalized terms used but not defined herein shall have their respective meanings as set forth in the Lease.

Tenant is pleased to inform you that pursuant to the satisfactory completion of all due diligence testing of the Premises, the Term of the Lease [has commenced/will commence] effective as of \_\_\_\_\_, which shall be the Rent Commencement Date under the Lease.

Rent

The annual Rent for the current year is equal to \$ \_\_\_\_\_ per Acre, for \_\_\_\_\_ Acres as shown on the Survey. This first installment of Rent is in the amount of \$ \_\_\_\_\_, representing Rent due from the Rent Commencement Date through the next Rent Payment Date. [Please see the enclosed check number \_\_\_\_\_ for payment of the first installment of Rent.] The next payment of Rent shall be made on [July/January 15] and shall be in the amount of \$ \_\_\_\_\_.

Taxes

The Premises consist of [a portion of] Tax Parcel ID Number \_\_\_\_\_ (the "Tax Parcel"), consisting of \_\_\_\_\_ Acres. Therefore, because the Premises contain \_\_\_\_\_ Acres, in accordance with Section \_\_\_\_\_ of the Lease, Tenant's Portion is \_\_\_\_\_%; provided that Tenant's Portion shall be recalculated as necessary pursuant to a change in the number of Acres comprising the Premises or the Tax Parcel. In accordance with Section \_\_\_\_\_ of the Lease, Tenant will remit payment for Tenant's Portion of Taxes due on the Tax Parcel during the Term directly to the relevant Taxing authority. To facilitate the payment process, kindly forward a copy of each Tax bill you receive for the Tax Parcel during the Term to Tenant at the address below, *immediately* upon receipt of the same. Tenant will forward evidence for your records of any Taxes paid by Tenant in respect of the Tax Parcel. Please note that you are responsible for paying the balance of any real property taxes due with respect to the Tax Parcel. In the event of any conflict or ambiguity between this notice and the Lease with respect to Tenant's obligation to pay Taxes, the Lease shall control.

Please let us know if you have any questions.

Best Regards,

Coffen Morris  
Manager, Solar Project Development

\_\_\_\_\_  
I Note that payment for the first installment of Rent may be withheld until Tenant has received a completed form W-9 from Landlord, but that such delay shall not delay the Rent Commencement Date.

Exhibit C  
Form W-9

[see attached]

Attorney Kirkland Odom

My name is Kirkland Odom. I first would like to thank you all for allowing me to be here tonight on behalf of my client, National Renewable Energy Corporation. My client is applying for a special use permit for the operation of a solar farm located here in Selma. The proposed solar farm is to be located on Yelverton Grove Road and is composed of a 34-acre tract coming out of a larger 241-acre tract. The proposed use for this site is a 5 MW solar farm. This site is an ideal site for a solar farm. The proposed subdivided portion of the solar farm will be bordered by the remaining land of the landowner, one agricultural property owner, and Yelverton Grove Road. Along Yelverton Grove Road applicant will have an evergreen buffer capable of reaching a height of ten feet within three years of planting and fencing privacy slats to achieve 98% opacity at the time of planting. This is a buffer requirement of the Selma Town ordinance and is being done to almost completely remove the solar farm from site of the affected residents. The solar panels themselves will be set back over 300 feet from Yelverton Grove Road. The applicant in addition to satisfying the requirements of the local Planning Board and Town Council also must register with the North Carolina Utility Commission to satisfy their requirements; and furthermore, must register with the federal government for the federal energy renewable credit. In addition, the applicant has obtained driveway approval for the NCDOT and has satisfied all the requirements for approval by the Pine Level Fire Department. I have submitted four exhibits into evidence into evidence, which I will refer to in establishing the necessary burden of proof for the applicant. In regards to the specific conditions required by the Town of Selma ordinance, the applicant states the following as indicated on the site plan, which has been submitted into evidence as Exhibit B. The structure is located on the solar farm will be set back according to the R-20 zoning setbacks with no less than 30' from the property line, no less than 25' from the rear property line, and no less than 10' from the side property line. In actuality, the solar panels for this site would be set back 300' as stated earlier from Yelverton Grove Road. As indicated on the site plan, Exhibit B, the panels installed on the mounting system will not exceed 25' in height as required by the ordinance, with the actual height being closer to 7'. As shown on the site plan, Exhibit B, you can see the location of the solar panels, the inverter pads, the solar farm access roads, and the structures for the temporary office and storage buildings located on the property during construction. The panels are set back 20' from the side and rear lease lines with an evergreen buffer capable of reaching a height of 10 feet within three years of planting and at least 75% opacity at the time of planting. In addition, as I have said before, for 650' along Yelverton Grove Road and a portion coming back into the property, there will be an evergreen buffer capable of reaching a height of 10 feet within three years of planting and fencing privacy slats to achieve 98% opacity at the time of planting. A 6' chain-linked fence will exist inside the 20' planting buffers. Also, there are no buildings or structures to be removed from the property prior to the beginning of construction of the

solar farm. The only parking required for the site, is for the cleaning of the panels, which will occur about once every six months, or the occasional maintenance of the panels. The parking area as shown on the site plan, Exhibit B, will provide more than enough parking for the semi-annual cleaning and required maintenance. As far as solar access easement, at this time, the applicant does not perceive the necessity for any. As shown on the site plan, Exhibit B, the interconnection point with Duke Energy is located at the front of the property, which is where the disconnect switch will be located. With the exception of the solar panels, the only additional structures that would be constructed will be the buildings for office and storage located at the front of the solar farm. Also, site plan, Exhibit B, which would be removed after construction of the solar farm is complete. The area of impervious surfaces is 1,196 square feet for the inverter pads, 733 square feet for the racking posts displacement, and the gravel parking lot as well. As shown on the site plan, Exhibit B, there is no outdoor lighting proposed for the solar farm. All wiring for the system will be underground with the exception of the interconnection point. These solar panels will be mounted on the racks according to manufacturer's specifications and the mounting structure, which is a fixed structure, will be comprised of materials approved by the manufacturer that are able to fully support the system components and withstand adverse weather conditions. The mounting structures will be spaced apart at a distance recommended by the manufacturer for safety and maximum efficiency. The solar panels will only be mounted on these racks, not any other structure. The applicant will comply with restrictions on signage at the solar farm. In regard to the removal plan, submitted into evidence as Exhibit C, decommissioning would occur if any of the following conditions occur: land lease ends, the system does not produce power for 12 months unless active repairs are underway, or the system is damaged and will not be repaired or replaced. If any of these conditions occur, the applicant will remove all surface, non-utility owned equipment, conduit, structures and foundations, all fencing unless the owner of the land requests it in writing for it to stay in place, and will restore the land substantially the condition it was in before the solar farm development project. Copies of the lease agreement between the applicant and the owner of the property has been submitted into evidence as Exhibit D. The applicant has obtained conditional approval from Duke Energy. The wiring components will meet the requirements of the North Carolina State Building Code, in addition to complying with the current edition of the National Electric Code, UL Listed, will be NEC compliant, and will be designed with an anti-reflective coating. The inverter noise level measured at the property line will not exceed 40 decibels as indicated on the site plan, Exhibit B. In actuality will be practically silent at the property line as indicated in the solar impact study, Exhibit A.

Now, in regard to the requirement that access roads and entrance and exit drives are or will be sufficient in size and properly located to ensure automotive and pedestrian safety including traffic flow in control and access in case of fire or other emergency. The applicant states that the

access roads, entrance drive, and exit drive will conform to all applicable regulations to insure a minimum impact at traffic conditions and easy emergency inbound and outbound traffic. It will be sufficient in size and property located to ensure automotive and pedestrian safety and convenience, traffic flow and control and access in case of fire or other emergency. The proposed access roads into the facility are shown on the site plan, Exhibit B, and with the exception of the construction period, it will only be used for the occasional cleaning and maintenance of the solar panel equipment. As indicated in the solar impact study, Exhibit A, the farm will have no full-time on site employees or staff, and the additional traffic incurred as a result of this project is insignificant.

In regard to whether the necessary public and private facilities and services will be adequate to handle the proposed use. The applicant states that with the exception of the interconnection point that would be provided by the utility company, the necessary public and private facilities that are required to adequately handle the needs of the solar farm are already in place. In fact with the exception of the utility company interconnection, the only service that are required will be supply of a small amount of water for usage in cleaning the solar panel structures twice a year, as well as any possible irrigation of the planting buffer required to be installed by the applicant.

In regard to whether 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. The applicant states the following, “The landscape of the property will be regularly maintained as shown on the comparison of the three matched pairs of the Solar Impact Study, Exhibit A, the facility has no impact on the integrity of adjacent properties. Also, as indicated in Exhibit A in the section regarding harmony and compatibility of use, the proposed use is compatible with the area’s mostly agricultural zoning, as it preserves green space from more aggressive forms of development. In addition, the proposed use is even compatible with the residential environment. As shown on the Solar Impact Study, solar farms are often considered a plus for the residential community, and in no way does it diminish the value and attractiveness of residential development. Furthermore, the land could be returned to its original use with no need for ecological cleaning once the lease is up. The facility is fenced and would pose no risk to public health, safety, and general welfare. In addition, screen along Yelverton Grove Road has been designed to 98% opacity to ensure any neighbors adjoining the property will not be visually impacted by the solar farm.”

In regards to whether 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 applicant

states as follows, “The proposed use is permitted and regulated by the Town’s ordinances and it is not at odds with its land use plan. The site is located in an existing agricultural area.

As the applicant has shown the Town Council that all conditions for approval of the special use permit have been or will be satisfied. The applicants’ requests that the Town Council approve the special use permit for the proposed solar farm.

Attorney Kirkland introduced Mr. Michael Cox and Mr. Jessie Montgomery of National Renewable Energy Corporation, which are here to answer any of your questions regarding the property.

Mr. Jessie Montgomery, 5744 Bellechasse Street, Charlotte, NC and  
Mr. Michael Cox 4816 Lamont Drive, Charlotte, NC

Mr. Cox and Mr. Montgomery if you will please confirm that all the information that I have provided to the Town Council is accurate.

If I may make one point of clarification and that was, I just want to ensure that the office scores are temporary; it is not being constructed. It is simply a Conex trailer that comes in, it sits there during construction, and it’s removed. I just wanted clarification on that. Then, I must apologize to Julie, I sent you an email of height and thought it was the spacing 12 feet, so height is seven feet. Other than that, it is true.

With no further comments, a motion was made by Councilmember William Overby and seconded by Councilmember Eric Sellers to close the public hearing. Motion carried unanimously. 6:34 p.m.

Planning Director Julie Maybee stated that staff recommends that the site plan shows specifically what is going to be planted in the buffer area, and that it is going to reach ten feet tall within three years. She said that from an enforcement standpoint, so that when she goes out to do an inspection, she would know what to look for. Ms. Maybee stated there might be places of existing vegetation or existing trees, and if they are mature tree, she would prefer the applicant to try to maintain those. She said that it might require some lower level planting, but that could be spelled out on a site plan. Ms. Maybee stated that she would also include that the grass and weeds on site not exceed 10”, because that is the Town’s ordinance provision. She asked that the landscape buffer be in place prior to the commencement of the solar farm operation, and the landscape buffer be approved by the Planning Director prior to the issuance of the zoning permit. Ms. Maybee stated that 98% opacity along Yelverton Grove Road needed to be provided.

Mayor Oliver stated that one of the general solar farm requirements for buffering is growth of 10 feet within three years. She asked if there was a minimum height at inception when it is put in the ground.

Ms. Maybee stated that it depends on the species of the trees and how fast that they grow. She said that Leyland Cypress grow really fast.

Review of Findings of Facts:

- 1) All applicable, specific conditions pertaining to the proposed use have been or will be satisfied.  
A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve. Motion carried unanimously.
- 2) Access roads or and entrance and exit drives are or will be sufficient in size and properly located to ensure automotive and pedestrian safety, and convenience traffic flow in control and access in case of fire or other emergency.  
A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.
- 3) All necessary public and private facilities and services will be adequate to handle the proposed use.  
A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve. Motion carried unanimously.
- 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.  
A motion was made by Councilmember Eric Sellers and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.
- 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.  
A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve. Motion carried unanimously.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve the special use permit request for a solar farm on Yelverton Grove Road, Smithfield, N.C., including staff recommendations that the site plan shows specifically what is going to be planted in the buffer area, that what is planted would reach a height of ten feet tall within three years, that the grass and weeds on site not exceed 10", that the landscape buffer be in place prior to the beginning of the solar farm operation, and that 98% opacity along Yelverton Grove Road be maintained. Motion carried unanimously.

**PLANNING & ZONING  
REPORT AND  
RECOMMENDATIONS -**

**Consideration of Special  
Use Permit – Solar**

**Farm: Red Toad 5840**

**Buffalo Road LLC/**

**Reynaldo Rodriguez, and**

**Property Owner Roberts  
& Wellons, Inc.:**

Planning Director Julie Maybee stated that on June 11, 2015 the Town Council conducted a quasi-judicial public hearing on a special use permit request from Red Toad 5840 Buffalo Road, LLC/Reynaldo Rodriguez, and Roberts and Wellons, Inc. (property owner) to build a 1.99 MW solar farm at 5840 Buffalo Road, Selma, N.C.

Ms. Maybee stated that after conducting the hearing, and deliberating on the matter, the Town Council moved to table consideration of the special use permit request until the next regular meeting of Council to allow Councilmembers to visit the site.

Ms. Maybee advised Council that the parcel/site is located within the Town's extra-territorial jurisdiction and is zoned R-20, which requires a special use permit for a solar farm.

Ms. Maybee referred to the staff report, the application, and exhibits that were included as part of the record for June 11, 2015.

Ms. Maybee stated that Chapter 17, Article VI, Section 17-122 of Selma's Municipal Code states: "Prior to approving any special use permit, the Town Council shall conduct a quasi-judicial public hearing where sworn testimony and evidence may be given by the applicant and any interested party..."

Ms. Maybee stated that the special use permit was considered by the Planning Board at its April 27, 2015 meeting.

Ms. Maybee requested that Town Council consider the special use permit, the findings of fact, and that Council conditionally approve the request.

Ms. Maybee stated that the Planning Board has recommended that the grass and weeds on that site not exceed 10" in height, the landscape buffer in place prior to commencement of the solar farm operation, that the landscape buffer be specific to what is going to be planted, and the applicant provide a copy of the NCDOT driveway permit prior to issuance of the zoning permit.

**Review of Findings of Facts:**

- 1) All applicable, specific conditions pertaining to the proposed use have been or will be satisfied.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.

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

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.

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

A motion was made by Councilmember Eric Sellers and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.

- 4) The location and arrangement of the use of 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.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember Tommy Holmes to approve.

Councilmember Overby asked how this could be enforced since it was in the Town's extraterritorial jurisdiction.

Planning Director Julie Maybee stated that it is still in her area to enforce the zoning district.

Motion carried unanimously.

- 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.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve. Motion carried unanimously.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember Tommy Holmes to approve the special use permit request by Red Toad 5840 Buffalo Road LLC/Reynaldo Rodriguez, and property owner Roberts & Wellons, Inc. including the special conditions that grass and weeds on that site not exceed 10" in height, the landscape buffer, as depicted on the revised site plan and approved by the Planning Director, be maintained. Motion carried unanimously.

**Consideration of a  
Resolution to Set a Public  
Hearing for the Purpose of  
an Ordinance Text**

Planning Director Julie Maybee stated that in accordance with Selma's Municipal Code, Chapter 17, Article XVII, Section 17-453(b), Selma Middle School filed a text amendment request (TA 5.1.15) with the Planning Director to: (1) allow a school as a permitted use in the R-8

**Amendment Request by  
Selma Middle School  
Pertaining to Signs and  
Uses Permitted in the R-8  
Zoning District:**

zoning district; (2) exempt signs erected on government property from regulations; and (3) increase the size of signs allowed in a residential zoning district from sixteen (16) square feet to thirty-two (32) square feet.

Ms. Maybee stated that the proposed text amendment application and Planning Director's report was submitted to and reviewed by the Planning Board at its June 29, 2015 meeting.

Ms. Maybee requested that the staff report and exhibits be incorporated into the record.

**OFFICIAL TEXT AMENDMENT APPLICATION**  
**TA 5.1.15**  
**TOWN COUNCIL MEETING**  
**JULY 14, 2015**

**REQUEST:**                    **CONSIDERATION OF RESOLUTION TO SET A  
PUBLIC HEARING FOR THE PURPOSE OF  
ORDINANCE TEXT AMENDMENT REQUEST BY  
SELMA MIDDLE SCHOOL**

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**REQUEST:**

A request to amend the Town's Municipal Code was filed with the Planning Director on the behalf of Selma Middle School to amend the Town's Municipal Code of Ordinances. As proposed, the amendments will: (1) allow a school as a permitted use in the R-8 Zoning District; (2) exempt signs erected upon government property from regulations; and (3) increase the size of signs allowed in a residential zoning district from 16 sq. ft. to 32 sq. ft.

A copy of the application is included in the staff report.

The proposed zoning ordinance amendments pertaining to signage would apply to all government owned properties (i.e., owned by Johnston County, Town of Selma, Johnston County Board of Education, State and Federal Government, etc.) in all zoning districts.

**PUBLIC HEARING PROVISIONS:**

Chapter 17, Article XVII, Section 17-453(e) states: "Public Hearing. After it receives the Planning Director's report and the Planning Board recommendation. The Town Council shall hold a hearing on the application at the next available regularly scheduled public hearing for amendments..."

**INTENT OF ORDINANCE AMENDMENTS:**

Chapter 17, Article XVII, Section 17-451 states:

- (a) In order to establish and maintain sound, stable and desirable development within the planning jurisdiction of the Town it is intended that this chapter *shall not be amended except:*
- (1) To correct a manifest error in this chapter;
  - (2) Because of changed or changing conditions in a particular area of the jurisdiction generally; or
  - (3) To achieve the purposes of the comprehensive plan.

- (b) It is further intended, that if amended, this chapter be amended only as reasonably necessary as to the promotion of the public health, safety or general welfare, and in conformance with the comprehensive plan.”

**INITIATION OF ZONING ORDINANCE AMENDMENT:**

As stated in Chapter 17, Article XVII, Section 17-452 of the Town’s Municipal Ordinance:

“(A) A request to amend this chapter may be initiated by:

- (1) The Town Council, on its own motion;
- (2) The Planning Board, on the submittal of a request to the Town Council;
- (3) The Town Manager, on the submittal of a request to the Board of Commissioners: or
- (4) Any property owner or citizen, or agent thereof, on submittal of an application to the Planning Director.”

**TOWN’S COMPREHENSIVE PLAN:**

Consistency with the Town’s comprehensive plan and adopted plans will be further discussed at the meeting.

**BACKGROUND INFORMATION:**

On January 26, 2015, staff relayed to the Planning Board that a school principal wanted to replace the existing freestanding/monument school sign with a digital display board (electronic changing message board). At the meeting, staff asked for direction from the Planning Board of on the use of electronic message boards and outdoor advertising signs. Any proposed ordinance provisions would need to be researched and carefully drafted since electric message boards could negatively impact residential areas. After discussion with Planning Board members in attendance, staff relayed additional information would be brought back to the Planning Board for consideration.

On April 26, 2015, the Planning Board (See Exhibit A – Planning Board Minutes Excerpt/power point slides presentation) discussed electronic changing message boards. After deliberation, a majority of Planning Board voted to leave the current ordinance regarding changing electronic messaging signs as is.

The outcome of the Planning Board’s April 26, 2015 meeting was relayed to Selma Middle School Principal John Bell. Subsequently, Principal Bell asked staff for further direction (See Exhibit B; and staff suggested that he file a specific text amendment application for consideration by the Planning Board and Town Council.

**STAFF RECOMMENDATION:**

Staff concurs with the Planning Board recommendation denying the exemption of electronic changeable message board signs from regulation on government owned property.

PLANNING BOARD RECOMMENDATION:

On June 29, 2015, the Planning Board considered the text amendment request. After deliberation, the Planning Board voted unanimously to deny the proposed text amendment. The consistency statement will be presented at the public hearing.

REQUESTED TOWN COUNCIL ACTION:

Staff respectfully requests that the Town Council adopt a resolution (See Exhibit #2) fixing a date for a public hearing on the request for August 11, 2015.

# TOWN OF SELMA, NC Amendment (Ordinance/Official Zoning Map) Application

Applicant Name: SELMA MIDDLE SCHOOL

Applicant Mailing Address: 1533 HWY. 301 N  
SELMA NC 27576

Telephone: (919) 965-2555 Email: johnbell@johnston.k12.nc.us

**STATEMENT OF JUSTIFICATION**

Please state why this text change is needed/being requested. (Attach additional sheets if necessary):

FOR ALLOWANCE OF A DIGITAL SIGN FOR SELMA  
MIDDLE SCHOOL.

**FOR ORDINANCE TEXT CHANGE ONLY:** Please provide your proposed text change by citing precisely the affected ordinance section, current text/words to be deleted, and/or text of those words or phrases to be added (attach additional sheets if necessary):

SEE ATTACHMENT

**FOR OFFICIAL ZONING MAP CHANGES ONLY:**

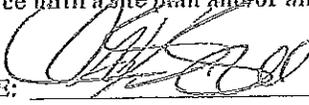
Street Address of Affected Properties: 1533 HWY. 301 N, SELMA NC 27576

Johnston County TAG Nos.: \_\_\_\_\_

Total Acreage of All Property: \_\_\_\_\_ Total Acreage to be Rezoned: \_\_\_\_\_

Current Zoning Classification(s): R-8 Proposed Zoning Classification(s): \_\_\_\_\_

I certify that on this date that all the information presented in this petition/application is accurate to the best of my knowledge, information, and belief. Further, I understand that should this application be approved by the Town Council, no site activity can take place until a site plan and/or any other land development permits are issued.

SIGNATURE: 

DATE: 6/5/15

Amend Selma Municipal Code, Chapter 17, Article III, Section 17-67 (c) (1) to allow a school as a permitted use in the R-8 zoning district.

Amend Chapter 17, Article XI, Section 17-285- Signs Exempt from Regulation.

**ADD: Subsection 14. "Signs erected upon governmental or public school property shall be exempt from these ordinances."**

Amend Chapter 17, Article XI, Section 17-289- Signs in Residential Districts, subsection (4): revise language to increase the size of the sign allowed from 16 sq. ft. to the overall size of the proposed sign (32 sq. ft.).

[Note: The LED portion of the sign will be 24" x 80" or 13.33 sq. ft.]

**TOWN OF SELMA  
PLANNING BOARD MINUTES  
REGULAR MEETING  
APRIL 27, 2015**

<b>CALL TO ORDER:</b>	<p>Members Present: Chairman Jennifer Edwards, Mr. Ronnie Lee, Mr. Jody Duggins, Ms. Dina Flowers, Mr. Jim Phillips, and Mr. Roger Diegele.</p> <p>Also present Planning/Economic Director Julie Maybee.</p> <p>Chairman Edwards called the meeting to order at 6:00 p.m. in the Selma Jernigan Building and declared a quorum present.</p>
<b>APPROVAL OF MINUTES:</b>	<p>Chairman Edwards stated that the amended minutes from December 15, 2014 were being presented for their approval.</p> <p>A motion was made by Mr. Ronnie Lee and seconded by Mr. Roger Diegele to approve the December 15, 2014 Planning Board minutes as amended. Motion carried unanimously.</p> <p>Chairman Edwards stated the amended minutes from January 26, 2015 were being presented for their approval.</p> <p>A motion was made by Mr. Ronnie Lee and seconded by Ms. Dina Flowers to approve the January 26, 2015 Planning Board minutes as amended. Motion carried unanimously.</p> <p>Chairman Edwards stated that the March 2, 2015 minutes were being presented for their approval.</p> <p>Chairman Edwards stated that on page 12 of the minutes, it states that Chairman Jennifer Edwards was talking about green space and actually should be Planning Director Julie Maybee.</p> <p>A motion was made by Ms. Dina Flowers and seconded by Mr. Jim Phillips to approve the March 2<sup>nd</sup> Planning Board minutes as amended. Motion carried unanimously.</p> <p>Chairman Edwards stated that there is a request that the February 3, 2015 minutes be tabled until the next meeting.</p>
<b>COMMITTEE REPORTS AND/OR REQUESTS FOR ADDITIONS TO THE AGENDA:</b>	<p>The Planning Board members had nothing to address at this time.</p>
<b>UNFINISHED BUSINESS – Electronic Message Signs:</b>	<p>Planning Director Julie Maybee stated that Selma Middle School wants to place an electronic changing messaging board at their location on Highway 301 North. She said that according to Selma's Development Ordinance, the only place that allows an electronic changeable message sign is in the Interstate Business zoning district. Ms. Maybee stated that are requesting that it be allowed in this district, which is zoned residential. She said that the majority of the property is zoned R-20 with a section zoned R-8. Ms. Maybee stated that if they were looking at allowing this in a residential area, she would recommend that the sign only lit between the hours of 7:00 a.m. and 10:00 p.m., and equipped with an automatic timer. Ms. Maybee stated that she has reviewed other town ordinances and their provisions. She said that in the Interstate Business district, the sign can change every seven seconds; however, in a residential district, it would be eight seconds to change, which is an industry standard. Ms. Maybee also recommended having provisions in place to control</p>

the light emission. She said that in a residential area, you would want to limit the excessive glare onto other properties.

Ms. Maybee stated that if the Board wanted to allow an electronic changeable sign for educational use, they would also need to look at allowing it for churches and other civic organizations. She said that they need to treat everyone the same. Ms. Maybee stated that if someone is going to have an electronic changeable sign, they need to look at the zoning district and not be able to exceed 50% of it. She said that you also would not want an electronic message sign in a historic overlay district, and not add it to any non-conforming sign.

Ms. Maybee also recommended looking at the zoning ordinance since part of the property is zoned R-8, that they make a school or educational use a permitted use in that zoning district.

Ms. Maybee asked that when they look at the ordinance and having an electronic changeable message board, do they want to allow it in residential areas or do they need to look at the other districts such as commercial, something other than the interstate?

Ms. Maybee stated that she would recommend if they were inclined to allow an electronic changeable message board that they look at allowing it in the other districts. She said that if they were inclined to make that change, she could place that text change in the rest of the ordinance.

Chairman Edwards asked what pros and cons she saw in having an electronic sign.

Ms. Maybee stated that electronic signs have their place. She said that she would rather see them instead of portable signs. Ms. Maybee stated that it allows for the message to be changed, and they did not need to have scrolling letters or flashing lights. She said that the ordinance needed to be drafted. Ms. Maybee stated that if they allow this in a residential district for educational and civic organizations, or for a church, they need to be consistent in allowing other districts within parameters to have these signs. She said that they needed to be sensitive to residential zoning districts.

Mr. Phillips stated that his thoughts were that they were fixing to open a can of worms. He said that if it is allowed in residential districts, they would see all kinds of signs pop up. Mr. Phillips stated that these signs could be annoying to some and okay with others. He said that they have a place to advertise a business or service, but not in a residential district.

Chairman Edwards asked if there was any data regarding these signs being a distraction to drivers?

Ms. Maybee stated that she talked with a sign contractor. She said that generally when they are obtaining permits from DOT the speed of the message was a distraction. Ms. Maybee stated that they would have to obtain a sign permit for those and that industry standard is to hold the message for at least eight seconds. She said that not only do they have to have a sign permit, but would also require a site plan review. Ms. Maybee stated that if this was allowed in a residential district that schools, institutional uses, and club organizations trying to treat that type of business consistently.

Mr. Duggins stated that if you look at the location of Selma Middle School, it sits in the country in a residential area with no one that would be affected by lights. He asked if this

could be done with a special use permit. Mr. Duggins stated that as a parent, he would see this as better communication and would possibly increase participation at events such as PTA meetings.

Chairman Edwards asked if any churches in the area would fall into that request.

Ms. Maybee stated that a church recently requested the same type of usage, and it was not permitted. She said that other areas that have allowed these signs for schools have tight parameters.



A motion was made by Mr. Ronnie Lee and seconded by Mr. Roger Diegele to leave the current ordinance regarding electronic changing messaging signs as is. Voting Yes: Chairman Jennifer Edwards, Mr. Ronnie Lee, Mr. Jim Phillips, Ms. Dina Flowers, and Mr. Roger Diegele. Voting No: Mr. Jody Duggins. Motion carried.

Ms. Maybee asked if they were finding that the electronic changing message sign as not being consistent with the land use plan because it was predominately a residential area and that you want to maintain that residential integrity?

The Planning Board was in agreement.

**NEW BUSINESS –**  
Rezoning Request at US  
Hwy 301 North, Selma, NC  
– Ms. Diane Hatcher  
Narron, North Webb Solar,  
LLC:

Planning Director Julie Maybee stated that a rezoning request is being presented for property located at Highway 301 North, Selma. She said that North Webb Solar, LLC is proposing the installation of a solar farm. Ms. Maybee stated that the majority of the property is zoned R-20 with a small portion zoned General Business (GB) and a small section zoned R-10. She said that when you look at the future land use map, the majority is zoned residential with the front part being zoned commercial. Ms. Maybee stated that with this request, they are asking for the property to be rezoned to a R20 special use district. She said that with a special use district, it was for the purpose of installing a solar farm.

Ms. Maybee stated that the Planning Board may hold, but it is not required, a public hearing on this request. She said that a public hearing would be held by the Town Council. Ms. Maybee stated that when you look at the R-20 zoning district, it is intended to encourage the continuance of agriculture activities as well as to insure residential development of appropriate intensities that are consistent with the suitability of land, accessibility to the major activity centers and transportation systems that are compatible for the surrounding development at the appropriate density to provide a helpful environment.

Ms. Maybee stated that she included in their packet the site that they are looking at. She said that they are providing a vegetative buffer around the perimeter of the site including the setback requirements of the R-20 zoning district. Ms. Maybee stated that the site is not located in a protective watershed, and the entrance is subject to a DOT approval.

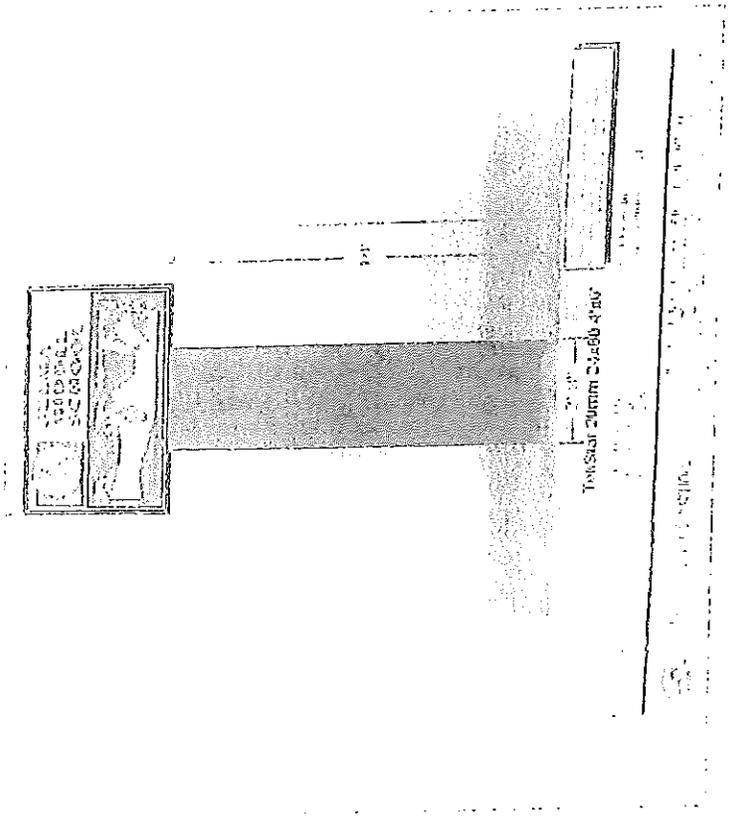
Ms. Maybee stated that in the agenda material, she included the applicant's statements and their brief support of the application. She said at this time, this is a consideration of the rezoning application only. Ms. Maybee stated that the special use permit would be considered separately. She said that the staff report would be included in the record along with the exhibits.

Chairman Edwards stated that the proposal to rezone this property into one zoning is before them.

4.27.15

POWER POINT  
PRESENTATION

# Electronic Changeable Message Board



15'

Two Star Duplex 20x60 4x4x4

# Electronic Changeable Message Sign

- Currently only allowed in Interstate Business Zoning District (aka Interstate Highway Interchange).
- School requesting that it be allowed at Selma Middle School
- Selma Middle School located in R-20 and R-8 Zoning District.

# Electronic Changeable Message Sign (ECMS)

At Minimum should include:

- Any Electronic Changeable Message Sign (ECMS) located within a Residential Zoning Districts shall be operated or lit only between the hours of 7:00 a.m. and 10:00 p.m. and shall be equipped with an automatic timer control that assures compliance with this restriction.
- Each ECMS message shall be continuously displayed for a minimum of *eight (8)* seconds before changing to another message. No ECMS message (copy and/or image) shall be allowed to flash, animate, scroll, or otherwise move, or transition from one message to another in a moving manner except LED signs with electronically scrolled messages shall be allowed subject to the following restriction. Transition between scrolled messages shall be a period of no greater than two (2) seconds.
- Each ECMS or other sign employing the use of light emitting diodes (LED) for display shall be equipped with a control system that automatically adjusts light emission level to ambient light conditions so as to not cause glare or excessive brightness.
- Churches, Civic Organizations, Educational Facilities
- ECMS not exceed 50% of the total allowed sign area
- Not permitted in Historic District overlay.
- Not add to non-conforming sign
- Amend ordinance to allow for a school as a permitted principal use. (Allowed R-20 , not R-8)

## Consistency Statement

- Consistency Statement to be incorporated into motion, as to whether to recommend approval, conditional approval or denial of text amendment

Julie Maybee

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From: Julie Maybee <planningdirector@selma-nc.com>  
 Sent: Wednesday, June 03, 2015 7:55 PM  
 To: 'John Bell'  
 Subject: FW: Ordinance Amendments related to sign.

From: Julie Maybee [mailto:planningdirector@selma-nc.com]  
 Sent: Wednesday, June 03, 2015 7:51 PM  
 To: 'John Bell'  
 Subject: Ordinance Amendments related to sign.

John,

As we discussed earlier, a majority of the Planning Board did not support allowing signs with changeable messages in a residential zoning district or anywhere else except in Interstate Business Zoning District.

Here are some ideas as far as a text amendment to address the placement of your sign. However, you may propose your own.

Note: Part of school property is located in an R-8 zoning district (front part) and back is located in an R-20 zoning district,

- o Amend Selma Municipal Code, Chapter 17, Article III, Section 17-67 (c) (1) to allow a school as a permitted use in the R-8 zoning district.

Amend Chapter 17, Article XI, Section 17-285- Signs Exempt from Regulation, subsection (3) to read as follows:

“Signs erected by or on behalf governmental body including: Legal notices, identification and information signs, traffic direction or regulatory signs, and light emitting diode (LED) sign with electronically scrolled messages under the following conditions:

- Each scrolled message shall remain static for a minimum period of eight seconds;
- There shall be a transition time period of no greater than two seconds between sign messages;
- The scrolled message area shall constitute no greater than 50 percent of the sign face area or maximum sign area permitted in the applicable zoning district, whichever is more restrictive; and
- Sign to be equipped with an automatic timer and lighted only between the hours of 7:00 a.m. and 10:00 p.m. when located in a residential zoning district.

Amend Chapter 17, Article XI, Section 17-289- Signs in Residential Districts, subsection (4): revise language to increase the size of the sign allowed from 16 sq. ft. to the overall size of your proposed sign (32 sq. ft.). [Note: my understanding LED portion of your sign will be 24” x 80” or 13.33 sq. ft.]

Ms. Maybee requested that a public hearing on the text amendment request be set by resolution for the next regularly scheduled meeting of Council on Tuesday, August 11, 2015 at 6:00 p.m. in the Selma Jernigan Building.

Mayor Oliver stated that this was a request for a public hearing and there was quite a bit of information here. She said this request has been on the table for a long period, since last fall. Mayor Oliver asked if there was other information that was not included that would be important to make a decision at the next Council meeting. She asked for that information to be made known now before the next Council meeting.

Councilmember Sellers stated that he would like to know the rationale for why the text amendment was asked for.

Attorney Wood stated that the school wanted to put a digital sign out front.

Mayor Oliver stated that it was for communication of events and school activities.

Planning Director Maybee stated that the reason the Planning Board deliberated on it initially was because of the potential impact on the residential areas. She said that the Planning Board members were looking to see if they were interested in proposing a text amendment and putting it before Council for discussion.

Councilmember Overby stated that the request was for Selma Middle School and no other school.

Ms. Maybee stated that this proposed text amendment would affect any signs placed on any government owned property. She said that it could be another school or any public governmental entity.

Mayor Oliver asked if it has to be that or could it be more specific. She asked what could be the most constrained view of an ordinance that Council could take.

Ms. Maybee stated that Council needed to consider what the school put forth first. She said that in her exhibit, the principal put forth a condition or idea rather than it being just exempt, and that it have some specific conditions on it when you are looking at an electronic message sign. Ms. Maybee stated that she had researched other areas that allowed electronic signs to blanket anywhere other than the interstate business. She said that they needed to have something more specific, because the sign could go anywhere. Ms. Maybee stated that if Council exempted a sign placed on government property then Council would have to look at the equity between commercial property, churches, and civic organizations.

Planning Director Maybee stated that when the Planning Board considered this, they were looking at a broader picture and how it impacted other areas.

Mayor Oliver stated that the applicant, Principal Bell, is interested in Selma Middle School. She said that was what it is about and has looked for guidance on how to make it happen. Mayor Oliver asked if there was some other wording other than government building.

Councilmember Sellers stated Selma Middle School.

Attorney Wood stated that Council could restrict it to just schools. He said that Selma Elementary School would like to have one too.

Councilmember Holmes recommended restricting it to just Selma Middle School.

Ms. Maybee stated that Council could make it a special use permit so that it could be looked at on a case-by-case basis. She said that Council needed to look at the equity between churches, civic organizations, and government entities, and be fair to everybody.

Councilmember Overby stated that he thought that it was being left open for every church in Town.

Mayor Oliver asked if it could be specific to schools as defined by a Johnston County elementary, middle, or high school.

Mayor Pro-Tem Lacy asked if the sign could be placed on the building.

Mayor Oliver stated that it would not be as visible due to the school being set so far off the highway.

Councilmember Holmes requested that it be tabled until next month so that they could receive more details.

Ms. Maybee requested Council to set a public hearing.

Councilmember Overby stated that he would approve the public hearing, but wanted to see the wording changed on the text amendment request from "government" to a specific place.

Town Manager Barlow stated that was what Council was allowed to do. He said that after the public hearing and as long as Council was doing a text amendment, they would have a lot of latitude in changing the wording.

A motion was made by Mayor Pro-Tem Jackie Lacy and seconded by Mayor Cheryl Oliver to approve scheduling of a public hearing on Tuesday, August 11, 2015 at 6:00 p.m. in the Jernigan Building to

receive public comments regarding: (1) allowance of a school as a permitted use in the R-8 zoning district; (2) exempt signs erected on government property from regulations, and (3) increase the size of signs allowed in a residential zoning district from sixteen (16) square feet to thirty-two (32) square feet. Motion carried unanimously.

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON  
AMENDMENT TO SELMA’S MUNICIPAL ORDINANCE,  
CHAPTER 17**

**WHEREAS**, upon receiving a request from Selma Middle School to amend Chapter 17 of Selma’s Municipal Code, and

**WHEREAS**, the request was considered pursuant with Selma’s Municipal Code, Article VII, Section 17-453.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Selma, NC that:

Section 1. A public hearing on the request be held at Town Council meeting on Tuesday, August 11, 2015 starting at 6:00 p.m. in the Selma Jernigan Building.

**DULY ADOPTED THIS THE 14<sup>TH</sup> DAY OF JULY 2015.**

**Consideration of a  
Resolution to Set a  
Public Hearing for the  
Purpose of an  
Ordinance Text  
Amendment and Future  
Land Use Plan  
Amendment Requested  
by the Planning Board  
Pertaining to Solar  
Farms in the R-20  
Zoning District:**

Planning Director Julie Maybee stated that in accordance with Selma’s Municipal Code, Chapter 17, Article XVII, Section 17-453(e), the Planning Board requests an amendment to the Town’s development regulations prohibiting (future) solar farms in an R-20 zoning district. She requested that for clarification purposes, that the text in the Future Land Use Plan be amended as well. Ms. Maybee stated that areas designated as “Residential” should be for mainly residential land use.

Ms. Maybee stated that her report was submitted and reviewed by the Planning Board for consideration at its June 29, 2015 meeting.

Ms. Maybee requested that a public hearing on the text amendment request be set by resolution for the next regularly scheduled Council meeting on Tuesday, August 11, 2015 at 6:00 p.m. in the Selma Jernigan Building.

A motion was made by Councilmember William Overby and seconded by Councilmember Eric Sellers to approve scheduling a public hearing to receive public comments regarding a text amendment request for solar farms be set by resolution for the next regularly scheduled Council meeting on Tuesday, August 11, 2015 at 6:00 p.m. in the Selma Jernigan Building. Motion carried unanimously.

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON  
AMENDMENT TO SELMA'S MUNICIPAL ORDINANCE,  
CHAPTER 17 AND FUTURE LAND USE PLAN**

**WHEREAS**, upon receiving a request from the Planning Board to amend Chapter 17 of Selma's Municipal Code and Future Land Use Plan, and

**WHEREAS**, the request was considered pursuant with Selma's Municipal Code, Article VII, Section 17-453.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Selma, NC that:

Section 1. A public hearing on the request be held at Town Council meeting on Tuesday, August 11, 2015 starting at 6:00 p.m. in the Jernigan Building.

**DULY ADOPTED THIS THE 14<sup>TH</sup> DAY OF JULY 2015.**

**TOWN MANAGER'S  
REPORT &  
RECOMMENDATIONS -  
Consideration of  
Johnston County Inter-  
Local Agreement for  
Provision of Fire  
Protection Services:**

Town Manager Barlow stated that the staff of the Selma Fire Department is recommending acceptance of the updated Inter-local Agreement for Provision of Fire Protection Services between the Town of Selma and Johnston County for Fire Protection Services within the Rural Selma Fire District. He said that in return for these services, the county collects a fire tax at a rate of 10 cents per one hundred dollar evaluation. He said that this tax rate brings in approximately \$146,672 to the town's budget, which is delegated for fire operations.

Mr. Barlow stated that this agreement is required to be in place to provide fire protection to our rural fire district. He said this agreement is updated every two years. Mr. Barlow stated that the changes have been reviewed by Fire Chief McDaniel and are acceptable. Staff is recommending the agreement be approved. Mr. Barlow reviewed the following highlights of the changes:

- Clarified that the tax rate would be set in the discretion of the Johnston County Board of Commissioners.
- Clarified that funds were to be used exclusively for fire department operations for service required under the Agreement whether inside or outside of the Town's corporate boundaries.
- Clarified standards under which services would be provided and description of the primary service area.
- Clarified Johnston County has the right to inspect books and accounts, audit requirements, public bidding requirements, and asset tracking.
- Clarified County's right to withhold funds for failure of performance by service contractor.

- Updated insurance requirements which should be consistent with typical VFIS coverage (although we are willing to consider other insurance limits because of governmental immunity defenses)
- Clarified rating requirements.
- Addition of Paragraph 22 to define the relationship of the parties as independent contractors.
- Addition to Paragraph 23 regarding provision of notice under the agreement.

Town Manager Barlow recommended that Council approve the Inter-Local Agreement for Provision of Fire Protection Services between the Town of Selma and Johnston County.

A motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to approve the Inter-Local Agreement for Provision of Fire Protection Services as presented. Motion carried unanimously.

**Noble Street Project Update:**

Town Manager Barlow stated that significant progress had been made concerning the Noble Street Sewer Project. He said that just this week the final easement within the project boundary was obtained. Mr. Barlow stated that since all of the easements are now recorded, the project could move into the next several phases. He said that these next steps would run concurrently.

Town Manager Barlow stated that pending authorization from USDA, the Engineer (Wooten Company) would put the project out for bid. Mr. Barlow stated that it is expected that bids would be opened in mid-August. He said that USDA would review the bids and authorize the Town to make an award. He said that during this period, Town staff would prepare and submit an application to the Local Government Commission (LGC) seeking approval for project financing. He said that the project bid award could not take place until the LGC grants approval. Mr. Barlow advised that the LGC meets once a month and applications must be submitted 28 days in advance; thus, this would put the Town on the October 6, 2015 LGC agenda. Mr. Barlow stated that if LGC approval is granted, then the matter could be placed on Council's October 13, 2015 agenda for consideration of the bid award.

**Consideration of Reducing the Speed Limit on Poole Drive From 35 mph to 25 mph:**

Town Manager Barlow stated that the Town had a request to modify the speed limit on Poole Drive from a 35 mph speed zone to a 25 mph speed zone. He said that the short street is located just north between Highway 301 and Highway 96. He said that an ordinance amendment needed to be made to add Poole Drive to the list of streets with a 25 mph speed limit. Mr. Barlow stated that Police Chief Cooper had looked at the street and concurs with the request.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve an ordinance

amendment adding Poole Drive to the list of 25 mph speed limit zones within the Town of Selma. Motion carried unanimously.

A request was made by Council to also look at additional signage regarding thru traffic for tractor-trailer trucks on Poole Drive.

**ORDINANCE AMENDING THE TOWN CODE OF  
ORDINANCES, CHAPTER 12, MOTOR VEHICLES &  
TRAFFIC, ARTICLE V, SPEED LIMITS  
TO SET A SPEED LIMIT OF 25 MPH FOR POOLE DRIVE**

Be it ordained by the Town Council of the Town of Selma that:

Section 1: The Town Code of Ordinances, Chapter 12, Motor Vehicles & Traffic; Article V, Speed Limits; Section 12-89 Twenty-five Mile Speeds Designated, is hereby amended by adding the following paragraph:

(14) Poole Drive from Highway 301 North to Highway 96 North.

Section 2: All laws and clauses in conflict with this ordinance amendment are hereby repealed.

Section 3: This ordinance amendment shall be effective immediately upon adoption and the erection of proper signs by the Town of Selma as applicable.

**DULY ADOPTED THIS 14<sup>TH</sup> DAY OF JULY 2015.**

**Presentation of Job  
Descriptions, Salary  
Schedule (A) Fiscal  
Year 2015/2016, and  
Employment  
Advertisements for New  
Positions as Adopted  
with Fiscal Year  
2015/2016 Budget:**

Town Manager Barlow stated that this item was a compilation of several items. He said that this item includes a presentation of job descriptions, the salary schedule (A) for fiscal year 2015/2016, and the advertisements for the new positions as adopted with the fiscal year budget for 2015/2016.

Town Manager Barlow stated that in 2013 the Town contracted with the MAPS Group for the purpose of conducting a Position Classification and Pay Study with a Personnel Policy. He said that in February 2014, the results of that study were presented to Council, and to date, the Pay Study has been implemented. Mr. Barlow stated that the remaining items that needed to be considered were the Job Classifications (job descriptions) and the Personnel Policy.

Town Manager Barlow stated that he included for Council's review a complete set of job descriptions for all full-time positions and a revised organizational chart. He said that the job descriptions for the new positions, which were authorized with the adoption of the fiscal year 2015/2016 budget, were also included along with the corresponding advertisements for those jobs for Council's consideration.

Town Manager Barlow stated that salary schedules A and C were being presented for informational purposes. He said that schedule C represents salary ranges effective with the first phase of the salary plan implementation for fiscal year 2014/2015, and schedule A represents salary ranges after the second phase of implementation of the pay study and became effective with the adoption of the fiscal year 2015/2016 budget.

A motion was made by Councilmember William Overby and seconded by Councilmember Eric Sellers to accept the Job Classification Plan including the new job classifications as presented in the MAPS study with the Plan being accepted administratively rather than formally by Council so management can make minor changes in order to keep the plan up to date. Motion carried unanimously.

**Consideration of  
Council Rules of  
Procedure:**

Town Manager Barlow stated that the revised Town Council Rules of Procedure booklet represents all changes as previously requested by Town Council. He said that if it meets Council's approval, it could be adopted tonight.

Attorney Frank Wood stated that previous changes included changing the meeting time to 6:00 p.m., changing ZBOA to BOA, and removal of the remote participation section.

Councilmember Overby stated that he would like to see a statement added addressing no remote participation.

Town Manager Barlow stated that under these Rules of Procedure, if someone was to request that, they would be able to do so.

Councilmember Sellers stated that he was having second thoughts, because he has participated in three or four meetings by phone in the past. He said that he would allow remote participation. Councilmember Sellers stated that he did not feel ineffective on any of the items to vote on, because he had time to do research before the meeting. He said the only time he felt ineffective was when there was public discussion. Councilmember Sellers stated that he could hear Council discussion, but could not hear discussion by anyone in the audience.

Mayor Oliver stated that on Page 2 regarding emergency meetings, the notice being delivered to the Mayor and Councilmembers at their usual dwelling places at least six hours prior to the meeting. She said that she hoped this was being done as a backup to some other notification. Mayor Oliver asked if there was a phone call or something else to supplement the written notice.

Town Manager Barlow stated that the statutes were clear on what an emergency meeting was. He said that the six hour written notice was probably what was in the statute; however, Council could include the requirement for a phone call.

Mayor Oliver questioned the last sentence of Section b under Emergency Meetings. It was the consensus of Council to remove “and shall be given at the expense of the party notified.”

Mayor Oliver stated that on Page 8, Section 23 (b) and (c), she had the note that Attorney Hewett would clarify.

Town Manager Barlow stated that the Town has strict rules on how to adopt a budget. He said these rules were consistent with the statute. Mr. Barlow stated that he and Attorney Hewett had discussed this, and Attorney Hewett felt it was not necessary for those two sections to be there, because the Town had no latitude in adopting a budget; it's prescribed by statute. He said that it might be best to get rid of Budget Ordinance Adoption, because it is specific to all Towns.

It was the consensus of Council to remove Adoption of the Budget Ordinance from the Town Council Rules of Procedure.

Mayor Oliver stated that on Page 9 under Quorum, discussion was held to change “plus the Mayor” to “including the Mayor.”

Councilmember Overby brought up discussion regarding what constitutes a quorum. He said that he understood a quorum to be three Councilmembers and one Mayor.

Attorney Frank Wood stated that according to the definition requirements of a quorum by the North Carolina General Statutes, the majority of the actual membership of the Council, excluding vacant seats, shall constitute a quorum. He said that would be three out of the five.

Councilmember Overby stated that he would like to see that changed.

Town Manager Barlow stated that the request would have to go before the North Carolina General Assembly to have the Town Charter changed.

Town Manager Barlow stated that Page 9, Quorum should reflect, “A majority of actual membership of Council excluding vacant seats shall constitute a quorum.”

Mayor Oliver stated that on Page 9, next to the last paragraph, a typing error occurred, and the paragraph should begin with “At” the time of the hearing.

Mayor Oliver stated that Page 10, under Quasi-Judicial Hearings, the word “Zoning” needed to be removed from “the Zoning Board of Adjustment.”

**Consideration of a  
Revised Utility  
Customer Policy  
Handbook:**

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to approve the Town Council Rules of Procedure as amended. Motion carried unanimously.

Town Manager Barlow stated that the revised handbook represents all changes as previously requested by Town Council including any fee schedule amendments effective with the new Town of Selma Budget for fiscal year 2015/2016.

Mayor Oliver stated that Council had previously discussed, but she needed a reminder as to why residential customers needed to make application in person.

Town Manager Barlow stated that he thought it was a software limitation. He said that the Town does not have the ability to go online to apply for utility services.

Mayor Oliver asked if there was a way for the applicant to electronically submit that information to get the process started.

Finance Director Kim Batten stated that this was the way for Customer Service to confirm that the person standing before them, with proper identification, was the actual person listed on the application and applying for services.

Councilmember Overby asked if there was a way that the application could be sent in and pre-done until the applicant comes into the office.

Town Manager advised that staff could research some options and see what other Towns do. He said that they could look at pre-fill out forms for utility services.

Councilmember Holmes stated that since the Town has started with the prepay meters, he wanted to look at the deposits again. He said that he would like to see \$500 straight across the board with no credit check. Councilmember Holmes stated that the average person could not pay a \$1,000 deposit. He said that since it has gone to prepay, the Town was coming out a lot better with the Town not losing as much as it was.

Mayor Oliver requested that staff look into the reduction of the deposit to a total of \$500 for all accounts.

Mayor Oliver stated that on Page 7, under Access to Meters, next to the last sentence, states “(following a warning by the Utilities Director).” She said that it once included Utilities Director and/or Building Inspector. Mayor Oliver stated that the Town does not have a Building Inspector, but should it include Johnston County Building Inspector. She stated that the Town does not have a Building Inspector. Mayor Oliver also referenced Page 13, Interruption of Service, which referred to building conditions. She said that in that particular condition, would

the Utilities Director and/or Building Inspector need to be advised. Mayor Oliver stated that she wanted to know if the Johnston County Building Inspector needed to be advised.

Councilmember Holmes asked that once the utilities were cut off for so many days, what happens in a situation such as that.

Planning Director Julie Maybee stated that the Town has to have a complaint against the condition of the house. She said that the Town could not say that all rental properties should be inspected before utilities could be turned on. Ms. Maybee stated that if the Town had a complaint against the condition of a house, they would forward that to the Johnston County Inspections Department, and they would investigate it.

Attorney Wood stated that on a good faith basis, the Town saw that the wiring was frayed, the Town would have the ability to investigate, which falls under public health and safety.

Town Manager Barlow stated that it goes back to the interruption of service clause. He said that if a Meter Reader saw something, they would need to contact the Electric Utility Director to come and look at the possible problem, and he would make the decision to cut electric utilities at the property.

Councilmember Overby suggested that the Meter Readers have the authority to pay attention to faulty wiring.

Town Manager Barlow stated that was how the Meter Readers do it now. He said that they call the Electric Utility Director before they can place a meter.

A motion was made by Councilmember William Overby and seconded by Mayor Pro-Tem Jackie Lacy to approve the revised Utility Customer Policy Handbook as amended. Motion carried unanimously.

### **Review of Financial Reports:**

Town Manager Barlow stated that the financial reports for June, which was the twelfth month of the 201

4/2015 fiscal year. He said that this was not a true picture of twelve months in all circumstances. Mr. Barlow stated that once the auditor approves payment of bills in July and August for June, then the Town would have a true picture of the fiscal year for 2014/2015.

Councilmember Sellers stated that was what he was looking for. He said that he wanted to see that snap shot after the audit.

Town Manager Barlow referred Council to the second page of the financial reports that compared year to year for 11 months. He said that 94% of the expected revenues were collected and spent 92%. Mr.

Barlow stated that revenue exceeded expenditures by \$153,000. He said that it would have been considerably more, but \$250,000 was not transferred from the Electric Fund to the General Fund.

Mr. Barlow stated that in the Water Fund, revenues exceeded expenditures by about \$200,000. He said that this time last year, the Water Fund was at \$50,000.

Mr. Barlow stated that in the Sewer Fund, revenues exceeded expenditures by about \$170,000. He reminded Council that the bill to Johnston County for water treatment for the month of June was \$85,000.

Mr. Barlow stated that looking at the year-to-year picture, the Town was about \$500,000 better off for fiscal year 2014/2015 than fiscal year 2013/2014.

### **Strategic Plan Update:**

Town Manager Barlow stated that the Noble Street Project would soon be going out for bid. He said that the Town would also be seeking approval from the Local Government Commission (LGC) for approval of that project.

Town Manager Barlow stated that the Town Hall Project was approved by the LGC in June.

Town Manager Barlow advised that there would be a meeting this week with VC3, vendor for information technology services.

Town Manager Barlow stated that the Planning Board would soon be reviewing the land development codes. He said that this was a big project the Town Council funded for this fiscal year to start that rewrite.

Town Manager Barlow stated that Mr. Rocky Lane of Sanford Holshouser was in the process of updating the Town's Economic Development Strategic Plan. He said that Mr. Lane was about 50% complete, and is making good progress on the project.

Town Manager Barlow stated that last year, the Public Works Department had as a major project to survey off additional cemetery lots. He said that Selma Memorial Gardens now has 641 additional new lots available for sale.

### **TOWN ATTORNEY'S REPORT:**

Attorney Wood stated that he had nothing to report.

### **MAYOR'S REPORT AND RECOMMENDATIONS – Updated Committee List and Committee Appointment Process:**

Mayor Oliver stated that her initial request was to update the list of committees and to correct any items that needed updating. She said that staff put together a binder of boards, commissions, and committees. Mayor Oliver stated that Council still needed the two-page list that showed all the committees at a glance, and where the vacancies were in the front of the book, after the policy and procedures.

Mayor Oliver asked if Administrative Services Director Cynthia Richardson would help create a process for which committee applications received at Town Hall would go to the Committee Chairman for the Committee's review.

Councilmember Overby stated that he wanted to put the burden back on the Committee itself. He said that the Town should not have to send out a notice or advertise anything. Councilmember Overby stated that each Committee Chairman should monitor their own Committee, and bring recommendations back to Council.

Administrative Services Director Cynthia Richardson stated that the application could be done to include all committees. She said that Council needed to be careful in allowing the boards themselves to do the applications. Ms. Richardson stated that individuals could be overlooked. She said that if staff were involved, they could make sure that everyone gets the same information at the same time, and has the same opportunity.

Attorney Wood stated he was concerned about the fact that people in the public might think the committees were being hand-picked.

**Citizen's Advisory  
Committee Follow-Up:**

Mayor Oliver stated that at the last meeting, Council was asked if they were interested in reviving the Citizen's Advisory Committee.

A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to table the discussion regarding the Citizen's Advisory Committee until the next work session. Motion carried unanimously.

**Code Enforcement  
Ordinances: Cracked  
Windows in Historic  
Business District and  
Boarded Up Doors and  
Windows in Residential  
Areas:**

Mayor Oliver stated that she had mentioned the cracked windows in the historic business district, but wanted to add boarded up doors and windows in residential areas. She said that since the Council was the policy setting board, it seems that we have a number of growing residences with boarded up windows and doors. Mayor Oliver stated that they have been addressed in a one-off manner. She said that in a conversation with the Town Manager in trying to get action, the Town does not have an ordinance to support such an action. Mayor Oliver requested an ordinance to deal with cracked windows in the historic business district, and in that ordinance something that somehow limits the length of time a residence could be boarded up. She said that she could understand a fire causing the windows and doors being boarded up. Mayor Oliver stated that she wanted to get the Planning Director's and Code Enforcement Officer's input at the next meeting. She asked what do other Towns do, and what was the best practice that the other Towns do.

Council requested that the Planning Director's recommendations be brought to the next work session.

**Legislative and Triangle J Updates:**

Mayor Oliver stated that on June 15, 2015, a meeting was held with the Johnston County legislatures in Raleigh. She said that the Smithfield-Selma Chamber of Commerce had representatives with presentations on health care, economic development and Medicaid conform. Mayor Oliver stated that it was a good back and forth discussion with the Legislators. She said that she mentioned the large number of requests for solar farms; not just for Selma, but in Johnston County. She said that Town Manager Barlow took the opportunity to thank the Legislature for quickly endorsing the Duke Energy Progress purchase of the ElectriCities assets.

Mayor Oliver stated that the Triangle J had two new Towns to join, Robinson and Siler City.

**Reach Our Communities Summer Program:**

Mayor Oliver stated that Council gets many requests for Town help with childcare and things to do with children. She said that the program at the Richard B. Harrison Alumni Association is doing a tremendous job focusing on reading and math for children of all ages. Mayor Oliver stated that as children make progress, the data is input into two systems that are used by schools. She said that the next year when the kids start school, their teacher would be able to pull that data to see what they did over the summer.

**General Comments:**

Mayor Oliver stated that on December 12, 2015, the Holiday Homes Tour would be conducted. She said that hopefully this year, the Johnston County Arts Council would be having some artists in the area.

**Schedule Next Work Session:**

Mayor Oliver stated that a Work Session needed to be scheduled and asked what date would be best for Council.

After discussion by Council, a Work Session was scheduled for Monday, July 27, 2015 at 6:00 p.m. in the Jernigan Building.

Planning Director Julie Maybee stated that there was a scheduled Planning Board meeting for July 27, 2015 in the Jernigan Building at 6:00 p.m. She said that the Planning Board could move to another location; however, there was a problem with the Town only having one recording system.

Mayor Oliver stated that Council could meet anywhere; they were not recording. She asked if it was easier for the Planning Board to stay in the Jernigan Building.

Ms. Maybee stated that the Planning Board could meet in the Town Hall Conference Room.

Mayor Oliver stated that the Town Council Work Session would be held in the Jernigan Building on Monday, July 27, 2015 at 6:00 p.m.

**COUNCILMEMBERS'  
REPORT AND  
RECOMMENDATIONS:**

Councilmember Tommy Holmes stated that he has had several conversations with citizens regarding their electric bills. He said that they wanted to know when they would see a reduction in their electric bill. Councilmember Holmes stated that they have been promised this.

Councilmember Tommy Holmes made a motion to reduce electric bills by 10% starting in August.

Councilmember Holmes stated that he was against hiring a consultant. He said that when the Town approved the selling of assets, it was to reduce the citizen's electric rates.

Councilmember Sellers stated that with the electric rate study, the Town might be able to do more, but the Town could not do an across the board reduction for everyone.

Councilmember Holmes stated that he would keep his motion to cut the electric rates by 10%.

Councilmember Overby stated that he would second the motion so that it would go to a vote.

Councilmember Sellers stated that the reason for doing a rate study was to make sure, because he thought Council might be able to reduce more on the electric. He said that citizens needed to understand that electric was a small piece of the utility. Councilmember Sellers stated that electric rates were extremely complex, and that it was counter-productive to ignore the rate study.

Councilmember Holmes stated that he could have request the whole 15%, which was the purpose of selling the assets to cut citizens light bills. He said that citizens were promised a reduction in the light bills that they have not got yet.

Councilmember Sellers stated that the Town has not received a reduction in it electric rates.

Councilmember Holmes stated that Council would keep playing around, and the citizens would only see a 2% or 3%; however, my motion is on the table.

Councilmember Sellers asked what the motion was. He said that a motion could not be made due to the fact that the Town has not seen a rate reduction.

Councilmember Holmes stated that it would start in August.

Councilmember Sellers stated that he could not go along with that because he did not know when the Town would see a reduced rate. He said that he would feel better when the Town received the reduction in

rates, and talk about it then. He said that he could not vote for it at this time.

Councilmember Holmes stated that was up to him, but he was not going to take the motion off the table.

Mayor Oliver stated that it was counter intuitive with the rate study. She said this is how Council could responsibly give the citizens the most. Mayor Oliver stated that there so many components, especially on the commercial side.

Councilmember Holmes stated that they could go with 10%, and then if we could give them 12% or 13%.

Councilmember Sellers stated that you're talking about August. He said that he did not know if the Town was going to receive a reduction in August. Councilmember Sellers stated that as soon as the Town received its reduction, he would be glad to give that reduction to the citizens. He said that he was not in favor of doing anything until he knew what our rates are going to be.

Councilmember Overby asked how long was Council going to have wait for the report to come out.

Town Manager Barlow stated that they have made progress, but the study could not get started until staff provided them all the data. He said they were told it would be three to six months for the report.

Mayor Oliver asked Town Attorney Frank Wood if the agenda should have been amended at the beginning of the meeting for any action items.

Attorney Wood stated that since Council was considering changing a utility rate, there should have been some notice of it on the agenda.

Mayor Oliver asked if the motion could be denied at this meeting and ask for the motion at the next meeting.

Councilmember Overby stated that he was amazed at Mayor Oliver pulling that trump card, because you have done it before.

Attorney Wood stated that at any time, a Councilmember could make a motion.

Mayor Oliver stated that she just wanted to make sure because of the implications.

Councilmember Holmes stated that his motion still stands.

Attorney Wood stated that without having time to research the statute, the safest thing would be to put it on the next agenda for action. He said that was to make sure that it was done properly.

Councilmember Overby stated that the Town of Smithfield reduced their rates without jumping through hoops.

Councilmember Holmes stated that his motion still stands.

Councilmember Sellers stated that he thought it was fiscally irresponsible to vote yes.

Mayor Oliver stated that she wanted to be circumspect from the legal perspective. She said this was a huge decrease without any data on the table. Mayor Oliver stated that if it were tabled until the next meeting, which would be after July 31, 2015, they would know the wholesale rate. She said that they would have at least one data point. Mayor Oliver stated that picking a number out of the air just doesn't seem circumspect.

Councilmember Holmes stated that the Town has been told they were getting a 15% decrease.

Mayor Oliver stated that they did not know that.

Councilmember Sellers stated that it had to be approved by the Utilities Commission.

Mayor Oliver stated the motion and second was for an across the board rate reduction of 10% on electric rates beginning August 1, 2015. Voting Yes: Mayor Pro-Tem Jackie Lacy, Councilmember Tommy Holmes and Councilmember William Overby. Voting No: Mayor Cheryl Oliver and Councilmember Eric Sellers. Motion carried.

Councilmember Overby questioned that Mr. Stacy at the Barber Shop stated that Mayor Oliver was going to bring up some conversation regarding a plaque for his building.

Mayor Oliver stated that would be discussed at the next Wayfinding meeting.

Councilmember Sellers stated that if Council needed any proof that they need electronic paper, tonight's agenda is it.

Councilmember Sellers questioned the solar farm on Ricks Road. He said that it has seemed to slowed down. Councilmember Sellers stated that the buffering has not been installed. He asked what the status was on that project, because right now, it is an eyesore.

Town Manager Barlow stated that was basically what they had left was the landscaping requirements. He advised Council that they would not be able to get a certificate of occupancy from the Town to make a connection. Mr. Barlow stated that they needed to meet all the requirements of the special use permit, and buffering is one of the requirements listed.

Mayor Pro-Tem Jackie Lacy stated that she voted yes on the rate reduction, because in the end if the Town gets 15%, hopefully we will get another reduction.

Mayor Cheryl Oliver stated that today's edition of the *News & Observer* there was a great story on Hula Girl.

Councilmember Tommy Holmes stated that the *Carolina Journal* had some good information regarding solar farms.

**CLOSED SESSION:**

Town Attorney Frank Wood advised Council that they needed to go into closed session per N.C.G.S. §143-318.11(4) regarding economic development. He said that no action was anticipated to be taken.

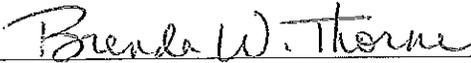
A motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to go into closed session. Motion carried unanimously. 8:45 p.m.

Council returned to regular session at 8:48 p.m. with no action taken.

**ADJOURNMENT:**

With no further business, a motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to adjourn. Motion carried.

The meeting adjourned at 8:49 p.m.

  
BRENDA W. THORNE, DEPUTY CLERK