

Strata Solar Conditional Use Application

Corinth Road Site
Moncure, North Carolina

Case # 13-0507

Hearing Exhibits

1. Order Issuing Certificate of Public Convenience and Necessity, North Carolina Utilities Commission. May 23, 2012
2. Aerial Photograph of Site
3. Kirkland Appraisals Report
4. Affidavit of Nick Szydlek
5. Affidavit of Brent Niemann, P.E.
6. Affidavit of Richard Kirkland, MAI

1.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. SP-1633, SUB 0

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Moncure Farm, LLC, for a)	ORDER ISSUING
Certificate of Public Convenience and Necessity)	CERTIFICATE AND
and Registration Statement for a 4.975-MW AC)	ACCEPTING REGISTRATION
Solar Photovoltaic Electric Generating Facility in)	OF NEW RENEWABLE
Chatham County, North Carolina)	ENERGY FACILITY

BY THE COMMISSION: On February 9, 2012, Moncure Farm, LLC (Applicant), filed an application with the Commission seeking a certificate of public convenience and necessity (CPCN) pursuant to G.S. 62-110.1(a) for construction of a 4.975-MW AC solar photovoltaic electric generating facility to be located at 3905 Corinth Road, Moncure, Chatham County, North Carolina. The Applicant plans to sell the electricity generated by this facility to Progress Energy Carolinas, Inc.

On February 16, 2012, the Commission issued an Order Requiring Publication of Notice, which required the Applicant to (1) publish notice of the application as required by G.S. 62-82(a) and file an affidavit of publication with the Commission, (2) mail a copy of the application and notice, no later than the first date that such notice is published, to the electric utility to which the Applicant plans to sell and distribute the electricity, and (3) file a certificate of service of the mailing to the utility. The Order also specified that if a complaint was received within 10 days after the last date of the publication of the notice, the Commission would schedule a public hearing to determine whether a CPCN should be awarded. The Order further specified that if the Commission received no complaints within the time specified above and if the Commission did not order a hearing upon its own initiative, it would enter an order awarding the CPCN.

On February 27, 2012, the Applicant filed a registration statement for the facility as a new renewable energy facility in this docket. The registration statement included attestations that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the Applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with G.S. 62-133.8; and (4) the Applicant will consent to the auditing of its books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

On March 22, 2012, the State Clearinghouse filed comments. Because of the nature of the comments, the cover letter indicated that no further environmental review action by the Commission was required for compliance with the North Carolina Environmental Policy Act.

On April 26, 2012, the Applicant filed an affidavit of publication stating that the last day of publication of notice was April 5, 2012. No complaints have been received.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on May 21, 2012. The Public Staff recommended that the Commission approve the application, issue a certificate of public convenience and necessity, and accept the registration statement.

After careful consideration, the Commission finds good cause to approve the application and issue the attached certificate of public convenience and necessity for the proposed 4.975-MW AC solar photovoltaic electric generating facility located at 3905 Corinth Road, Moncure, Chatham County, North Carolina. The Commission further finds good cause, based upon the foregoing and the entire record in this proceeding, to accept registration of the facility as a new renewable energy facility. The Applicant shall annually file the information required by Commission Rule R8-66 on or before April 1 of each year. The Applicant shall be required to participate in the NC-RETS REC tracking system (<http://www.ncrets.org>) in order to facilitate the issuance of RECs.

IT IS, THEREFORE, ORDERED as follows:


1. That the application filed by Moncure Farm, LLC, for a certificate of public convenience and necessity shall be, and is hereby, approved.
2. That Appendix A shall constitute the certificate of public convenience and necessity for the 4.975-MW AC solar photovoltaic electric generating facility located at 3905 Corinth Road, Moncure, Chatham County, North Carolina.
3. That the registration statement filed by Moncure Farm, LLC, for its solar photovoltaic facility located in Chatham County, North Carolina, as a new renewable energy facility shall be, and is hereby, accepted.

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

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of May, 2012.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Patricia Swenson".

Patricia Swenson, Deputy Clerk

Bh052312.06

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. SP-1633, SUB 0

Moncure Farm, LLC
1119 15-501 Highway South
Chapel Hill, North Carolina 27517

is hereby issued this

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

for a 4.975-MW AC solar photovoltaic electric generating facility

located at

3905 Corinth Road, Moncure, Chatham County, North Carolina,

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

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of May, 2012.

NORTH CAROLINA UTILITIES COMMISSION



Patricia Swenson, Deputy Clerk

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Kirkland Appraisals

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Fuquay Varina, North Carolina 27526
Phone (919) 285-2951
rkirkland2@gmail.com
www.kirklandappraisals.com

September 11, 2013

Mr. Louis Iannone
Strata Solar
Suite 101
1119 US 15-501 Hwy South
Chapel Hill, North Carolina 27517

Dear Mr. Iannone:

At your request, I have considered the likely impact of a solar farm to be located on 28.32 acres out of a larger 87.065 acre tract of land located at 3905 Corinth Road, Moncure, North Carolina.

The scope of this assignment is to address the likely impact this may have on adjoining properties. To this end I have researched and visited existing and proposed solar farms, researched articles through the Appraisal Institute and other studies, as well as discussed the likely impact with other real estate professionals. I have not been asked to assign any value to any specific property.

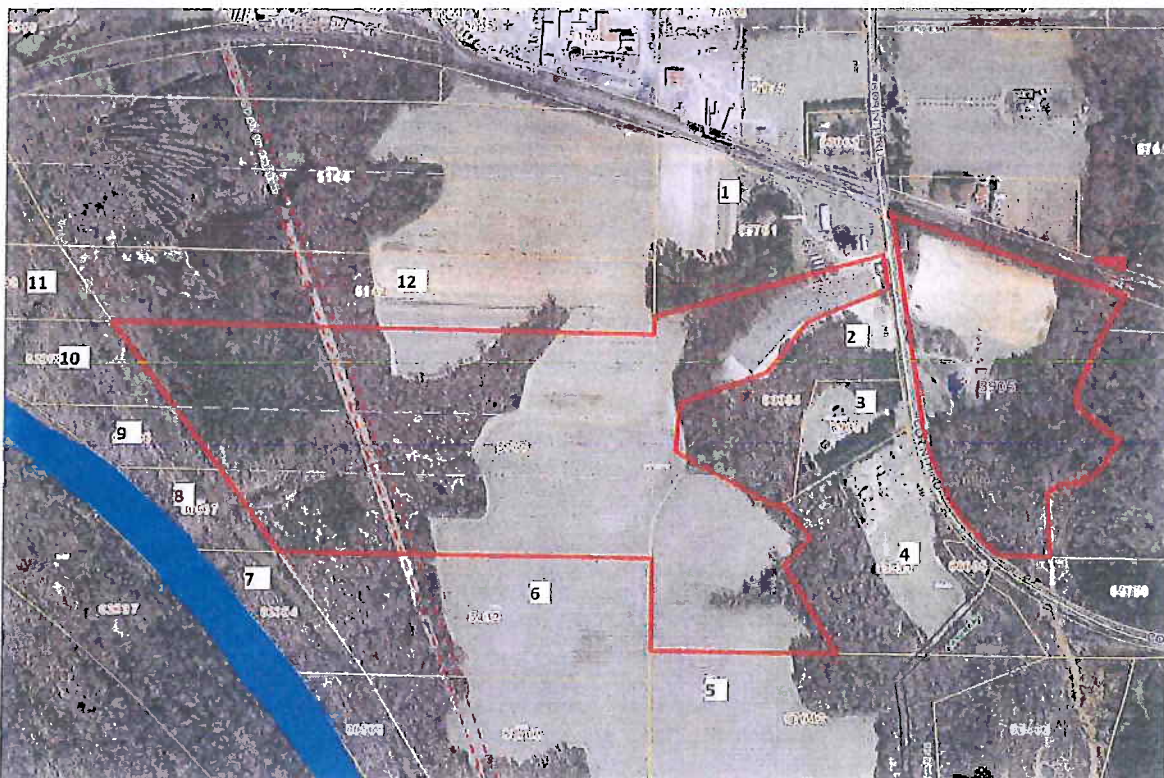
This letter is a limited report of a real property appraisal consulting assignment and subject to the limiting conditions attached to this letter. My client is Strata Solar represented to me by Mr. Louis Iannone. The intended use is to assist in the Special Use Permit application. The effective date of this consultation is September 9, 2013, the date of my inspection.

Proposed Use Description

The property is located on the west side of Corinth Road south of Brick Plant Road, Moncure, North Carolina. The property is currently used for agriculture and proposed to be developed as a solar farm on part of the property.

The solar farm will consist of fixed solar panels that will generate no noise, no odor, and less traffic than a residential subdivision. The appearance will all be panels less than 10 feet in height that will be located behind a chain link fence.

The property has 12 parcels that adjoin the parent tract of the subject property. I have numbered the parcels as shown on the following map. The largest adjoining property owner in number of parcels and in acreage is Carolina Power & Light Company. The adjoining uses are predominately agricultural in nature with some adjoining residential uses and nearby industrial uses.



Surrounding Use

#	TAX ID	Owner	Acres	Present Use	% Adjoining	
					Acres	Parcels
1	065761	Lee	9.92	Res/Agri	4.11%	8.33%
2	069354	Jones	8.12	Agricultural	3.36%	8.33%
3	069351	Jones	3.01	Residential	1.25%	8.33%
4	063233	Behim	13.73	Res/Agri	5.68%	8.33%
5	067642	Utley	18.96	Agricultural	7.85%	8.33%
6	005432	Mansfield	11.70	Agricultural	4.84%	8.33%
7	062364	CP&L	3.30	Agricultural	1.37%	8.33%
8	080567	CP&L	2.86	Agricultural	1.18%	8.33%
9	062395	CP&L	4.00	Agricultural	1.66%	8.33%
10	062368	CP&L	140.00	Agricultural	57.95%	8.33%
11	080566	CP&L	9.48	Agricultural	3.92%	8.33%
12	005142	Harrington	16.50	Agricultural	6.83%	8.33%
Total			241.58		100.00%	100.00%

Res/Agri	9.79%	16.67%
Agricultural	88.96%	75.00%
Residential	1.25%	8.33%
Total	100.00%	100.00%

Matched Pair Analysis

I have researched a number of solar farms in North Carolina looking for recent sales that could be used to derive a matched pair analysis. I have included a breakdown of each of the solar farms that I have researched in the addenda of this report. While most of these comparable solar farms have no matched pairs, I have provided a breakdown of the adjoining uses to show what adjoining uses are typical for solar farms and what uses would likely be considered consistent with a solar farm use.

Currently, the best matched pair data is from the AM Best Solar Farm in Goldsboro that just opened in August of 2013. The data shown in the addenda shows two sales of homes that adjoin what was a known proposed solar farm. Those two sales show prices similar to those that came before and after it in the same Spring Gardens Subdivision. Current listing information shows that the homes that back up to the solar farm as well as those that do not are being listed at the same prices similar to those that sold in 2013 adjoining the proposed solar farm. This price point is similar in total dollars for similar sized homes, but also in the overall price per square foot. This strongly illustrates that the solar farm is having no impact on these homes that are priced in the \$240,000 to \$260,000 price range.

I have also included a number of additional solar farms that I have researched, but few of the others have any useful data. One of the reasons that matched pairs are difficult to find is the combination of the recession and the newness of this size of solar powered use in this area. The recession significantly impacted residential and agricultural sales over the last few years, especially in rural areas. The newness of this product is illustrated by the data presented by the U.S. Solar Market Insight Reports for 2010 and 2011 which is put out by the Solar Energy Industries Association. These reports point out that 2010 was a "breakout" year for solar energy and 2011 continued the boom of solar power. North Carolina was ranked as the 9th most active photovoltaic installations in 2010 and 8th in 2011. A total of 31 MW were installed in 2010 and 55 MW in 2011 in North Carolina.

Across the nation the shift in solar installations is shown to have dramatically increased over the last few years as the change in the technology and economy made these solar farms more feasible. The chart below shows how this market has grown and is expected to continue to grow from 2007 through 2009, with a significant leap in 2010 and 2011. All of this is to say that there are not a lot of examples of this type of solar farm prior to that boom in the solar industry, which happened to coincide with a downturn in the market. This means that the short period for analysis does not provide many opportunities at this time to identify matched pairs. The solar farm comparables listed in the addenda of this report shows all neighboring sales to the solar farms considered so far, which is useful in illustrating what types of uses are consistent with a solar farm.

I have also considered 9 additional solar farms not written up in search of solar farms. The additional solar farms were all Strata Solar facilities and included the following sites listed by the solar farm name and the closest municipality.

Wilson 1, Elm City	Arndt, Claremont
Bclwood, Lawndale	Lenoir, Kinston
Lenoir 2, Kinston	Mocksville, Mocksville

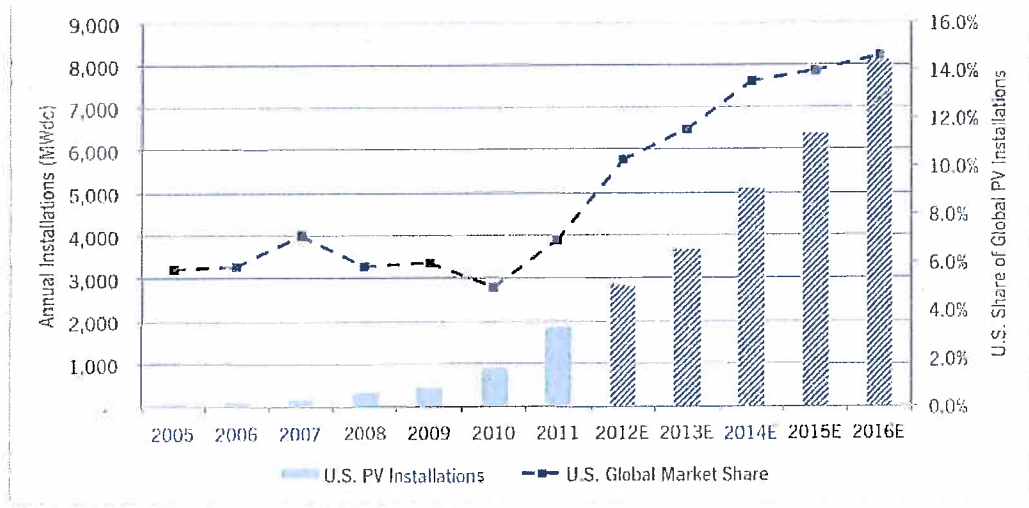
Railroad, St. Pauls

Warrenton, Warrenton

Watts, Maxton

Wilson 1, Elm City

Between those 9 and the 16 detailed in the addenda, I have investigated 25 solar farms in North Carolina seeking comparable sales data and currently I have no usable data. Most of these solar farms have been in use for less than a year, which makes the data search more limited in scope. The locations are generally at the transition point between rural areas and residential areas that are recovering more slowly from the recession and therefore there are fewer transactions overall. I have identified a number of sales in these areas that provide a value before the solar farm impact and expect that I will be able to derive matched pairs in the near future.

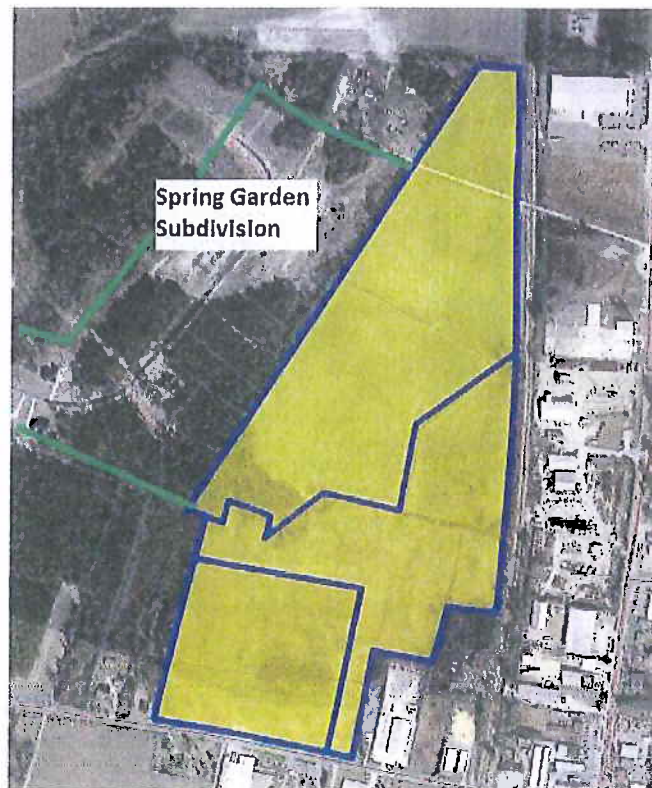


Solar Farm Comparables Near Residential Subdivisions

I have provided more detailed information on a few of the solar farms attached to the addenda of this report to focus on those that adjoin residential subdivisions.

1 -- AM Best Solar Farm, Goldsboro, NC

Another solar farm was approved in Goldsboro, called AM Best. This proposed solar farm adjoins Spring Garden Subdivision that has new homes and lots still available for new construction. The recent home sales have ranged from \$200,000 to \$250,000.



Matched Pairs

As of Date: 8/19/2013

Adjoining Sales After Solar Farm Announced

#	TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
20	3600182511	Feddersen	1.56	Feb-13	\$247,000	2012	3,571	\$69.17	Ranch
21	3600182784	Gentry	1.42	Apr-13	\$245,000	N/A	N/A	N/A	N/A
		Average	1.49		\$246,000	2012	3,571	\$69.17	
		Median	1.49		\$246,000	2012	3,571	\$69.17	

Adjoining Sales Before Solar Farm Announced

#	TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
22	3600183905	Carter	1.57	Dec-12	\$240,000	2012	3,347	\$71.71	1.5 Stories
23	3600193097	Kelly	1.61	Sep-12	\$198,000	2012	2,532	\$78.20	2 Story
24	3600194189	Hadwan	1.55	Nov-12	\$240,000	2012	3,433	\$69.91	1.5 Stories
		Average	1.59		\$219,000	2012	2,940	\$74.95	
		Median	1.59		\$219,000	2012	2,940	\$74.95	

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 Stories
	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	

[Floor Plans](#) [Available Homes](#) [Area Info](#) [Driving Directions](#) [Financing Options](#)

Floor Plans in Spring Garden

	Americana SqFt: 3,194 Bed / Bath: 3 / 3.5	Price: \$237,900 View Now »		Washington SqFt: 3,292 Bed / Bath: 4 / 3.5	Price: \$244,900 View Now »
	Presidential SqFt: 3,400 Bed / Bath: 5 / 3.5	Price: \$247,900 View Now »		Kennedy SqFt: 3,494 Bed / Bath: 5 / 3	Price: \$249,900 View Now »
	Virginia SqFt: 3,449 Bed / Bath: 5 / 3	Price: \$259,900 View Now »			

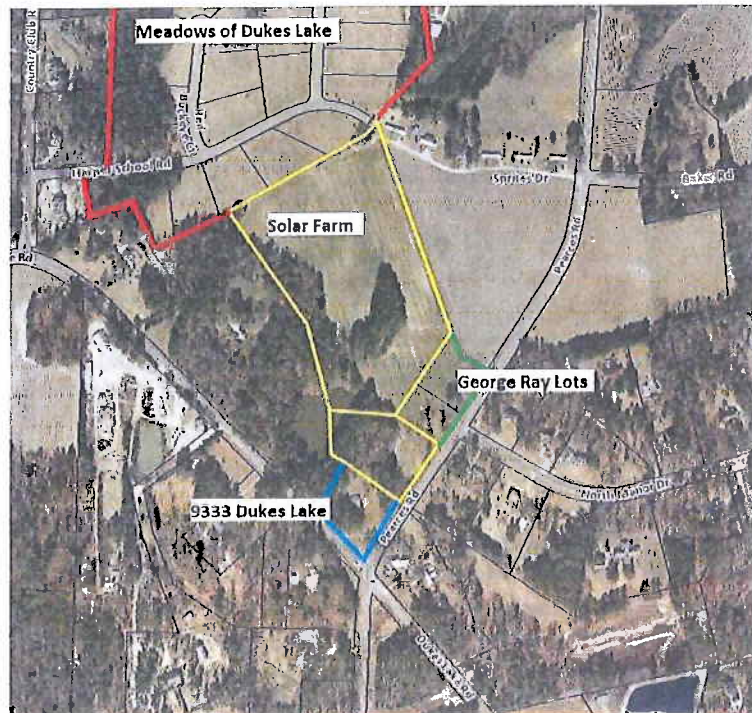
Prices, plans, dimensions, features, specifications, materials, and availability of homes or communities are subject to change without notice or obligation. Illustrations

2 - Zebulon Solar Farm, Zebulon, NC

A new solar farm was approved near Zebulon off Pearces Road. This is not a Strata Solar project.

I have considered a residential sale located at 9333 Dukes Lake Road that sold on September 17, 2012 for \$165,000. This property was purchased prior to knowledge of the proposed solar farm and was therefore not impacted by that farm in the purchase price. I spoke with the broker who listed this property, but she had no opinion on what impact the solar farm would have had. She noted that the buyers were interested in buying this lot because they could see trees from the property, but that there were certainly no guarantees that trees on adjoining land would remain.

The owner of this land, George Ray, also owns two adjoining lots that back up to this property and he intends to build spec homes on those lots in the future.



Lots adjoining this property to the north are owned by Dukes Lake Properties, LLC and are part of the Meadows of Dukes Lake. This subdivision was developed in 2007/2008 and not a single lot has been sold

or single home sold in this subdivision since that time due to the recession. Initially, the developer intended to build \$350,000 homes.

Across the street to the south of the solar farm entrance is North Manor Subdivision that was developed in 1985 with homes in the \$150,000 to \$300,000 range.

3 - Lenoir Solar Farm, Kinston, NC

I have also considered two residential home sales in close proximity to a new solar farm located at 3200 Wheat Swamp Road in Kinston, NC. Carolyn Craig, a Realtor with C21 Harry H. Cummings listed a home located at 3136 Wheat Swamp Road and sold it on January 23, 2013 for \$132,500. I spoke with her regarding the impact of the solar farm and she said that they were unaware of that project at the time of the listing or the time of the sale. She further noted that if she had been it would not have had any impact on this sale. This property was 148 feet from the solar farm property line. Ms. Craig noted



that the property is one lot off the property, but very close and in sight. She also noted that there was another sale on Country Trail that happened nearby. She was not involved with that sale, but it was listed prior to knowledge of the solar farm and sold prior to awareness of the solar farm. It sold on March 15, 2013 for \$105,000 and was 608 feet from the solar farm. Both of these sales were close in time to the awareness of the solar farm, but closed prior to awareness according to the broker's comments. The broker's comments were however all positive. 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.

The adjoining subdivision to the west is Dogwood Creek which was developed in the aftermath of Hurricane Floyd by an investor from outside this area to help with overflow of displaced housing for the area. This was one of the last developed such subdivisions and the homes were all being built on slabs, which was not well received by the victims of flooding and therefore this subdivision has languished over the last 8 years. No usable sales were available from that subdivision as it has been a troubled asset for a long time. I am very familiar with this subdivision having appraised it twice before in the past.

National Studies

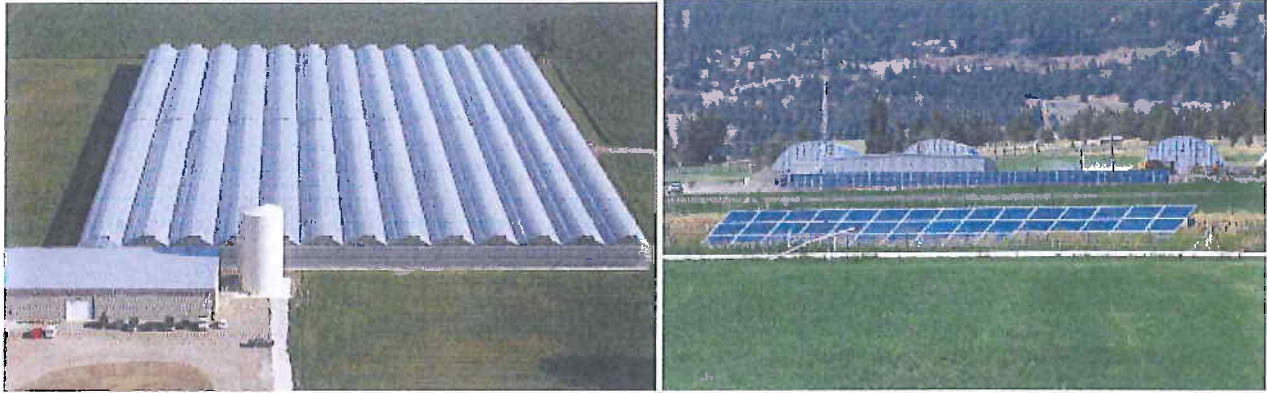
I have researched the Appraisal Institute Lum Library for articles and studies on solar arms as well as searching other industry publications. I was unable to identify any practical or useful studies regarding proximity solar farms.

Impact Analysis

Typically, for an adjoining use to impact property value, it will do so due to the appearance, noise, odor, traffic, hazardous material, or incompatible use. I have considered each of these factors below.

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. Comparing a solar farm to a larger greenhouse as shown below is a very reasonable comparison 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.



I note that the fixed solar panels are all less than 10 feet high, which means that the visual impact of the solar panels will be less high than a typical greenhouse or even a single story residential dwelling. This property could be developed with single family housing that would have a much greater visual impact on the surrounding area given that a two-story home with attic could be four times as high as these proposed panels. The panels will be located behind a chain link fence.

The comparable solar farms that I have considered are presented in the addenda and include a variety of photos of solar farms. The photos show that these sites are generally well-maintained and there is no significant negative view.

For the reasons stated above, I conclude that the appearance of the proposed solar farm will maintain or enhance adjoining property values.

Noise

The proposed solar panels will be fixed and will not move to follow the sun. As these are passive, fixed solar panels there is no noise associated with these panels. 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 and identified in the addenda were inaudible from the roadways. I heard nothing on any of these sites associated with the solar farm.

For the reasons stated above, I conclude that the lack of any noise associated with the proposed solar farm indicates that this use will maintain or enhance adjoining property values.

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.

I therefore conclude that odor from the proposed project is not a factor and the project as designed will maintain or enhance the value of contiguous properties.

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.

For the reasons stated above, I conclude that the lack of any significant traffic associated with the proposed solar farm indicates that this use will maintain or enhance adjoining property values.

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 of those farms.

I therefore conclude that there is no hazardous material concerns associated with the proposed project and therefore the project as designed will maintain or enhance the value of contiguous properties.

Compatibility of Use

I have visited a number of existing and proposed solar farms to determine what compatible uses with a solar farm are.

The remarks included in the solar farm comparables in the addenda also provide very telling information on proposed developments such as a solar farm project located in Chapel Hill on White Cross Road that has a 45-acre solar farm adjoining land currently being used as a mobile home park and adjoining agricultural land. The mobile home park and the agriculture land are directly adjacent to the solar farm and owned by the same owner of the solar farm. This owner anticipated no impact from the adjacency of the solar farm on the mobile home and agricultural uses of their property.

Another solar farm identified as Two Lines in Hickory is situated with over 85% of the surrounding farm land being owned by the same owner as the solar farm site. In fact the owner of this land has their home dwelling located in close proximity to the solar farm. This user could have pushed to locate the solar farm to one end of the property or further from their home if they were concerned with the impact of the solar farm, but instead they located it in the middle of their holdings near their home. This is strong evidence that the solar farm is an accepted alternative agricultural use in this area.

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

Percentage By Adjoining Acreage								All Res	All Comm
	Res	Ag	Res/AG	Park	Sub	Comm	Ind	Uses	Uses
Willow Springs	8.34%	25.58%	66.08%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Kings Mtn	2.53%	12.01%	3.63%	0.00%	0.00%	0.00%	81.83%	18.17%	81.83%
Chapel Hill	4.58%	50.98%	44.16%	0.00%	0.00%	0.00%	0.00%	99.72%	0.00%
Vale Farm	1.21%	12.96%	85.83%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Two Lines	2.84%	86.64%	7.71%	0.00%	2.81%	0.00%	0.00%	100.00%	0.00%
Strata	0.02%	0.00%	0.13%	99.85%	0.00%	0.00%	0.00%	100.00%	0.00%
Avery	12.70%	40.25%	47.05%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Mayberry	24.07%	51.49%	0.00%	0.00%	0.00%	4.14%	20.29%	75.56%	24.44%
Progress I	0.00%	45.39%	4.42%	0.00%	0.00%	0.00%	50.19%	49.81%	50.19%
Progress II	1.47%	98.53%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Sandy Cross	0.42%	0.00%	99.58%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Zebulon	46.59%	0.00%	53.41%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Average	8.73%	35.32%	34.33%	8.32%	0.23%	0.35%	12.69%	86.94%	13.04%
Median	2.68%	32.91%	25.93%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
High	46.59%	98.53%	99.58%	99.85%	2.81%	4.14%	81.83%	100.00%	81.83%
Low	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.17%	0.00%

Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.
Prison use included in industrial. Religious and Mobile Home included in Residential.

I have also included a breakdown of each solar farm by number of adjoining parcels by use as the acreage can vastly overstate the adjoining use when say 200 acres of agriculture is on one side of the project and five single family homes on an acre each are located on another side. Using both factors provides a better concept of what the neighboring properties consist.

Percentage By Number of Parcels Adjoining								All Res	All Comm
	Res	Ag	Res/AG	Park	Sub	Comm	Ind	Uses	Uses
Willow Springs	42.11%	36.84%	21.05%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Kings Mtn	40.00%	30.00%	10.00%	0.00%	0.00%	0.00%	20.00%	80.00%	20.00%
Chapel Hill	33.33%	20.00%	40.00%	0.00%	6.67%	0.00%	0.00%	100.00%	0.00%
Vale Farm	10.00%	20.00%	70.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Two Lines	38.46%	46.15%	7.69%	0.00%	7.69%	0.00%	0.00%	100.00%	0.00%
Strata	71.43%	0.00%	14.29%	14.29%	0.00%	0.00%	0.00%	100.00%	0.00%
Avery	50.00%	37.50%	12.50%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Mayberry	41.67%	8.33%	0.00%	0.00%	0.00%	25.00%	25.00%	50.00%	50.00%
Progress I	0.00%	50.00%	25.00%	0.00%	0.00%	0.00%	25.00%	75.00%	25.00%
Progress II	20.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Sandy Cross	16.67%	0.00%	83.33%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Zebulon	90.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Average	37.81%	28.24%	23.66%	1.19%	1.20%	2.08%	5.83%	92.08%	7.92%
Median	39.23%	25.00%	13.39%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
High	90.00%	80.00%	83.33%	14.29%	7.69%	25.00%	25.00%	100.00%	50.00%
Low	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%

Both of the above charts show a marked residential and agricultural adjoining use for most solar farms. In fact 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.

Furthermore, searching for comparable sales on LoopNet, I identified a total of 103 properties that were identified by the search term "Solar Farm". In each case the property was being advertised as a potential solar farm with good proximity to a substation, but also listed the alternative use based on the area. The breakdown of these alternative uses shown below is a good indicator of the uses compatible with solar farms. The vast majority of these compatible uses is agriculture and followed by residential.

Combining the agriculture and residential uses they make up 68% of the potential solar farm sites, while industrial, commercial and office uses make up only 32%. This shows that a solar farm is twice as likely to be located in a rural/residential area as opposed to an industrial/commercial site, but all of these locations are considered reasonable locations for solar power.

Alt Use	Listings	%
Agriculture	47	46%
Residential	22	21%
Industrial	16	16%
Commercial	14	14%
Multifamily	3	3%
Office	1	1%
Ag/Res/MF	70	68%
Ind/Com/Off	33	32%

For the reasons stated above, I conclude that the proposed solar farm is a compatible use with a residential and rural area. I therefore conclude that such a use would maintain or enhance the adjoining property values.

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 with some examples provided below.

Rex Vick with Windjam Developers has a subdivision in Chatham County off Mt. Gilcad 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 lot 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 off of the property. He indicated that he believed 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.

Conclusion

The matched pair analysis on the comparable solar farms provides a good breakdown of what uses are compatible with a solar farm use and specifically the AM Best Solar Farm in Goldsboro shows no impact in home values due to the adjacency to the solar farm. 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 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, mobile homes, and apartments. Strictly agricultural adjoining uses including agricultural/residential uses makes up 51% to 69% of the adjoining uses (depending on viewing it by parcel or by acreage). Clearly, adjoining agricultural uses are consistent with a solar farm.

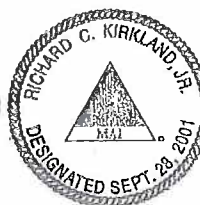
Based on the presented information and my experience in appraising land and residential subdivision developments, I conclude that the proposed solar farm will have no negative impact on the adjoining properties and that this is a compatible and harmonious use with the area.

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 state.
- ❖ 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 as identified in Standard 4 of USPAP and reported following Standard 5 of USPAP.

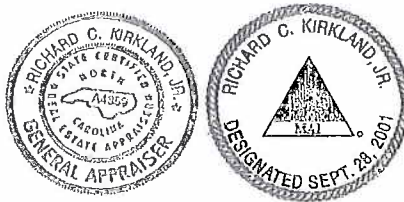
Certification – Richard C. Kirkland, Jr., MAI

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

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

BEFORE THE CHATHAM COUNTY
BOARD OF COMMISSIONERS

CONDITIONAL USE
PERMIT APPLICATION
FOR A SOLAR FARM

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**AFFIDAVIT NICK
SZYDLEK**

NOW COMES the undersigned Affiant, who, being first duly sworn deposes and says:

1. I am over eighteen (18) years of age and competent to testify to the matters set forth in this Affidavit.
2. I am Senior Designer for Strata Solar. In this capacity I oversee designs of Strata's Solar farms across North Carolina. I have worked for Strata Solar in this capacity since 2011.
3. I am familiar with the proposed solar farm use, including the conditional use permit request. I have personally toured the property and specifically inspected the location of the proposed project. I assisted in preparation of the application and related documents for the permit.
4. Strata Solar proposes to construct a solar farm on approximately 28 acres owned by Ruth Dean Jones and Kay Dean Bray. The property is located off Corinth Road in Moncure.
5. The solar farm will be interconnected to Duke Energy Progress for delivery of the power generated to the electric grid.
6. It is the public policy of the State of North Carolina to promote renewable energy as stated in North Carolina General Statute 62-2. Senate Bill 3, which became law in 2007, requires electric utilities to purchase an increasing amount of renewable energy. The proposed solar farm is being developed under this policy.
7. On May 23rd of this year, the North Carolina Utilities Commission issued an Order granting a certificate of public convenience and necessity to Moncure Farm, LLC for the solar farm that is the subject of this hearing. Moncure Farm LLC is wholly owned subsidiary of Strata Solar. The CPCN is required by state law before construction can begin on an electric generating facility. The applicant must submit a detailed application to the Utilities Commission describing the proposed facility. A copy of the Commission Order is being offered as Hearing Exhibit 1.
8. There are other instances of solar farms in Chatham and surrounding counties. Strata has another operating solar farm in Chatham County as well as one in Wake County. I am also aware of several other solar farms in Wake County developed by other companies.

9. This use generates tax benefits to the county and its citizens on a parcel that would be unlikely to add substantial tax revenue without this use. County taxes generally run over \$20,000.00 annually on a project of this size.
10. For the reasons stated above, granting this conditional use permit application is desirable for the public convenience and welfare.
11. The proposed use is among those listed as an eligible conditional use in the R-5 district where the property is located.
12. The proposed solar farm complies with the Chatham Land Use Plan in form and spirit. Specifically, the land use plan calls for "benefits and burdens" of growth to be shared. As I have already noted the tax receipts from this solar farm to the county will be in the neighborhood of \$20,000.
13. Also, the use has been identified as appropriate for "agriculturally" zoned lands by means of the specific solar text change approved in 2012. Additionally, in this case, this agriculturally zoned land is near the Moncure economic development area. The site is within a 1000 feet of a brick plant. Other uses in the area include a power plant and a plywood factory.
14. The use "ensures the long-term quality" of surface water resources. This low impervious use is appropriate near the protected water features to the west of this property. This particular use likely will provide less nitrogen and other run-off effects than the adjoining farms, which frequently need fertilizer, tilling, etc. Finally, the solar farm can be removed at completion and returned to farming which "preserves opportunities to farm".
15. The proposed solar farm is consistent with the residential and agricultural land uses that exist in the area. The area surrounding the site is rural and sparsely developed. There is a significant tree buffer surrounding almost all of the site. **Hearing Exhibit 2** is a copy of the site plan overlaid on an aerial photograph of the site. This exhibit illustrates the extensive buffer around this site. The visual impact of the site is expected to be minimal.
16. For these reasons, it is my professional opinion that the proposed solar farm will not impair the integrity or character of the surrounding or adjoining districts and will not be detrimental to the public health or welfare of the community.

Further the Affiant Sayeth Not.

This the 16th day of September, 2013.



NICK SZYDLEK

ACKNOWLEDGMENT

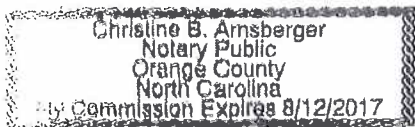
STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he signed the foregoing document: Nick Szydlek

Date:

September 16, 2013



Christine B. Arnsberger
[Notary's signature as name appears on seal]

Christine B. Arnsberger, Notary Public
[Notary's printed name as name appears on seal]

(SEAL)

My commission expires: 8-12-2017

STATE OF NORTH CAROLINA

BEFORE THE CHATHAM COUNTY

COUNTY OF CHATHAM

BOARD OF COMMISSIONERS

CONDITIONAL USE PERMIT
APPLICATION FOR A SOLAR
FARM

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**AFFIDAVIT OF
BRENT NIEMANN, PE**

NOW COMES the undersigned Affiant, who, being first duly sworn, deposes and says:

1. I am over eighteen (18) years of age and competent to testify to the matters set forth in this Affidavit.
2. I am a licensed North Carolina professional engineer employed by Strata Solar.
3. Strata Solar proposes to construct a solar farm on approximately 28 acres owned by Ruth Dean Jones and Kay Dean Bray. The property is located off Corinth Road in Moncure.
4. I am familiar with the proposed solar farm, including the conditional use permit request. I have personally toured the property and specifically inspected the location of the proposed project. I assisted in preparation of the application and related documentation for submittal to the county, and it is my professional opinion that the application package is complete.
5. The solar farm will contain rows of photovoltaic cell solar panels mounted to steel and aluminum racking that is mechanically driven in the ground. The site will be constructed in one phase. The solar cell configuration contains no moving parts. The electric components will have an Underwriters Laboratories (UL) listing and the facility will comply with the edition of the National Electrical Code adopted at the time of construction.
6. The creation of solar energy is virtually silent. The only sound is the quiet hum of equipment converting and conveying electricity to the power grid during daylight hours. Similar facilities are already located in residential neighborhoods to deliver power to homes. Solar panels are designed to absorb rather than reflect light. The solar farm will not have any lighting and no chemicals or hazardous substances will be utilized on the site.
7. The solar panels will be less than ten feet (10') in height as measured from the grade to their highest point, much lower than the typical house.
8. The site is appropriately located to be served by fire, police and emergency services, if needed.
9. The area beneath the solar panels will be planted with grass or other vegetation to stabilize the soil. The active area of the solar farm will be enclosed by a six foot (6') high chain link fence with 3 strands of barbed wire along the top of the fence to prevent unauthorized access to the site.

10. The solar farm will not be staffed daily. Employees will visit the site weekly, or less frequently, to maintain the equipment. Therefore, traffic will be minimal and will not negatively impact the surrounding area.
11. For these reasons stated above, it is my professional opinion that the proposed solar farm will not impair the integrity or character of the surrounding or adjoining districts or materially endanger the public health or safety.
12. The site will not require water or sewer. The site is appropriately located to be served by county fire, police and emergency services, if needed.
13. Access to the site will be from a new driveway onto Corinth Road. A Driveway Permit application will be approved by the North Carolina Department of Transportation for the driveway shown on the submitted site plan prior to construction. I do not anticipate that any changes to the speed limit or any modifications to the road system will be required to serve the solar farm.
14. The proposed solar farm will generate almost no traffic. I am familiar with the principles of traffic engineering. The Institute of Transportation Engineers Trip Generation manual 8th Edition reports that the average single-family housing unit will produce an average of 9.57 trips on a weekday. The proposed solar farm will generate far fewer daily trips than one average single-family detached home. For these reasons, it is my professional opinion that the proposed solar farm has adequate utilities, access roads and other necessary facilities consistent with the county's plans and policies.
15. The site plan reflects the setbacks required by the County Zoning Ordinance.
16. A Modified Type 'B' Landscape Buffer will be provided around the perimeter of the solar farm where existing landscaping does not provide adequate screening from adjacent properties. Existing landscaping may be augmented using the same Modified Type 'B' Landscaping Buffer design included on the Conditional Use Site Plan.

Further the Affiant Sayeth Not.

This the 16 day of September, 2013.



BRENT NIEMANN

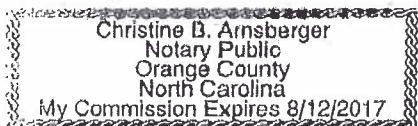
ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF Orange

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Brent Niemann.

Date: September 16, 2013



Christine B. Arnsberger
[Notary's signature as name appears on seal]

Christine B. Arnsberger, Notary Public
[Notary's printed name as name appears on seal]

(SEAL)

My commission expires: 8-12-2017

6

STATE OF NORTH CAROLINA
COUNTY OF CHATHAM

BEFORE THE CHATHAM COUNTY
BOARD OF COUNTY COMMISSIONERS

CONDITIONAL USE PERMIT)
APPLICATION FOR A SOLAR)
FARM)

AFFIDAVIT OF
RICHARD C. KIRKLAND, MAI

NOW COMES the undersigned Affiant, who, being first duly sworn deposes and says:


1. I am over eighteen (18) years of age and competent to testify to the matters set forth in this Affidavit.
2. I am a licensed North Carolina real estate appraiser with an MAI Designation, actively practicing in North Carolina for 14 years.
3. I was engaged by Strata Solar to conduct an analysis to determine the impact of Strata's proposed solar farm at 3905 Corinth Road in Moncure on the integrity and character of the surrounding area.
4. A copy of my report, including my credentials and qualifications, is attached to this affidavit as Exhibit A.
5. Strata Solar proposes to construct a solar farm on approximately 28 acres owned by Ruth Dean Jones and Kay Dean Bray. The property is located off Corinth Road in Moncure.
6. The solar farm will consist of fixed solar panels that generate no noise, no smell and less traffic than one typical residential dwelling. The solar panels will be approximately ten feet (10') in height, much lower than the typical house.
7. I inspected the property and the immediate neighborhood as a part of my evaluation. The area surrounding the site of the proposed solar farm is rural and sparsely developed. There is a significant tree buffer around most of the site.
8. The solar farm will not generate noise or odor. The facility will not be staffed daily, and employees will visit the site weekly or less frequently, and, therefore, the solar farm will not generate traffic.
9. For the reasons cited above, it is my professional opinion that the proposed solar farm will be in harmony and in character with the surrounding area.
10. I also conducted a detailed study of the impact of solar farms on the value of surrounding property. In my study I considered more than 25 solar farms across North Carolina.
11. I conducted a matched pair analysis of a solar farm in Goldsboro. That farm adjoined a the Spring Garden subdivision. As shown in my report, two sales prices in that subdivision show prices similar to those that came before and after

the solar farm was installed. Current listing information shows that the homes that back up to the solar farm as well as those that do not are being listed at the same prices similar to those that sold in 2013 adjoining the solar farm.

12. Based upon my inspection of the property and the detailed analysis summarized in my report, it is my opinion that the proposed solar farm is in harmony with the area in which it is located, that it will not impair the integrity or character of the surrounding or adjoining properties and that it will not substantially injure the value of adjoining of abutting property.

Further the Affiant Sayeth Not.

This the 12 day of September, 2013.


RICHARD C. KIRKLAND

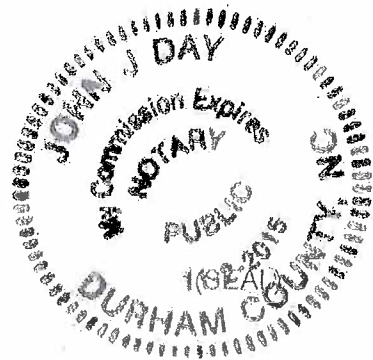
ACKNOWLEDGMENT


STATE OF NORTH CAROLINA

COUNTY OF Durham

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he signed the foregoing document: Richard C. Kirkland.

Date: September 12, 2013




[Notary's signature as name appears on seal]
John J. Day, Notary Public
[Notary's printed name as name appears on seal]

My commission expires: 11/2/2015



Kirkland Appraisals

Richard C. Kirkland, Jr., MAI
3029 Hilltop Needmore Road
Fuquay Varina, North Carolina 27526
Phone (919) 285-2951
rkirkland2@gmail.com
www.kirklandappraisals.com

September 11, 2013

Mr. Louis Iannone
Strata Solar
Suite 101
1119 US 15-501 Hwy South
Chapel Hill, North Carolina 27517

Dear Mr. Iannone:

At your request, I have considered the likely impact of a solar farm to be located on 28.32 acres out of a larger 87.065 acre tract of land located at 3905 Corinth Road, Moncure, North Carolina.

The scope of this assignment is to address the likely impact this may have on adjoining properties. To this end I have researched and visited existing and proposed solar farms, researched articles through the Appraisal Institute and other studies, as well as discussed the likely impact with other real estate professionals. I have not been asked to assign any value to any specific property.

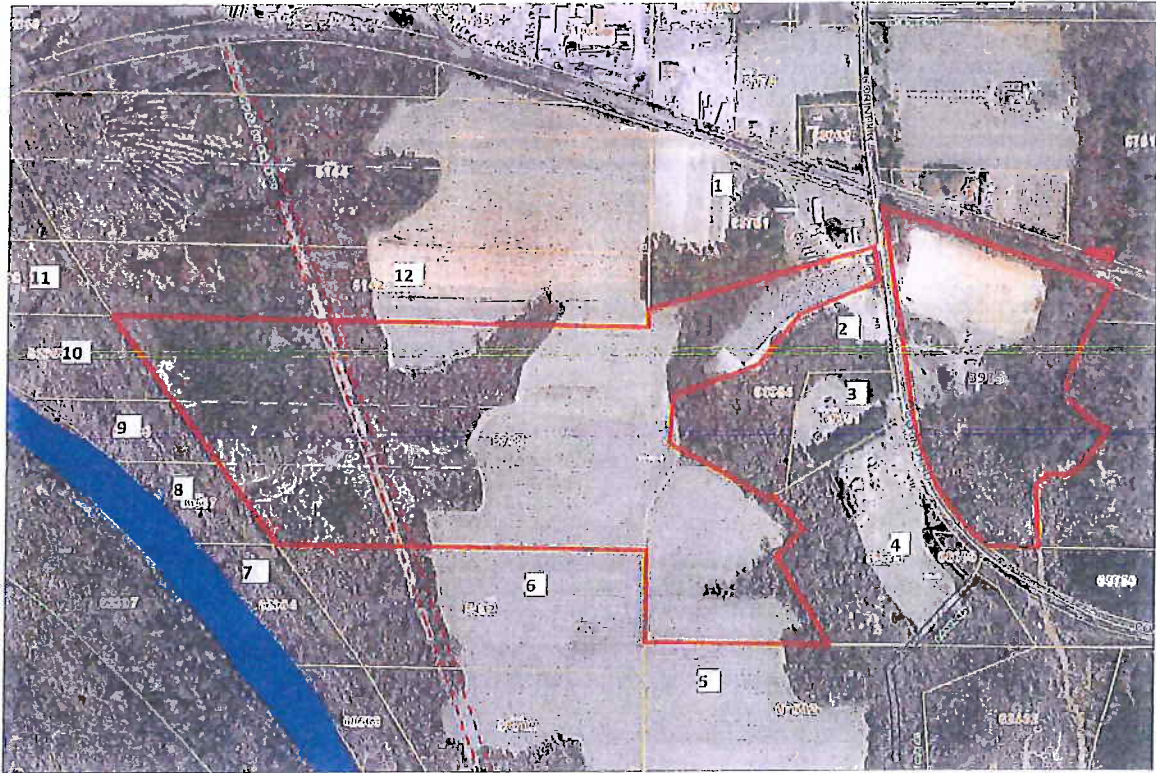
This letter is a limited report of a real property appraisal consulting assignment and subject to the limiting conditions attached to this letter. My client is Strata Solar represented to me by Mr. Louis Iannone. The intended use is to assist in the Special Use Permit application. The effective date of this consultation is September 9, 2013, the date of my inspection.

Proposed Use Description

The property is located on the west side of Corinth Road south of Brick Plant Road, Moncure, North Carolina. The property is currently used for agriculture and proposed to be developed as a solar farm on part of the property.

The solar farm will consist of fixed solar panels that will generate no noise, no odor, and less traffic than a residential subdivision. The appearance will all be panels less than 10 feet in height that will be located behind a chain link fence.

The property has 12 parcels that adjoin the parent tract of the subject property. I have numbered the parcels as shown on the following map. The largest adjoining property owner in number of parcels and in acreage is Carolina Power & Light Company. The adjoining uses are predominately agricultural in nature with some adjoining residential uses and nearby industrial uses.



Surrounding Use

#	TAX ID	Owner	Acres	Present Use	% Adjoining	
					Acres	Parcels
1	065761	Lee	9.92	Res/Agri	4.11%	8.33%
2	069354	Jones	8.12	Agricultural	3.36%	8.33%
3	069351	Jones	3.01	Residential	1.25%	8.33%
4	063233	Behm	13.73	Res/Agri	5.68%	8.33%
5	067642	Utley	18.96	Agricultural	7.85%	8.33%
6	005432	Mansfield	11.70	Agricultural	4.84%	8.33%
7	062364	CP&L	3.30	Agricultural	1.37%	8.33%
8	080567	CP&L	2.86	Agricultural	1.18%	8.33%
9	062395	CP&L	4.00	Agricultural	1.66%	8.33%
10	062368	CP&L	140.00	Agricultural	57.95%	8.33%
11	080566	CP&L	9.48	Agricultural	3.92%	8.33%
12	005142	Harrington	16.50	Agricultural	6.83%	8.33%
Total			241.58		100.00%	100.00%

Res/Agri	9.79%	16.67%
Agricultural	88.96%	75.00%
Residential	1.25%	8.33%
Total	100.00%	100.00%

Matched Pair Analysis

I have researched a number of solar farms in North Carolina looking for recent sales that could be used to derive a matched pair analysis. I have included a breakdown of each of the solar farms that I have researched in the addenda of this report. While most of these comparable solar farms have no matched pairs, I have provided a breakdown of the adjoining uses to show what adjoining uses are typical for solar farms and what uses would likely be considered consistent with a solar farm use.

Currently, the best matched pair data is from the AM Best Solar Farm in Goldsboro that just opened in August of 2013. The data shown in the addenda shows two sales of homes that adjoin what was a known proposed solar farm. Those two sales show prices similar to those that came before and after it in the same Spring Gardens Subdivision. Current listing information shows that the homes that back up to the solar farm as well as those that do not are being listed at the same prices similar to those that sold in 2013 adjoining the proposed solar farm. This price point is similar in total dollars for similar sized homes, but also in the overall price per square foot. This strongly illustrates that the solar farm is having no impact on these homes that are priced in the \$240,000 to \$260,000 price range.

I have also included a number of additional solar farms that I have researched, but few of the others have any useful data. One of the reasons that matched pairs are difficult to find is the combination of the recession and the newness of this size of solar powered use in this area. The recession significantly impacted residential and agricultural sales over the last few years, especially in rural areas. The newness of this product is illustrated by the data presented by the U.S. Solar Market Insight Reports for 2010 and 2011 which is put out by the Solar Energy Industries Association. These reports point out that 2010 was a "breakout" year for solar energy and 2011 continued the boom of solar power. North Carolina was ranked as the 9th most active photovoltaic installations in 2010 and 8th in 2011. A total of 31 MW were installed in 2010 and 55 MW in 2011 in North Carolina.

Across the nation the shift in solar installations is shown to have dramatically increased over the last few years as the change in the technology and economy made these solar farms more feasible. The chart below shows how this market has grown and is expected to continue to grow from 2007 through 2009, with a significant leap in 2010 and 2011. All of this is to say that there are not a lot of examples of this type of solar farm prior to that boom in the solar industry, which happened to coincide with a downturn in the market. This means that the short period for analysis does not provide many opportunities at this time to identify matched pairs. The solar farm comparables listed in the addenda of this report shows all neighboring sales to the solar farms considered so far, which is useful in illustrating what types of uses are consistent with a solar farm.

I have also considered 9 additional solar farms not written up in search of solar farms. The additional solar farms were all Strata Solar facilities and included the following sites listed by the solar farm name and the closest municipality.

Wilson 1, Elm City	Arndt, Claremont
Belwood, Lawndale	Lenoir, Kinston
Lenoir 2, Kinston	Mocksville, Mocksville

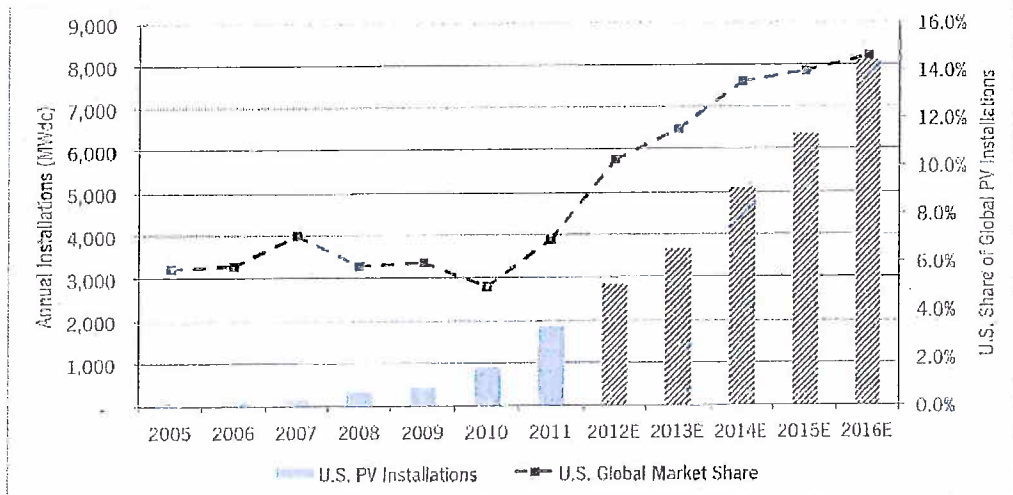
Railroad, St. Pauls

Warrenton, Warrenton

Watts, Maxton

Wilson 1, Elm City

Between those 9 and the 16 detailed in the addenda, I have investigated 25 solar farms in North Carolina seeking comparable sales data and currently I have no usable data. Most of these solar farms have been in use for less than a year, which makes the data search more limited in scope. The locations are generally at the transition point between rural areas and residential areas that are recovering more slowly from the recession and therefore there are fewer transactions overall. I have identified a number of sales in these areas that provide a value before the solar farm impact and expect that I will be able to derive matched pairs in the near future.

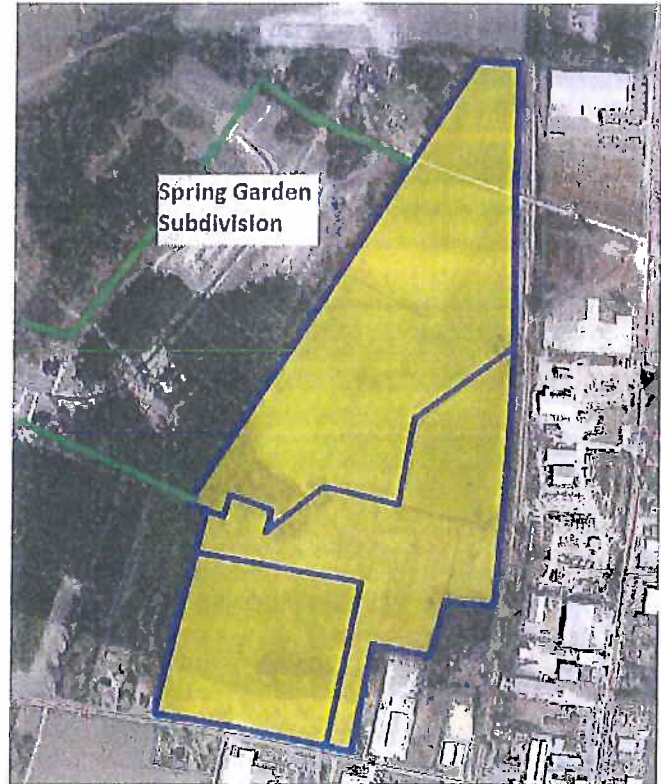


Solar Farm Comparables Near Residential Subdivisions

I have provided more detailed information on a few of the solar farms attached to the addenda of this report to focus on those that adjoin residential subdivisions.

1 – AM Best Solar Farm, Goldsboro, NC

Another solar farm was approved in Goldsboro, called AM Best. This proposed solar farm adjoins Spring Garden Subdivision that has new homes and lots still available for new construction. The recent home sales have ranged from \$200,000 to \$250,000.



Matched Pairs

As of Date: 8/19/2013

Adjoining Sales After Solar Farm Announced

#	TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
20	3600182511	Feddersen	1.56	Feb-13	\$247,000	2012	3,571	\$69.17	Ranch
21	3600182784	Genty	1.42	Apr-13	\$245,000	N/A	N/A	N/A	N/A
		Average	1.49		\$246,000	2012	3,571	\$69.17	
		Median	1.49		\$246,000	2012	3,571	\$69.17	

Adjoining Sales Before Solar Farm Announced

#	TAX ID	Owner	Acres	Date Sold	Sales Price	Built	GBA	\$/GBA	Style
22	3600183905	Carter	1.57	Dec-12	\$240,000	2012	3,347	\$71.71	1.5 Stories
23	3600193097	Kelly	1.61	Sep-12	\$198,000	2012	2,532	\$78.20	2 Story
24	3600194189	Hadwan	1.55	Nov-12	\$240,000	2012	3,433	\$69.91	1.5 Stories
		Average	1.59		\$219,000	2012	2,940	\$74.95	
		Median	1.59		\$219,000	2012	2,940	\$74.95	

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 Stories
	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	

[Floor Plans](#) [Available Homes](#) [Area Info](#) [Driving Directions](#) [Financing Options](#)

Floor Plans in Spring Garden

	Americana SqFt: 3,194 Bed / Bath: 3 / 3.5	Price: \$237,900 View Now »		Washington SqFt: 3,292 Bed / Bath: 4 / 3.5	Price: \$244,900 View Now »
	Presidential SqFt: 3,400 Bed / Bath: 5 / 3.5	Price: \$247,900 View Now »		Kennedy SqFt: 3,494 Bed / Bath: 5 / 3	Price: \$249,900 View Now »
	Virginia SqFt: 3,449 Bed / Bath: 5 / 3	Price: \$259,900 View Now »			

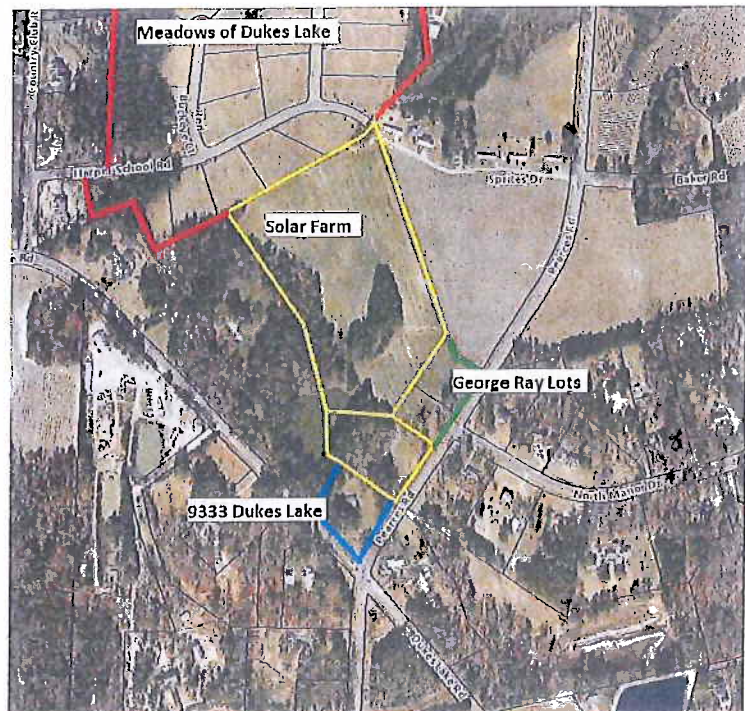
Prices, plans, dimensions, features, specifications, materials, and availability of homes or communities are subject to change without notice or obligation. Illustrations

2 - Zebulon Solar Farm, Zebulon, NC

A new solar farm was approved near Zebulon off Pearces Road. This is not a Strata Solar project.

I have considered a residential sale located at 9333 Dukes Lake Road that sold on September 17, 2012 for \$165,000. This property was purchased prior to knowledge of the proposed solar farm and was therefore not impacted by that farm in the purchase price. I spoke with the broker who listed this property, but she had no opinion on what impact the solar farm would have had. She noted that the buyers were interested in buying this lot because they could see trees from the property, but that there were certainly no guarantees that trees on adjoining land would remain.

The owner of this land, George Ray, also owns two adjoining lots that back up to this property and he intends to build spec homes on those lots in the future.



Lots adjoining this property to the north are owned by Dukes Lake Properties, LLC and are part of the Meadows of Dukes Lake. This subdivision was developed in 2007/2008 and not a single lot has been sold

or single home sold in this subdivision since that time due to the recession. Initially, the developer intended to build \$350,000 homes.

Across the street to the south of the solar farm entrance is North Manor Subdivision that was developed in 1985 with homes in the \$150,000 to \$300,000 range.

3 - Lenoir Solar Farm, Kinston, NC

I have also considered two residential home sales in close proximity to a new solar farm located at 3200 Wheat Swamp Road in Kinston, NC. Carolyn Craig, a Realtor with C21 Harry H. Cummings listed a home located at 3136 Wheat Swamp Road and sold it on January 23, 2013 for \$132,500. I spoke with her regarding the impact of the solar farm and she said that they were unaware of that project at the time of the listing or the time of the sale. She further noted that if she had been it would not have had any impact on this sale. This property was 148 feet from the solar farm property line. Ms. Craig noted



that the property is one lot off the property, but very close and in sight. She also noted that there was another sale on Country Trail that happened nearby. She was not involved with that sale, but it was listed prior to knowledge of the solar farm and sold prior to awareness of the solar farm. It sold on March 15, 2013 for \$105,000 and was 608 feet from the solar farm. Both of these sales were close in time to the awareness of the solar farm, but closed prior to awareness according to the broker's comments. The broker's comments were however all positive. 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.

The adjoining subdivision to the west is Dogwood Creek which was developed in the aftermath of Hurricane Floyd by an investor from outside this area to help with overflow of displaced housing for the area. This was one of the last developed such subdivisions and the homes were all being built on slabs, which was not well received by the victims of flooding and therefore this subdivision has languished over the last 8 years. No usable sales were available from that subdivision as it has been a troubled asset for a long time. I am very familiar with this subdivision having appraised it twice before in the past.

National Studies

I have researched the Appraisal Institute Lum Library for articles and studies on solar farms as well as searching other industry publications. I was unable to identify any practical or useful studies regarding proximity solar farms.

Impact Analysis

Typically, for an adjoining use to impact property value, it will do so due to the appearance, noise, odor, traffic, hazardous material, or incompatible use. I have considered each of these factors below.

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. Comparing a solar farm to a larger greenhouse as shown below is a very reasonable comparison 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.



I note that the fixed solar panels are all less than 10 feet high, which means that the visual impact of the solar panels will be less high than a typical greenhouse or even a single story residential dwelling. This property could be developed with single family housing that would have a much greater visual impact on the surrounding area given that a two-story home with attic could be four times as high as these proposed panels. The panels will be located behind a chain link fence.

The comparable solar farms that I have considered are presented in the addenda and include a variety of photos of solar farms. The photos show that these sites are generally well-maintained and there is no significant negative view.

For the reasons stated above, I conclude that the appearance of the proposed solar farm will maintain or enhance adjoining property values.

Noise

The proposed solar panels will be fixed and will not move to follow the sun. As these are passive, fixed solar panels there is no noise associated with these panels. 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 and identified in the addenda were inaudible from the roadways. I heard nothing on any of these sites associated with the solar farm.

For the reasons stated above, I conclude that the lack of any noise associated with the proposed solar farm indicates that this use will maintain or enhance adjoining property values.

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.

I therefore conclude that odor from the proposed project is not a factor and the project as designed will maintain or enhance the value of contiguous properties.

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.

For the reasons stated above, I conclude that the lack of any significant traffic associated with the proposed solar farm indicates that this use will maintain or enhance adjoining property values.

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 of those farms.

I therefore conclude that there is no hazardous material concerns associated with the proposed project and therefore the project as designed will maintain or enhance the value of contiguous properties.

Compatibility of Use

I have visited a number of existing and proposed solar farms to determine what compatible uses with a solar farm are.

The remarks included in the solar farm comparables in the addenda also provide very telling information on proposed developments such as a solar farm project located in Chapel Hill on White Cross Road that has a 45-acre solar farm adjoining land currently being used as a mobile home park and adjoining agriculture land. The mobile home park and the agriculture land are directly adjacent to the solar farm and owned by the same owner of the solar farm. This owner anticipated no impact from the adjacency of the solar farm on the mobile home and agricultural uses of their property.

Another solar farm identified as Two Lines in Hickory is situated with over 85% of the surrounding farm land being owned by the same owner as the solar farm site. In fact the owner of this land has their home dwelling located in close proximity to the solar farm. This user could have pushed to locate the solar farm to one end of the property or further from their home if they were concerned with the impact of the solar farm, but instead they located it in the middle of their holdings near their home. This is strong evidence that the solar farm is an accepted alternative agricultural use in this area.

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

Percentage By Adjoining Acreage								All Res	All Comm
	Res	Ag	Res/AG	Park	Sub	Comm	Ind	Uses	Uses
Willow Springs	8.34%	25.58%	66.08%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Kings Mtn	2.53%	12.01%	3.63%	0.00%	0.00%	0.00%	81.83%	18.17%	81.83%
Chapel Hill	4.58%	50.98%	44.16%	0.00%	0.00%	0.00%	0.00%	99.72%	0.00%
Vale Farm	1.21%	12.96%	85.83%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Two Lines	2.84%	86.64%	7.71%	0.00%	2.81%	0.00%	0.00%	100.00%	0.00%
Strata	0.02%	0.00%	0.13%	99.85%	0.00%	0.00%	0.00%	100.00%	0.00%
Avery	12.70%	40.25%	47.05%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Mayberry	24.07%	51.49%	0.00%	0.00%	0.00%	4.14%	20.29%	75.56%	24.44%
Progress I	0.00%	45.39%	4.42%	0.00%	0.00%	0.00%	50.19%	49.81%	50.19%
Progress II	1.47%	98.53%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Sandy Cross	0.42%	0.00%	99.58%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Zebulon	46.59%	0.00%	53.41%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Average	8.73%	35.32%	34.33%	8.32%	0.23%	0.35%	12.69%	86.94%	13.04%
Median	2.68%	32.91%	25.93%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
High	46.59%	98.53%	99.58%	99.85%	2.81%	4.14%	81.83%	100.00%	81.83%
Low	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	18.17%	0.00%

Res = Residential, Ag = Agriculture, Sub = Substation, Com = Commercial, Ind = Industrial.
Prison use included in industrial. Religious and Mobile Home included in Residential.

I have also included a breakdown of each solar farm by number of adjoining parcels by use as the acreage can vastly overstate the adjoining use when say 200 acres of agriculture is on one side of the project and five single family homes on an acre each are located on another side. Using both factors provides a better concept of what the neighboring properties consist.

Percentage By Number of Parcels Adjoining								All Res	All Comm
	Res	Ag	Res/AG	Park	Sub	Comm	Ind	Uses	Uses
Willow Springs	42.11%	36.84%	21.05%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Kings Mtn	40.00%	30.00%	10.00%	0.00%	0.00%	0.00%	20.00%	80.00%	20.00%
Chapel Hill	33.33%	20.00%	40.00%	0.00%	6.67%	0.00%	0.00%	100.00%	0.00%
Vale Farm	10.00%	20.00%	70.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Two Lines	38.46%	46.15%	7.69%	0.00%	7.69%	0.00%	0.00%	100.00%	0.00%
Strata	71.43%	0.00%	14.29%	14.29%	0.00%	0.00%	0.00%	100.00%	0.00%
Avery	50.00%	37.50%	12.50%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Mayberry	41.67%	8.33%	0.00%	0.00%	0.00%	25.00%	25.00%	50.00%	50.00%
Progress I	0.00%	50.00%	25.00%	0.00%	0.00%	0.00%	25.00%	75.00%	25.00%
Progress II	20.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Sandy Cross	16.67%	0.00%	83.33%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Zebulon	90.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Average	37.81%	28.24%	23.66%	1.19%	1.20%	2.08%	5.83%	92.08%	7.92%
Median	39.23%	25.00%	13.39%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
High	90.00%	80.00%	83.33%	14.29%	7.69%	25.00%	25.00%	100.00%	50.00%
Low	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%

Both of the above charts show a marked residential and agricultural adjoining use for most solar farms. In fact 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.

Furthermore, searching for comparable sales on LoopNet, I identified a total of 103 properties that were identified by the search term "Solar Farm". In each case the property was being advertised as a potential solar farm with good proximity to a substation, but also listed the alternative use based on the area. The breakdown of these alternative uses shown below is a good indicator of the uses compatible with solar farms. The vast majority of these compatible uses is agriculture and followed by residential.

Combining the agriculture and residential uses they make up 68% of the potential solar farm sites, while industrial, commercial and office uses make up only 32%. This shows that a solar farm is twice as likely to be located in a rural/residential area as opposed to an industrial/commercial site, but all of these locations are considered reasonable locations for solar power.

Alt Use	Listings	%
Agriculture	47	46%
Residential	22	21%
Industrial	16	16%
Commercial	14	14%
Multifamily	3	3%
Office	1	1%
Ag/Res/MF	70	68%
Ind/Com/Off	33	32%

For the reasons stated above, I conclude that the proposed solar farm is a compatible use with a residential and rural area. I therefore conclude that such a use would maintain or enhance the adjoining property values.

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 with some examples provided below.

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 lot 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 off of the property. He indicated that he believed 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.

Conclusion

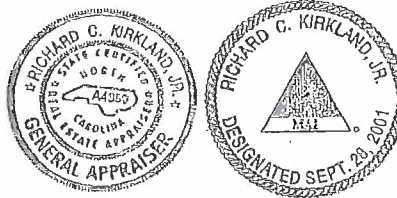
The matched pair analysis on the comparable solar farms provides a good breakdown of what uses are compatible with a solar farm use and specifically the AM Best Solar Farm in Goldsboro shows no impact in home values due to the adjacency to the solar farm. The criteria for making downward adjustments on property values such as appearance, noise, odor and traffic all indicate that a solar farm is a compatible use for a rural/residential 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, mobile homes, and apartments. Strictly agricultural adjoining uses including agricultural/residential uses makes up 51% to 69% of the adjoining uses (depending on viewing it by parcel or by acreage). Clearly, adjoining agricultural uses are consistent with a solar farm.

Based on the presented information and my experience in appraising land and residential subdivision developments, I conclude that the proposed solar farm will have no negative impact on the adjoining properties and that this is a compatible and harmonious use with the 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 as identified in Standard 4 of USPAP and reported following Standard 5 of USPAP.

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

