

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

DOCKET EL19-027

**IN THE MATTER OF THE APPLICATION BY CROWNED RIDGE WIND II, LLC
FOR A PERMIT OF A WIND ENERGY FACILITY IN THE COUNTIES OF
DEUEL, GRANT AND CODINGTON SOUTH DAKOTA, FOR THE CROWNED
RIDGE WIND II PROJECT**

**Pre-Filed Direct Testimony and Exhibits of David Lawrence
On Behalf of the Staff of the South Dakota Public Utilities Commission
December 6, 2019**



1 **Q: State your name and occupation.**

2 A: My name is David Lawrence, and I am a real property appraiser.

3

4 **Q: State your business address.**

5 A: My business address is 4820 E. 57th Street, Sioux Falls, South Dakota.

6

7 **Q: By whom are you currently employed?**

8 A: I am a real property appraiser with DAL Appraisal & Land Services.

9

10 **Q: Please state your educational and professional background.**

11 A: I received a Bachelor of Business Administration from Western State University
12 in Gunnison, Colorado. After completing a four-year degree, I worked in real estate
13 development, site acquisition, and management for a nationally branded franchise
14 system. My career transitioned to real property valuation, and I began work with
15 the RJ Hobson Appraisal Firm. I continued my real property studies with the
16 Appraisal Institute earning the MAI designation, the SRA designation, the AI-RRS,
17 and AG-RRS designation. After completing my designations with the Appraisal
18 Institute, I continued my real property studies with the International Right of Way
19 Association, earning the SR/WA designation. I am currently active in the Appraisal
20 Institute, the International Right of Way Association and the Professional
21 Appraisers Association of South Dakota.

22

23

1 **Q: What work experience have you had that is relevant to your involvement**
2 **in this project?**

3 A: I have a wide range of appraisal experience across South Dakota and
4 neighboring states including property types such as residential, commercial, ranch
5 and farm. I've been fortunate in my appraisal career to have worked across the
6 diverse market areas of South Dakota, including East and West River. Most of my
7 appraisal experience is in right-of-way, linear and energy projects. As part of my
8 practice, I provide appraisal services for damaged property and diminution value
9 studies. These assignments have ranged from measuring the impacts of a high-
10 voltage transmission line on residential property values to analyzing the impacts
11 of the 2011 Missouri River flood on residential and agricultural property values in
12 Union County. In the last ten years, I've completed several studies analyzing the
13 impacts of underground pipelines on agricultural land values in Montana, South
14 Dakota, Minnesota, and Nebraska. I have extensive experience in South Dakota
15 developing damage studies and their relationship to property values. I've
16 developed South Dakota impact studies on the Keystone Phase I, Keystone XL,
17 NuStar, SDIP, Northern Border, Lewis & Clark, Magellan, Rockies Express, and
18 MDU pipelines. In May of 2018, I completed research that analyzed the influences
19 from the Buffalo Ridge Wind Facility on rural property values in Brookings County.
20 Since 2018 I have completed a considerable amount of work with related wind
21 energy projects in South Dakota, including Docket EL17-055 Crocker Wind Farm,
22 Docket EL18-003 Dakota Range I & II, Docket EL18-026 Prevailing Wind Park EL,
23 Docket 18-046 Dakota Range III and Docket 18-053 Deuel Harvest Wind Energy.

1 My experience with impact studies across the state has given me the knowledge
2 and experience to research and apply the methodology for credible analysis.

3

4 **Q: Have you testified before the South Dakota Public Utilities Commission?**

5 A: Yes. I have provided testimony in Docket EL18-003 for the Dakota Range Wind
6 Project in Grant County and Codington County. I have also provided testimony in
7 Docket EL17-055 for the Crocker Wind Farm in Clark County.

8

9 **Q: On whose behalf was this testimony prepared?**

10 A: This testimony was prepared on behalf of the Staff of the South Dakota Public
11 Utilities Commission.

12

13 **Q: Have you previously provided research for the South Dakota Public**
14 **Utilities Commission regarding property value impacts from wind energy**
15 **facilities operating in South Dakota?**

16 A: Yes, in Docket EL17-055 Crocker Wind Farm, EL18-003 Dakota Range I and
17 II, EL18-026 Prevailing Winds, EL18-46 Dakota Range III an EL18-053 Deuel
18 Harvest. The previous research included a 2018 market impact study of the
19 Buffalo Ridge wind development operating in Brookings County. This research is
20 identified as Exhibit DAL_1 in the previous Docket filings and included as an exhibit
21 with my testimony.

22

23

1 **Q: What is the purpose of your testimony in this proceeding?**

2 A: The purpose of my testimony is to (1) assist the Commission in understanding
3 valuation principles and techniques and how they can be appropriately applied to
4 estimate value impacts from the Crowned Ridge Wind II project and (2) provide
5 the Commission with an update to the 2018 market research completed for previous
6 wind dockets.

7

8 **Q: Can you briefly describe the scope of work for the Brookings County**
9 **research completed for the Dakota Range Wind Project in Docket EL18-003?**

10 A: In preparation for the Dakota Range hearing, I completed research in Brookings
11 County to identify properties that have sold in proximity to a wind project, tower or
12 turbine. My research identified thirteen arm's length transactions in Brookings
13 County. Unfortunately, due to time constraints of the June hearing, I was not able
14 to perform a complete case-by-case analysis for the thirteen sales identified. I did
15 prioritize the residential sales BK1, BK2, BK3, BK4, BK5, and BK7. For these
16 sales, I performed a site inspection, interview analysis, and sales analysis. The
17 remaining sales were analyzed with site inspections and interviews. My field
18 research and site inspections had a particular emphasis on examining the
19 proximity of a wind tower and how the tower proximity relationship can influence
20 rural properties. Inspections were done from the public roadway for sales BK1,
21 BK2.5, BK6, BK7, BK9, BK10, BK11, and BK12. In five cases the property owner
22 was present, and I was able to complete an on-site inspection with sales BK2, BK3,
23 BK4, BK5, and BK8. I relied on high-resolution aerial images for sale JD13 and a

1 telephone participant interview. In addition to the BK sales, I visited several rural
2 residential and agricultural properties in the market area influenced by a wind
3 tower. These inspections allowed me to evaluate the influences a wind tower can
4 have on the different property types in the market area of Brookings County. After
5 completing the field work, the next step was to interview as many of the participants
6 in the transaction as possible. I knew a buyer's name and address, and/or a broker
7 involved with the transaction from preliminary research. Given the name and
8 address, I was able to search for phone numbers. Unfortunately, finding a working
9 phone number for participants is becoming more difficult, but I was able to talk with
10 about twenty participants by phone or in person. The objective of the interview
11 analysis was to verify terms of the sale and to inquire whether the sale and/or
12 subsequent use of the property were in any way affected by the proximity of a wind
13 tower. A set of scripted questions were asked in such a manner that no bias or
14 preconceived notions were projected during the interview. Based on the recorded
15 legal documents, site inspections, and information gathered, a detailed description
16 of BK1, BK2, BK3, BK4, BK5, and BK7 was developed for the sales analysis. The
17 next step was to develop data on property sales that were similar in time, location
18 and property type to each of the BK sales, but not in proximity to a wind tower.
19 The methodology of the analysis is similar to the sales comparison approach in the
20 appraisal process, with South Dakota's definition of *market value* as the foundation
21 for the sales selection. To identify this research, I used the Brookings County MLS,
22 Beacon and aerial images to confirm that each comparable sale was unaffected
23 by a wind tower, turbine or wind project. Then each of these sales was

1 summarized in terms of physical characteristics and qualitatively analyzed for
2 differences. The uninfluenced sales were compared to the BK influenced sale for
3 analysis. The final step was to analyze the information collected for each
4 transaction and draw conclusions with respect to the effect, if any, of the proximity
5 of the wind tower on the transaction or on use of the property. The summary of
6 BK1, BK2, BK3, BK4, BK5, and BK7 can be found in Exhibit DAL_1. My scope of
7 work did not include: 1) a sales analysis for sales BK6, BK8, BK9, BK10, BK11,
8 BK12, and JD13; 2) a site visit for JD13; 3) a review of the chain of title for each
9 property ownership since the project first became operational; 4) a site visit and
10 additional verification for the comparable sales identified with MLS; 5) an analysis
11 of the history of the wind project(s) in Brookings County, such as installation date,
12 tower characteristics, project capacity, project construction, operational history,
13 etc. and 6) supplemental research in the other thirteen South Dakota counties with
14 operating wind projects.

15
16 **Q: What are your general conclusions from the research you completed from**
17 **the May 2018 Impact Study of Brookings County?**

18 A: Based on my research within the Brookings County market, the evidence
19 supports the presumption there have been no adverse effects on the selling price
20 of rural residential properties in proximity to a wind tower, turbine or wind project.
21 However, the interview and site analysis support the presumption that proximity to
22 a wind tower can influence the quiet enjoyment of the property and view of the rural
23 scenery. Given the responses from market participants, there is a relationship

1 between the distance from a turbine and the effects on the value perceived by
2 individual property owners who live in proximity to wind towers. Wind tower noise
3 is the number one reason cited by market participants for a perceived impact on
4 value; however, the sales data suggests otherwise. More specifically, the
5 Brookings County research for rural residential properties suggests: 1) there was
6 no discernible adverse impact on the selling prices in Brookings County that could
7 be supported for sales BK1, BK2, BK3, BK4, BK5 and BK7; 2) Interviews with
8 buyers of properties near wind towers were unanimous to report the proximity of
9 the wind tower did not influence the price they paid; 3) In six of six rural residential
10 sales, the market data was consistent, even though the site inspection observed
11 influences of noise and view obstructions within the property boundaries.

12 Although I did not complete a sales analysis for the agricultural sales, the research
13 supports the presumption there have been no adverse effects on the selling price
14 of agricultural properties in proximity to and within the boundaries of the property
15 with a wind tower. During the interview process, participants of agricultural
16 properties were consistent to report the price paid was not affected by a wind tower
17 and in some cases reported a stronger price per acre when the wind payments
18 transferred with the property. The most common issues farmers cited about wind
19 towers are the limitation of aerial spraying, poor reclamation, and compaction
20 issues after the installation of the towers, possible yield loss due to the inability to
21 plant straight rows and the difficulties associated with working around the towers
22 during planting and harvest. Without comparison of the sales evidence with the
23 interview evidence, the agricultural analysis is determined to be inconclusive;

1 however, all agricultural participants were consistent to report there was no
2 adverse effect on the price paid because of the presence of a wind tower. The
3 summary of my research is limited to Brookings County and supported by
4 analyzing six rural residential sales, seven agricultural sales, and twenty market
5 participant interviews.

6

7 **Q: Have you completed any additional research since the EL 18-003 Docket?**

8 Yes, I was asked by the PUC staff to update the sales data for rural residential
9 properties located near wind towers in the Buffalo Ridge wind project in Brookings
10 County. The development of the research was completed with the same scope of
11 work as the Brookings 2018 study and included sales research, site visits, and
12 interviews. The research resulted in three additional market sale transactions for
13 analysis that occurred since May 2018 in Brookings County. The sale analysis is
14 identified as BK12, BK13, and BK14. During the research process, four additional
15 market transactions were discovered within proximity to the Deuel Harvest Wind
16 Project for analysis identified as DE1, DE3, DE4, and DE5. Coincidentally, back in
17 May of 2018, these properties were all listed for sale on the Northeast MLS. I was
18 told by a property owner the listings were a result of the announcement of the
19 Deuel Harvest Wind Project, and the owners were selling because they did not
20 want to live in proximity to wind development. I now have had the opportunity to
21 investigate the transactions and complete a sale analysis for these market
22 transactions. In the process of my research, I also found additional sale
23 transactions for Tatanka Ridge and Crown Ridge wind development projects

1 identified as CD1, CD2, and DE2. As mentioned previously, the scope of the work
2 and analysis were developed like the 2018 Brookings County research where I
3 completed an interview analysis, site investigation, and sales analysis. In total, ten
4 new market sale transactions have been identified and analyzed that have sold in
5 proximity to a wind tower, turbine or project. It was important to point out that in
6 DE1, DE2, DE3, DE4, and DE5 it is public knowledge the permitting process was
7 approved at the time of the sale, but the construction of the project had not
8 commenced. With sale analysis CD1 and CD2 project construction had started
9 with various wind towers erected within the neighborhood, but the project was not
10 operational. The sale transactions are identified in the DAL Exhibit_2.

11
12 **Q: Is the research completed in November 2019 consistent with the May 2018**
13 **Analysis?**

14 A: In my opinion, the overall data is consistent with the research that was
15 completed in May 2018 to support the conclusion that rural South Dakota
16 residential property values have not been negatively influenced by the presence
17 of a wind turbine, tower or wind project; however, there has been new evidence
18 with a sale transaction in Codington County in the footprint of the Crown Ridge II
19 wind development that showed a possible negative effect to the sale price due to
20 the announcement of the project and future location of wind towers in proximity to
21 the residence. Before I review this sale transaction, let me first start by reviewing
22 the new sales data that has been identified since May 2018. In Brookings County,
23 three sale transactions were identified within the Buffalo Ridge wind project. These

1 sales are referenced as BK12, BK13, and BK14. These sale transactions were
2 consistent with the previous Brookings County research and did not show a
3 negative measurable effect on the selling price. The interview analysis had similar
4 results with pessimistic comments from South Dakota market participants. Most
5 common cited comments by buyers and sellers of rural residential properties in
6 Brookings County included invasion of noise, view obstruction, and a reduced pool
7 of prospective buyers that were willing to purchase rural residences in the proximity
8 to a wind tower. Although market participants were less optimistic about the
9 presence of wind towers in proximity to rural residences, the Brookings sales data
10 suggests there was no market evidence to support a negative effect on the selling
11 price. For example, the most recent sale transaction identified as BK13 sold via
12 the Brookings MLS in November 2019. Thirteen wind turbines surround the
13 property providing influences from view obstructions, flicker effect and noise. An
14 interview with the seller provided nothing positive about living within the proximity
15 of the towers, but the sales data shows the property selling within 25 days on the
16 market and having a market appreciation rate of 6.26% a year between the 2015
17 purchase and the 2019 selling transaction. The seller reported numerous potential
18 buyers that showed initial interest would not consider the property because of the
19 surrounding proximity of the wind towers near the residence. Again, many
20 negative comments from the market and the seller, but the sales data suggests a
21 normal market transaction without any measurable effect on the selling price. BK12
22 and BK14 buyer interviews provided similar negative comments about wind towers
23 within the neighborhood but all proceeded to purchase the property with

1 knowledge of the wind towers, turbines, and project. Consistent with previous
2 market evidence from the Brookings 2018 research, the market provided negative
3 comments about the impacts of the wind projects to the rural landscape of South
4 Dakota, yet the sales evidence did not support an impact or measurable effect to
5 the selling price due to the proximity to a wind tower, turbine or wind project.
6 Although the logic of increased days on the market due to the presence of wind
7 towers seems logical, the data analyzed did not support that conclusion.

8

9 **Q: Did the 2019 Brookings County research include any updates with**
10 **agricultural properties?**

11 A: No. Analyzing the effects on agricultural properties from wind towers, turbines
12 and wind projects was not part of the scope of work for the Buffalo Ridge Brookings
13 sales update, but during the interview analysis, market participants that owned
14 agricultural properties were consistent to report inconveniences with wind towers,
15 such as working around the towers, loss of acres due to the base of the tower and
16 roads, and inconsiderate management from the wind tower companies such as
17 leaving cattle gates open and poor reclamation. Overall impacts on agricultural
18 property surrounding a wind tower or adjacent to a wind project were minimal, as
19 long as the highest and best use was not affected. There seemed to be a
20 consistent theme within the market that if a participant was receiving payments
21 from wind towers, the participant was more likely to have positive or neutral
22 comments regarding impacts from the wind towers. From the data analyzed, the
23 market evidence supports the conclusion that agricultural properties with

1 consistent wind lease revenue can have a positive effect and may in some cases
2 increase the property value due to the income above the property's agricultural
3 production capabilities.

4
5 **Q: Did you research rural residential sale transactions in the vicinity of the**
6 **Deuel Harvest Wind Project?**

7 A: Yes. As mentioned previously, in May of 2018 my field researched identified
8 four properties near Gary, South Dakota that all were listed on the market at the
9 same time. Rural residential properties typically have a reduced population of
10 listings and scattered around the rural area, so having four properties listed for
11 sale in the same neighborhood and adjacent to the Deuel Harvest Wind Project
12 struck me as odd. Back in May of 2018, I elected not to continue with the research
13 because Deuel Harvest was not permitted and approved by the PUC and none of
14 the properties were completed transactions. In October 2019 my investigation
15 revealed that all properties have since sold via the Northeast MLS. The sale
16 transactions are identified as DE1, DE3, DE4, and DE5. All transactions were
17 influenced by a permitted wind project; however, tower construction has not
18 commenced. Sales DE2 and DE3 were specifically influenced by recorded wind
19 memorandums within the title records. After further investigation and interviews
20 with the managing broker, the sale motivations were not influenced by the Deuel
21 Harvest Wind Project and the sales evidence suggested the properties sold within
22 the range of market transactions uninfluenced by the proximity of wind tower,
23 turbine or project.

1

2 **Q: Are you familiar with any property owners in South Dakota that have**
3 **claimed a negative impact on their property value due to the presence of**
4 **wind turbines, towers, or a wind project?**

5 A: I am aware of three properties in South Dakota with claims of negative impacts
6 on rural residential properties. The first property is located near Toronto South
7 Dakota, identified as JE1. I became aware of this property from an article in a local
8 newspaper. On May 23, 2018, I met at the property with the owner to understand
9 the property characteristics and influences from wind towers located near the
10 property. The property owner grew up in the area and decided to relocate to South
11 Dakota for his retirement years. I sat at the kitchen table with the property owner
12 and talked about experiences with living in the rural neighborhood before and after
13 the wind towers, followed by a detailed tour of his property. The property includes
14 15 treed acreages improved with a 1994 ranch home with 6,192 square feet, five
15 bedrooms, and three bathrooms. The acreage also has geothermal heat and a
16 shop building. The setting is typical of most acreages in rural South Dakota;
17 however, turbines surround the property on all sides with the closest turbines being
18 located within 1,200 +/- feet of the property. The day I toured the property; the
19 weather conditions were typical of most South Dakota days in May with strong
20 winds from the south. As I stood in the driveway and backyard, I was very surprised
21 at the audible sounds of the turbines within the property effecting the peace and
22 enjoyment of the property, along with the visual presence of the towers that
23 bounded over the west and east boundaries. The shadow effect from the rotation

1 of the turbine blades was not evident at the time of my site inspection; however,
2 the property owner reported shadow and flicker effects within the property
3 boundaries and interior of the home through the west and east windows. The
4 property was listed on July 22, 2019, for \$749,000 and expired on October 22,
5 2019. According to the MLS, the property was only listed for 92 days on the market,
6 with a listing price at the high end of current active listings in the market. My
7 conclusion of JE1 is there could be a potential negative influence from the
8 proximity of towers in terms such as view and noise; however, any value impacts
9 are unknown at this time because there is no sale transaction to analyze and the
10 complexities surrounding the measure of depreciation in relation to the ideal
11 improvement.

12 I became aware of the second property through my field research and interview
13 process. Three different brokers directed me to a sale transaction that took place
14 near Waverly South Dakota and within the Crowned Ridge wind project. It is my
15 understanding the property owner has also presented details to the PUC regarding
16 this sale transaction. This sales analysis is referenced as CD2 in the DAL
17 Exhibit_2. My analysis included a site visit, sales analysis and interview analysis
18 with parties to the transaction, including the seller and broker. The basic summary
19 of the transaction is the property was listed for sale for \$369,000 on the MLS
20 system. An offer was presented and accepted by the seller for \$350,000. After
21 discussions with the agent, the seller felt an obligation to present material facts
22 about the proximity of the Crown Ridge wind project. The offer was rescinded, and
23 the property was relisted on the MLS with the updated disclosure of the wind

1 project. After extended marketing time, the seller accepted an offer of \$275,000.

2 From the perspective of the seller and broker, the presence of the wind project and

3 the proximity of the tower caused a market reduction in the selling price of \$75,000.

4 Preliminary facts of the transaction seem to support a negative influence on the

5 selling price from project anticipation stigma and/or influence from the timing of the

6 updated disclosure form during the negotiation process. This is the second

7 transaction that I'm aware of in eastern South Dakota in which disclosure of the

8 wind project or location of a wind tower in proximity to a rural residence has

9 influenced the negotiation process, and supports market participant comments that

10 some buyers are sensitive to living near wind towers. As concluded within the CD2

11 sales analysis, further investigation is required to support the facts for a final

12 conclusion as to the influence and effects from the proximity of the wind tower and

13 project.

14 The third property is north of Gary, South Dakota in the proximity of the Deuel

15 Harvest Wind Project. This transaction is identified as DE1. Preliminary

16 investigation completed in May 2018 revealed possible negative influences from

17 the disclosure of Deuel Harvest Wind Project during the negotiations process;

18 however, final review of the completed market sale transaction could not support

19 a measurable effect to the sale price from the announcement of the wind project

20 or future locations of the towers. DE1 can be referenced in the DAL Exhibit_2.

21

1 **Q: Do you believe there is enough information with CD2 to support the**
2 **position of the seller and agent that the proximity of the turbine, tower and/or**
3 **project negatively influenced the selling price?**

4 A: My conclusion is that it is difficult to provide a definitive conclusion at this time
5 without a complete investigation of the motivations surrounding the transaction
6 including further interview participation from both seller(s), buyer-1, and buyer-2,
7 an on-site property inspection to evaluate property characteristics and review of
8 title and transactional documents to support the preliminary facts.

9

10 **A: Is there any other information that you have discovered through your**
11 **research process the commission should be aware of that could influence a**
12 **rural residential property in the proximity of a wind tower, turbine or wind**
13 **project?**

14 A: Yes. During the interview process of my analysis with brokers working in the
15 Codington, Deuel and Grant market area I started noticing varying opinions
16 between agents about what materials facts should be disclosed on the South
17 Dakota Seller's Property Condition Disclosure Statement for residential properties
18 in regards to a wind development, permitted project or proximity to wind towers.
19 Let me give the commission some quick background about the SD Real Property
20 Disclosure form. In South Dakota, as required by law, a seller must complete a
21 property disclosure statement in compliance with SDCL 43-4-38 when a
22 residential property is listed and sold. As part of the disclosure statement, a seller
23 and agent are to disclose any material facts about the property to potential buyers

1 and if the seller becomes aware of any change of material fact, the seller is
2 required to provide an updated disclosure prior to closing. The South Dakota
3 Seller's Property Condition Disclosure Statement can be referenced in DAL
4 Exhibit_3, specifically with reference to item number 11 which states, "*Are you*
5 *aware of any other material facts or problems that have not been disclosed on this*
6 *form?*" During the course of my interview investigation with brokers, there was
7 inconsistency about the topic of whether the knowledge of a wind project or
8 proximity to a future tower should be disclosed. Some brokers and sellers felt an
9 ethical responsibility and a legal obligation, while others felt it wasn't their
10 responsibility to disclose. My interview analysis did not result in a consistent
11 answer of how the market deals with the material facts of towers, turbines or
12 developing wind projects, but there seems to be a consensus that there is a
13 segment of the market in which disclosure of the material facts of a wind project,
14 turbine or tower could affect the decision-making process of a buyer. In attempting
15 to further investigate, I contacted the South Dakota Real Estate Commission for
16 guidance on the topic. I posed the hypothetical question to the compliance
17 examiner:

18 *I have a rural acreage in eastern South Dakota. It's the typical South Dakota setting with a classic*
19 *farmhouse, 10 acres, shelterbelt, and unobstructed rural views. I have become aware that a large*
20 *wind development project has been approved by the PUC and construction will begin on the project*
21 *within a year in my neighborhood. I attend a public project meeting at the local community center*
22 *and have also learned the wind company is planning to construct two wind towers on the adjacent*
23 *160-acre farmland. The wind turbines will be within 1,500 to 2,000 feet of my property. After*
24 *becoming aware of the changes that will be taking place in the neighborhood as a result of the*
25 *wind project, I have decided to sell my property and move to an area without any wind towers. I*
26 *hire a licensed S.D. real estate agent to sell my property. The agent presents a Seller's Property*
27 *Condition Disclosure Statement and explains this is a legal document required by South Dakota*
28 *Law that I must complete in order to sell my residence. Am I obligated to report the material facts*
29 *about the proximity of the wind turbines that will be constructed near my property and the future*
30 *wind project that will be constructed in the neighborhood?*

1

2 The response I received from the Real Estate Commission provided me with the
3 definition cited by the commission to assist brokers in understanding what must be
4 legally disclosed and what a material fact is from *The Language of Real Estate*,
5 Third Edition by author John W. Reilly. A material fact is defined as, “*Any fact that*
6 *is relevant to a person making a decision*” The Real Estate Commission would not
7 take a position on the topic and said to seek the counsel of an attorney for a legal
8 opinion on how to answer the question for the disclosure statement. Regardless
9 of the legal answer, this is an issue that is being created for sellers of residential
10 property by the permitting of multiple wind projects and construction of hundreds
11 of turbines across eastern South Dakota.

12

13 **Q: Do you have any concluding remarks?**

14 A: Based on my research within Brookings County and surrounding market, the
15 overall evidence supports the presumption there have been no adverse effects on
16 the selling price of rural residential properties in proximity to a wind tower, turbine
17 or wind project; however, it does not rule out the fact that some market participants
18 are sensitive to living in proximity to a wind tower, turbine or development. It is
19 important to realize that as the rural landscape of South Dakota continues to be
20 influenced by an increasing population of wind towers, there could be certain
21 situations where there could be potential influences on a rural residential property
22 as evident by the preliminary analysis of CD2 and the South Dakota Disclosure
23 Statement. The South Dakota research I have conducted indicates that increasing

1 the distance relationship from a wind turbine and a rural residence can greatly
2 alleviate potential negative impacts on rural residential properties from a wind
3 tower, turbine or project.

4

5 **Q: Does this conclude your testimony?**

6 A: Yes.

Exhibit 1:

Rural Residential Transaction Summary Table						
Transaction Reference	Property Type	Physical Evidence of Effects	Interview Evidence of Effects	Sales Evidence of Effects	Consistency of Sale Evidence with Interview Evidence	Overall Conclusion
BK1	Rural Residential	Yes	None	None	Consistent	No measurable effects
BK2	Rural Residential	Yes	None	None	Consistent	No measurable effects
BK3	Rural Residential	Yes	None	None	Consistent	No measurable effects
BK4	Rural Residential	Yes	None	None	Consistent	No measurable effects
BK5	Rural Residential	*None*	None	None	Consistent	No measurable effects
BK7	Rural Residential	Yes	None	None	Consistent	No measurable effects

****Turbines were not in operation during the site visit of BK5. Winds light and variable. ****

Ag Transaction Summary Table						
Transaction Reference	Property Type	Physical Evidence of Effects	Interview Evidence of Effects	Sales Evidence of Effects	Consistency of Sale Evidence with Interview Evidence	Overall Conclusion
BK2.5	AG	None	None	Not Developed	Inconclusive	None apparent per interview
BK6	AG	None	None	Not Developed	Inconclusive	None apparent per interview
BK8	AG/Res	None	None	Not Developed	Inconclusive	None apparent per interview
BK9	AG	None	None	Not Developed	Inconclusive	None apparent per interview
BK10	AG	None	None	Not Developed	Inconclusive	None apparent per interview
BK11	AG	None	None	Not Developed	Inconclusive	None apparent per interview
BK12	AG	None	None	Not Developed	Inconclusive	None apparent per interview
JD13	AG	None	None	Not Developed	Inconclusive	None apparent per interview

****Sales analysis not developed due to time constraints****

Interview Summary Table			
Interview Reference	Property Type	Participant	Interview Summary Comments
BK1	Residential	Broker	Can be noisy. Limits potential buyers . Doesn't seem to affect price.
BK2	Residential	Buyer	Did not affect purchase decision. Don't like the noise. Flicker effect certain times of the day. Blade broke and threw fragments near the house. Sounds like a continual swooshing sound when it's windy.
BK2 BK2.5	Res/AG	Seller	Satisfied with price. Could feel vibrations inside the house. Glad not to be living near wind towers. Had to give up a wind lease option to sell the house.
BK2.5	AG	Buyer	No affect on purchase price of BK2.5. Own & lease farmland with wind towers. Live in proximity to wind towers. Noisy. Poor reclamation after construction of towers; compaction & loss of yields. Difficult to farm around towers. Currently have farmland under contract with towers.
BK3	Residential	Broker	Some buyers won't look at home near wind towers. However, there is demand for acreages in the market and it doesn't seem to affect the price.
BK3	Residential	Buyer	The towers sound like jet planes when you are working in the yard. But paid the same, even though they don't like the noise.
BK4	Residential	Buyer	Some noise, but doesn't bother me. Paid the same. Happy with purchase.
BK4	Residential	Seller	Got tired of the annoying noise. Decided to sell. We thought it would effect the value; but it didn't matter to the buyer. Glad to not be living next to wind towers.
BK4	Residential	Broker	Though sellers initially expressed concerns about the turbines affecting the price, it took only four months to sell a high-end rural home. Agent doesn't think there was any effect on the price.
BK5	Residential	Broker	Really noisy. Distracts some buyers. Limited acreages in the market. Doesn't seem to be a negative effect on the price. Distance from Brookings is more of a concern to buyers than the wind towers.
BK5	Residential	Buyer	Can be noisy, but didn't matter to us when we purchased the home. Paid the same. No issues.
BK6	AG	Broker	Sales and manages properties with wind towers. Doesn't seem to affect the price or ability to get market rents. There are issues with towers. Can't aerial spray. Breaks up the land; can't plant straight rows. Some guys like them; some don't. It really comes down to a personal decision.
BK7	Residential	Buyer	No affect on value. Property value has increased. Proximity to towers doesn't matter. Little bit of noise when working in the yard. No affect to animals. No concerns or issues.
BK8	AG	Buyer	No issues or concerns. Cattle don't care about the noise. Purchased the land on a CFD and paid market price with towers located on the quarter and no wind payment. No difference in price to me.

Interview Summary Table (continued)			
Interview Reference	Property Type	Participant	Interview Summary Comments
BK9	AG	Buyer	Has over 47 towers located on various ground. Lives near towers, too. Issues with lightning strikes and shattered blades. The company does not clean up well. Good wind payments. Have some towers that pay \$12,000/year. Increases land value with wind payments. No affect with land without payments. People who complain are not getting the payments. Just purchased another 152 acres with a wind tower with no payment. Doesn't affect the price as long as you can farm it and there are no affects with yields.
BK12	AG	Broker	Managed auction with wind payments from two towers. Pasture land sold to adjoining land owner. Wind payments \$12,373 per year. Property sold in 2018 for \$616,000. Wind payments alone are approximately a 2% return and you still can lease or use the property. Believes sale price was positively influenced by the wind payments. No issues with pasture land; have had some issues with tillable ground. Can't plant straight rows, no aerial spraying and can't hunt around the towers. You can hear them run if you are near a tower. Payments offset the hassles with towers.
JD13	AG	Broker	Managed a pasture land auction with towers. Wind lease with 43 years remaining and a 1% annual increase. Land sold for a 10%-15% premium according to auctioneer. Some restrictions because of the towers. You can't shoot around them. Noisy and limits aerial applications.
BKGH	Residential	Seller	Trying to sell a house within the proposed project area. Currently listed on MLS. Had an offer on the property, but believes the disclosure of the proposed wind project near the property ended the deal.
BKDJ	Residential	Owner	Built retirement home prior to the wind project. Towers within 1,000 ft of property on all sides. Noisy. Shadow and flicker effect during certain times of the day. Have to deal with constant noise. Some days louder than others, depending of direction on the wind. Believes the towers are effecting his ability to sell the property.
BKBB	Residential	Owner	Purchased home prior to the wind project. There are periods of the day when there is a shadow effect depending on the angle of the sun. Best way to describe it is like a camera flash. The curtains in the house have to be closed during the flicker times. The flash scares the horses. The red lights, light up the night sky and destroy star gazing. The house was listed for sale and most potential buyers drove away when they saw how close the towers are to the house. The wind company over promised and under delivered.

SALES ANALYSIS BK1	SALE No.	BK1
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 8 Acres
Improvements: 2003 Ranch modular design
Finished Area: 2,356 S.F. GLA, 300 S.F. Lower Level
Garage: Attached 2-Stall
Features: Treed shelter belt. (2) Pole buildings 40x96 & 34x50
Access: Gravel road linkage

Sales Analysis Data:

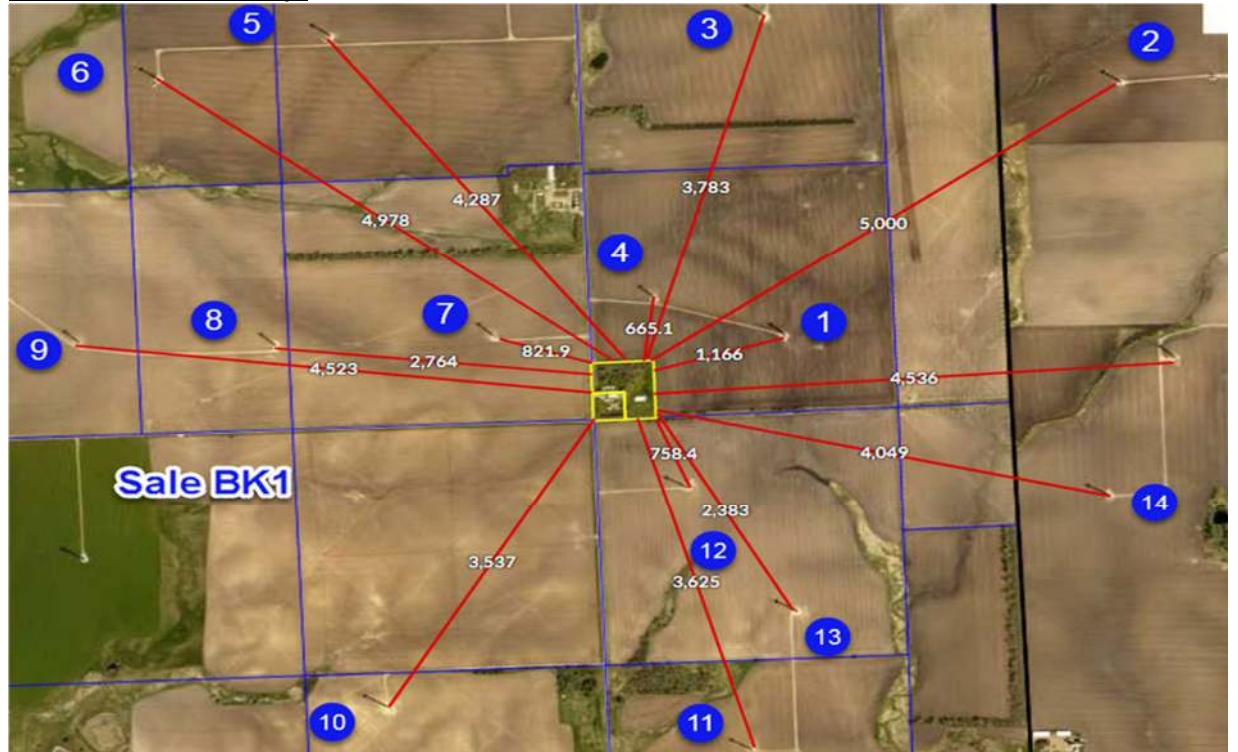
Date of Sale: January 28, 2016
Market Exposure: MLS
Listing Price: \$218,000
Sale Price: \$183,000
Verification: Deed; Beacon; Interview with Broker
Type: Arm's Length Sale
DOM: 153

Wind Project:

Project: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height from Ground: 399 feet
Wind Tower Property Notes: Encompassed by 14 wind turbines circling the property. Tower #1 1,200 +/- feet to the east. Tower #2 5,000 +/- feet to the northeast. Tower #3 3,800 +/- feet to the north. Tower #4 665 +/- feet to the north. Tower #5 4,300 +/- feet to the northwest. Tower #6 5,000 +/-

feet to the northwest. Tower #7 800 +/- feet west. Tower #8 2,700 +/- feet west. Tower #9 4,500 +/- feet southwest. Tower #10 3,500 +/- feet southwest. Tower #11 3,600 +/- feet southeast. Tower #12 750 +/- feet southeast. Tower #13 2,400 +/- feet southeast. Tower #14 4,000 +/- feet southeast.

Wind Tower Aerial Map:



Appreciation Analysis:

(Influenced by Tower) Sale 1 Bk1:	October 30, 2009	\$166,000
(Influenced by Tower) Sale 2 BK1:	<u>January 28, 2016</u>	<u>\$183,000</u>
	6.24 Years	\$23,000
BK1 Appreciation:	\$3,685/Year	1.64%/Year
(Uninfluenced) Sale 1 486 th :	December 7, 2004	\$133,000
(Uninfluenced) Sale 2 486 th :	<u>October 11, 2013</u>	<u>\$145,000</u>
	9.25 Years	\$12,000
486th Appreciation:	\$1,298/Year	.98%/Year
(Uninfluenced) Sale 213 th :	August 10, 2013	\$266,000
(Uninfluenced) Sale 213 th :	<u>May 24, 2018</u>	<u>\$290,903</u>
	4.62 Years	\$24,906
213th Appreciation:	\$5,390/Year	2.02%/Year

Conclusion: Sale BK1 has market appreciation within the range of the market sales that are not influenced by a wind tower, turbine or wind project.

Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Broker
Interview Date: May 28, 2018

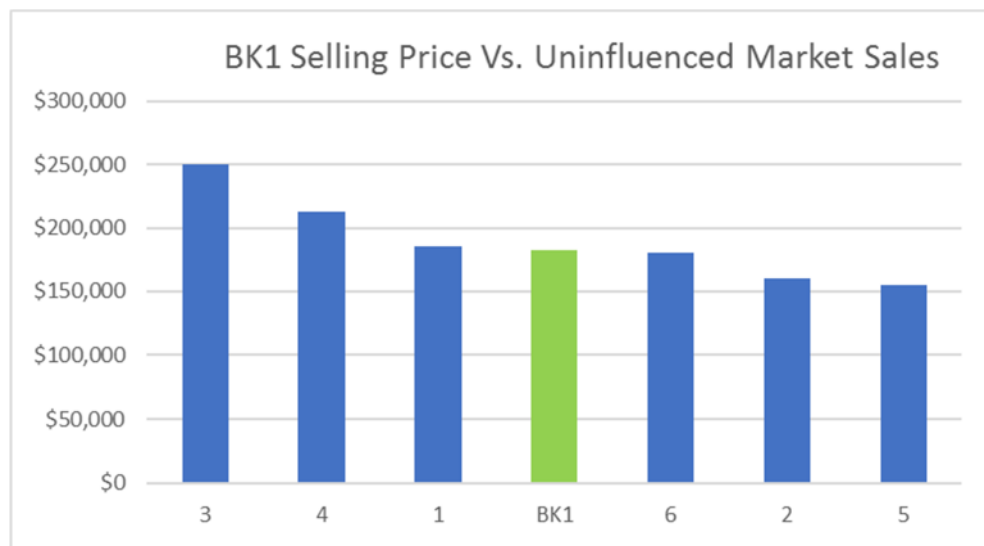
Interview Notes with Broker:

This is the second time the broker has sold the property. The property sold within 150 days. The broker made sure to include pictures of the wind towers in the photos so potential buyers would be aware of the proximity. The broker stated that some potential buyers did not like the proximity of the wind turbines, while other potential buyers didn't care. There were more issues with the manufactured home design than concern for the wind towers. Broker stated the buyers liked the majestic beauty of the towers and there was no detrimental effect on the selling price because of the proximity of the wind towers.

Interview Notes with Buyer:

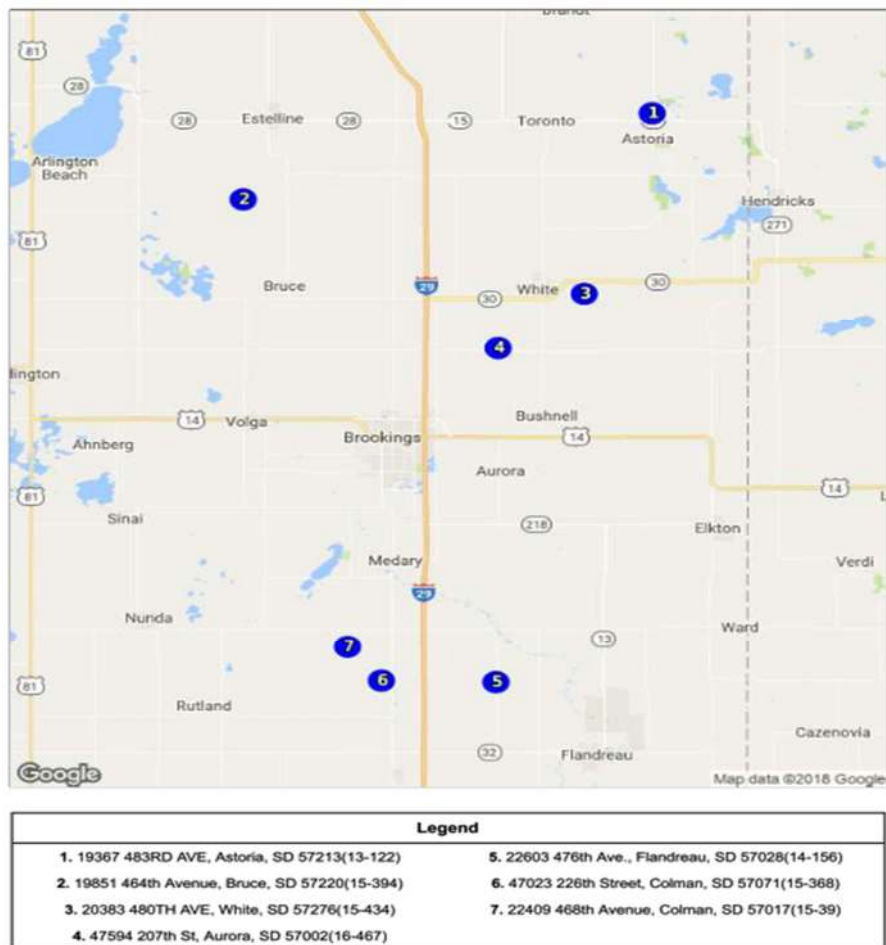
The owner was not available during the site visit. I left a voice mail message; the owner did not return my phone call.

Market Sales Analysis:



Sales Analysis BK1									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK1	Elkton	2016	\$183,000	2003	2,356	8	Ranch	Pole Buildings	
1	Astoria	2015	\$186,000	1910	1,472	14	Story1/2	Outbuildings	Comparable
			Adjustments:	Similar(=)	Inferior (+)	Superior(-)	Similar (=)	Similar(=)	
2	Bruce	2015	\$161,000	1952	1,134	6.44	Ranch	1-car garage	Inferior
			Adjustments:	Similar(=)	Inferior (+)	Similar(=)	Similar(=)	Inferior (+)	
3	White	2015	\$250,000	2010	1,518	22.48	Ranch	Barn/Guest House	Superior
			Adjustments:	Superior(-)	Inferior (+)	Superior(-)	Similar(=)	Superior(-)	
4	Aurora	2016	\$213,000	1910	1,140	12.37	Story 1/2	Pole Building/Barn	Comparable
			Adjustments:	Similar(=)	Inferior (+)	Superior(-)	Similar(=)	Similar(=)	
5	Colman	2015	\$155,000	1979	1,568	3.13	Ranch	Quonset/Garage	Inferior
			Adjustments:	Similar(=)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	
6	Colman	2015	\$180,400	1961	2,240	10	Ranch	Barn/Outbuildings	Comparable
			Adjustments:	Similar(=)	Similar(=)	Similar(=)	Similar(=)	Similar(=)	

Sale Location Map:



<u>Market Sales Analysis Conclusion:</u>	Seven sales are from the market without the influence of a wind tower. All transactions have similar highest and best use and are bracketed by the market sales. Sales one, four and six have stronger similarities for comparison and bracket the range of BK1. The market evidence suggests the selling price was not affected by the proximity of the wind towers.
<u>Overall Conclusion:</u>	An interview analysis, site observation, and sales analysis were completed for BK1. The research and data suggest the proximity of the wind towers did not influence the selling price. Sale BK1 sold in 2009 and then resold in 2016 with a market appreciation rate within the range of other uninfluenced sales not in the proximity of a wind tower. Even though there are visual & noise effects observed during the site visit, the interview and market data suggest the proximity of the wind towers has not negatively influenced sale BK1.

SALES ANALYSIS BK2	SALE No.	BK2
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 10 Acres
Improvements: 1998 Story 1/2 design
Finished Area: 1,850 S.F. GLA, 1,004 S.F. Lower Level
Garage: Attached 1-Stall
Features: Treed shelter belt. Shed, storage building & hobby building
Access: Paved highway linkage

Sales Analysis Data:

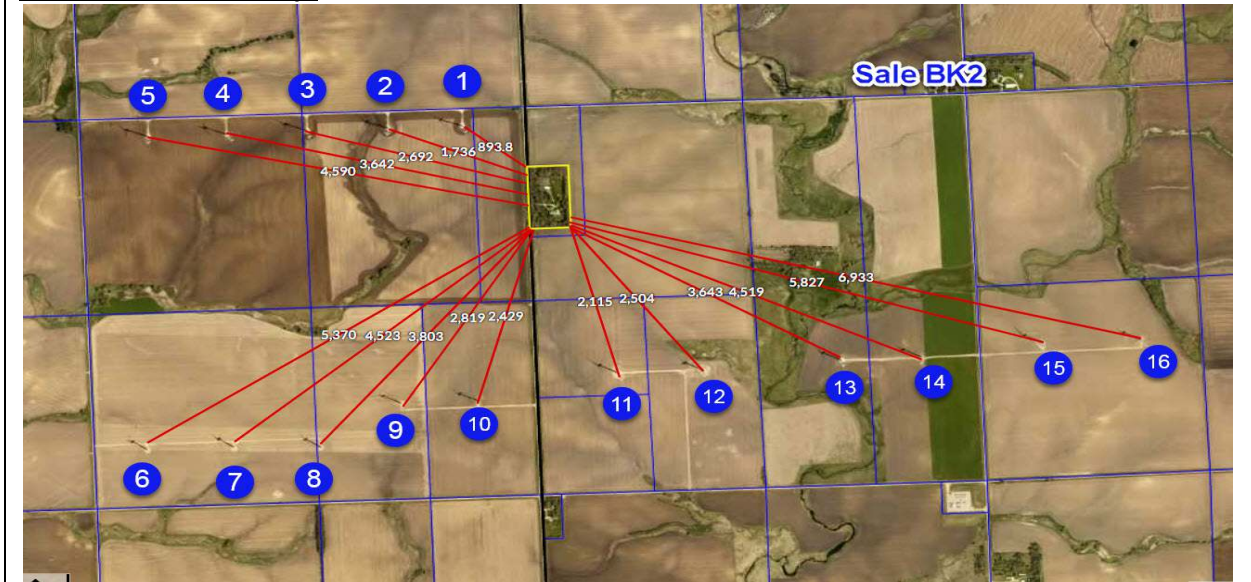
Date of Sale: March 14, 2011
Market Exposure: MLS
Listing Price: \$339,000
Sale Price: \$235,000
Verification: Deed; Beacon; Interview with Buyer & Seller
Type: Arm's Length Sale

Wind Project:

Project: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 399 feet
Property & Wind Tower Encompassed by 16 wind turbines. Tower #1 890 +/- feet northwest.
Notes: Tower #2 1,700 +/- feet northwest. Tower #3 2,700 +/- feet northwest.
 Tower #4 3,600 +/- feet northwest. Tower #5 4,600 +/- feet northwest.
 Tower #6 5,400 +/- feet southwest. Tower #7 4,500 +/- feet southwest.
 Tower #8 3,800 +/- feet southwest. Tower #9 2,800 +/- feet southwest.
 Tower #10 2,400 +/- feet south. Tower #11 2,100 +/- feet southeast.

Tower #12 2,500 +/- feet southeast. Tower #13 3,600 +/- feet southeast. Tower #14 4,500 +/- feet. Tower #15 5,800 +/- feet southeast. Tower #16 7,000 +/- feet southeast.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Buyer & Seller
Interview Date Buyer: May 28, 2018
Interview Date Seller: April 11, 2018

Interview Notes with Buyer:

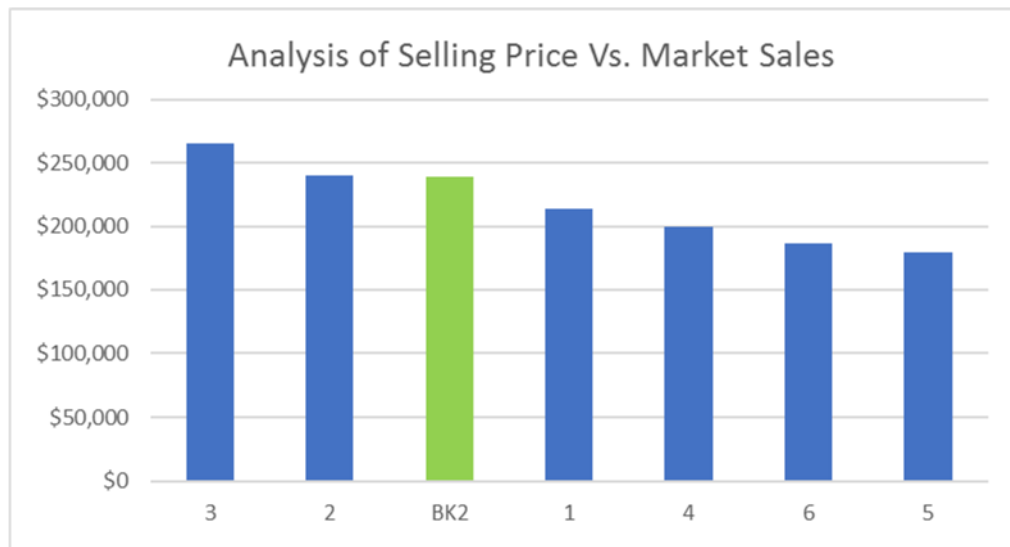
The home was purchased with the assistance of a real estate agent. Towers were in place at the time of purchase. Turbines surrounding the property didn't affect purchase decision or price paid; although they would prefer not to have them. Some flicker effect and noise. Haven't noticed any health effects. When they purchased the home, there was an encumbrance on the title for a wind easement they had to work with the seller to clean up before closing.

Interview Notes with Seller:

(Interview performed by Northern Plains Appraisal) Sellers desired their privacy and would only allow an interview with NPA. Seller stated when they sold the house, they couldn't get the listing price of \$339,000, the price was lowered and sold it for what they could. They also owned the adjoining land around the home. The buyer did not

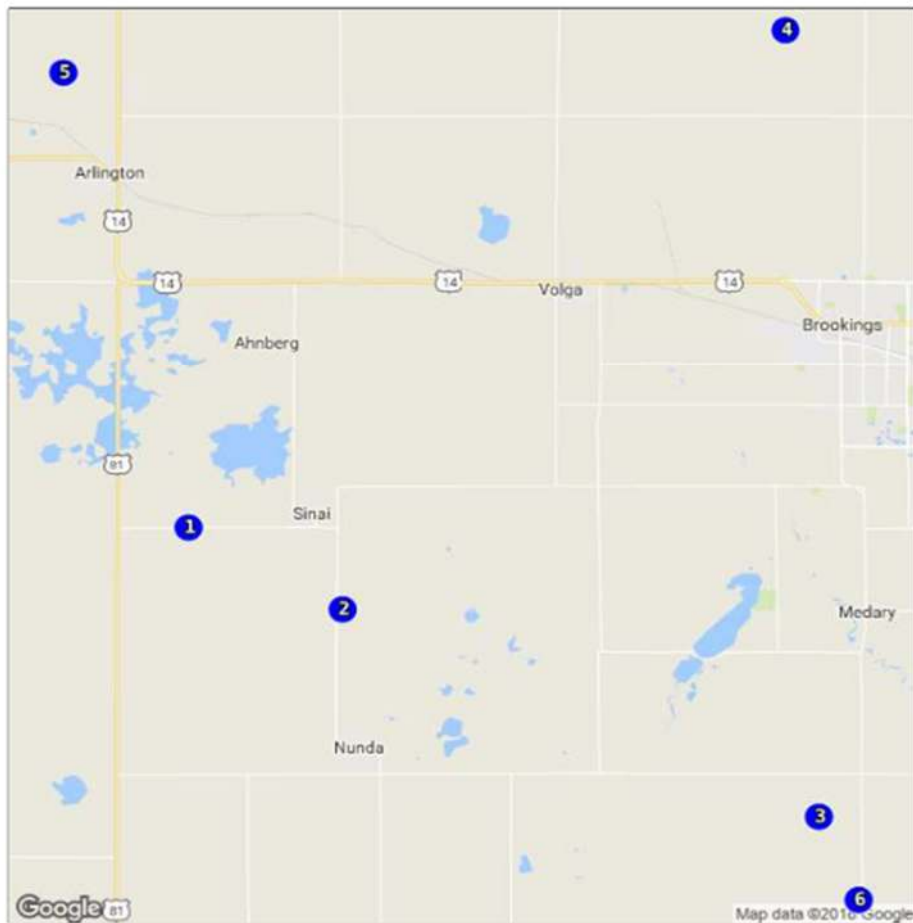
want any wind towers near the house and therefore had a condition of sale not to sign a wind lease. Seller stated it was difficult to find a buyer, but they were satisfied with the purchase price. Seller stated you could feel the vibrations in the air and towers create issues with the body. They are glad they do not live around wind towers.

Market Sales Analysis:



Sales Analysis BK2									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK2	Toronto	2011	\$239,000	1998	1,850	10	Story 1/2	Shed/Storage Bld	
1	Arlington	2009	\$214,000	2007	1,748	13	Ranch	Barn/Shed/2car	Comparable
		Adjustments:		Similar(=)	Similar(=)	Similar(=)	Similar(=)	Similar(=)	
2	Volga	2012	\$240,000	1983	1,784	4.5	Ranch	Shed/Pole	Comparable
		Adjustments:		Similar(=)	Similar(=)	Inferior(+)	Similar(=)	Similar(=)	
3	Colman	2009	\$265,000	2006	1,500	9.88	Ranch	Barn/2Car/Shed	Superior
		Adjustments:		Superior (-)	Inferior (+)	Similar(=)	Similar(=)	Superior(-)	
4	Brookings	2011	\$200,000	1949	1,344	9.75	Story1/2	Barn/Shed	Inferior
		Adjustments:		Inferior(+)	Inferior (+)	Similar(=)	Similar(=)	Similar(=)	
5	Arlington	2011	\$180,000	1917	1,510	11.79	Story1/2	2cGarage/Sheds	Inferior
		Adjustments:		Inferior(+)	Inferior(+)	Similar(=)	Similar(=)	Similar(=)	
6	Volga	2011	\$187,000	1954	1,491	5	Story1/2	Outbuildings	Inferior
		Adjustments:		Inferior(+)	Inferior(+)	Inferior (+)	Similar(=)	Similar(=)	

Sale Location Map:



Legend	
1. 45674 217th St, Arlington, SD 57002(09-653)	4. 46922 205TH ST, Brookings, SD 57006(11-219)
2. 45916 219TH ST, Volga, SD 57071(12-313)	5. 45279 206TH ST, Arlington, SD 57212(11-307)
3. 22406 470th Ave, Colman, SD 57017(09-852)	6. 22609 471ST AVE, Colman, SD 57017(11-511)

Market Sales Analysis

Conclusion:

The analysis uses six sales from the Brookings market with similar highest and best use. All sales are without the influence of a wind tower in proximity to the property. Sales one and two are the most similar sales and bracket the selling price of the subject. The remaining sales provide further market support of the selling range of market substitutes. After analyzing the elements of comparison, sale BK2 is within the range of the uninfluenced market sales. The data suggests the wind towers did not negatively influence the selling price.

Overall Conclusion:

An interview analysis, site visit, and sales analysis have been completed for BK2. During the site visit, wind tower noise was present on the on the property. The buyer interview indicated this was not a factor during

the buying process. There are inconsistencies between the seller interview and the buyer interview; however, the sales data and the buyer's interview comments are consistent. The evidence suggests the proximity of the wind towers did not negatively influence the purchase price.

SALES ANALYSIS BK3		
SALE NO.	STATE	COUNTY
	South Dakota	Brookings
BK3		



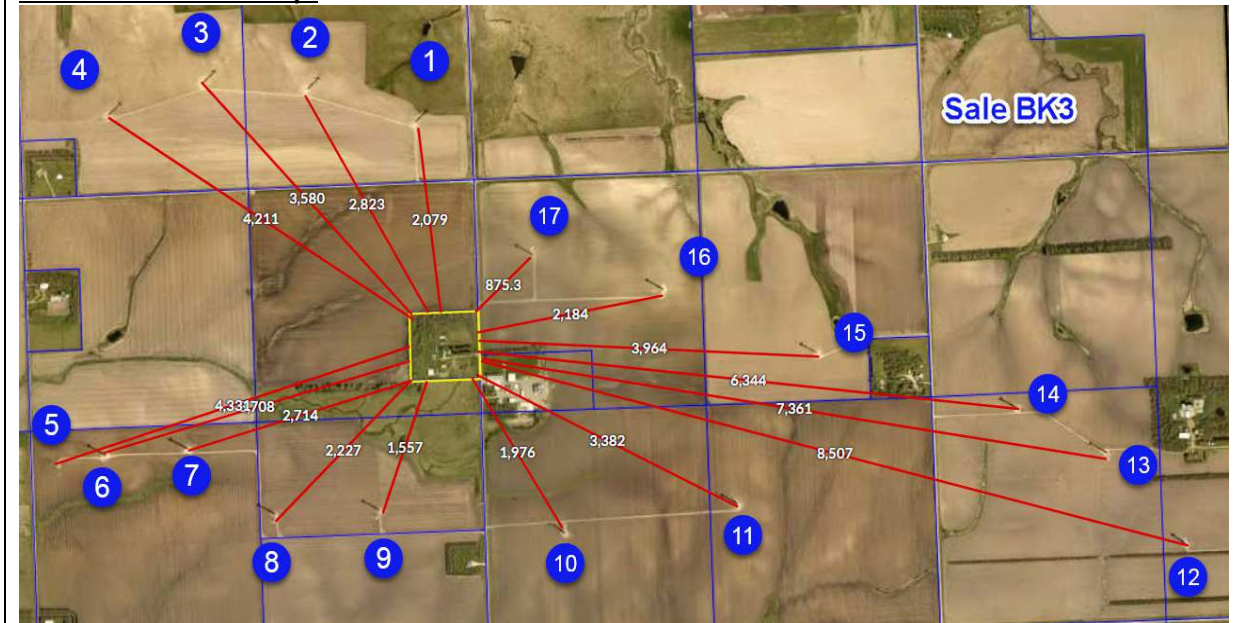
Property Characteristics:	
Highest & Best Use:	Rural Acreage
Land Size:	14.28 Acres
Improvements:	1918 Story 1/2 design
Finished Area:	2,208 S.F. GLA
Garage:	Attached 2-Stall
Features:	Treed shelter belt. Shed, storage building
Access:	Paved highway linkage

Sales Analysis Data:	
Date of Sale:	December 06, 2011
Market Exposure:	MLS
Listing Price:	\$189,000
Sale Price:	\$175,000
Verification:	Deed, Beacon; Interview with Buyer & Agent
Type:	Arm's Length Sale

Wind Project:	
Project:	Buffalo Ridge
Turbine Type:	Gamesa G87 2.0 MW
Hub Height/Rotor Diameter:	78/87 meters
Height From Ground:	399 feet
Wind Tower Property Notes:	Tower # 1 2,000 +/- feet north. Tower #2 2,800 +/- feet northwest. Tower #3 3,600 +/- feet northwest. Tower #4 4,200 feet +/- northwest. Tower #5 4,300 +/- feet southwest. Tower #6 3,700 +/- feet southwest. Tower #7 2,700 +/- feet southwest. Tower #8 2,200 +/- feet southwest. Tower #9 1,500 +/- feet south. Tower #10 1,900 +/- feet southeast.

Tower #11 3,400 +/- feet southeast. Tower #12 8,500 +/- southeast. Tower #13 7,400 +/- feet southeast. Tower #14 6,400 +/- feet east. Tower #15 4,000 +/- feet east. Tower #16 2,100 +/- northeast. Tower #17 875 +/- feet northeast.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Buyer & Agent
Interview Date: May 23, 2018 (Buyer) May 28, 2018 (Agent)

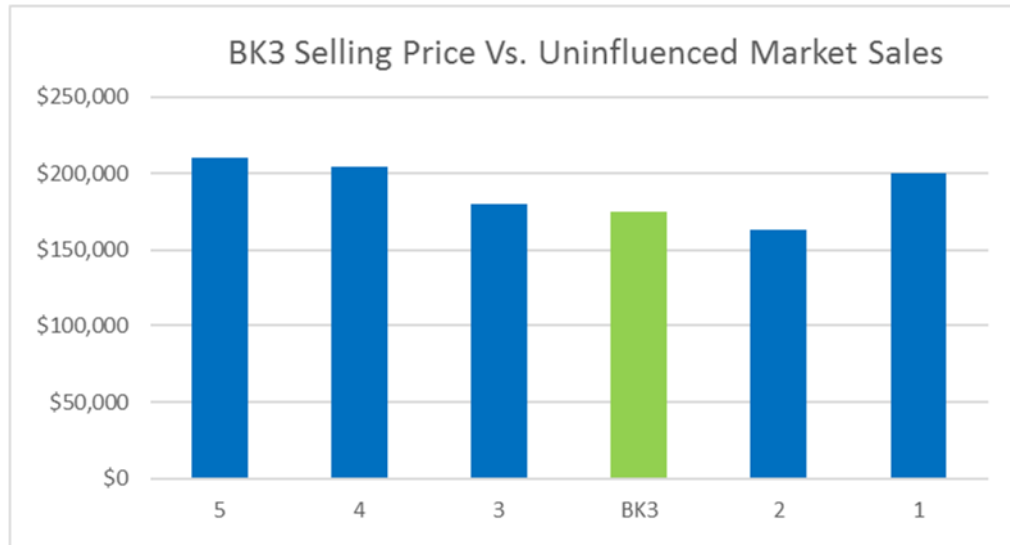
Interview Notes with Buyer:

The buyer was interested in the property because of the proximity to work. When the agent showed the property, the wind towers were not a factor in their purchase decision. Paid the same even though they do not like the noise and could see the towers from the house. Buyer stated the wind towers could be loud when you are working in the yard.

Interview Notes with Agent:

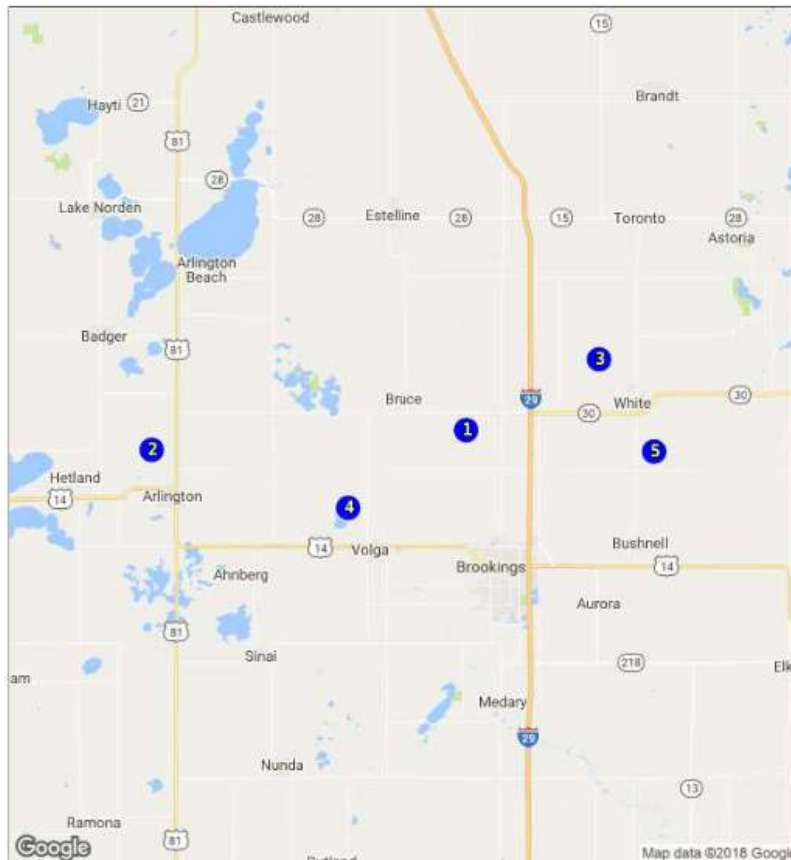
There is high demand for acreages in the Brookings market. Most buyers do not care about the wind towers. Buyers are looking for the features of an acreage. Although there have been potential buyers, some buyers refuse to look at a property near wind towers. The price seems unaffected by properties I've sold near wind towers.

Market Sales Analysis:



Sales Analysis BK3									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK3	Elkton	2011	\$175,000	1918	2,208	14.28	Story 1/2	Shed/Storage Bld	
1	Brookings	2011	\$200,000	1949	1,344	9.75	Story1/2	Barn/Shed	Inferior
			Adjustments:	Similar(=)	Inferior (+)	Inferior(+)	Similar (=)	Similar(=)	
2	White	2009	\$163,000	1910	1,762	3.84	Story 1/2	Barn/Shed	Inferior
			Adjustments:	Similar(=)	Inferior (+)	Inferior(+)	Similar (=)	Similar(=)	
3	Arlington	2011	\$180,000	1917	1,510	11.79	Story1/2	2cGarage/Sheds	Comparable
			Adjustments:	Similar(=)	Inferior(+)	Similar(=)	Similar(=)	Similar(=)	
4	Volga	2011	\$204,000	1910	2,294	12.65	Story1/2	Barn/Shed/2car	Comparable
			Adjustments:	Similar(=)	Superior(-)	Similar(=)	Similar (=)	Similar(=)	
5	White	2012	\$210,500	1938	2,405	17.12	Story1/2	Shed/Pole	Superior
			Adjustments:	Similar(=)	Superior(-)	Superior(-)	Similar(=)	Similar(=)	

Sale Location Map:



Legend
1. 46922 205TH ST, Brookings, SD 57006(11-219)
2. 45279 206TH ST, Arlington, SD 57212(11-307)
3. 47612 201ST ST, White, SD 57276(09-474)
4. 46306 209TH ST, Volga, SD 57071(11-436)
5. 20608 479th Ave., White, SD 57276(12-315)

Market Sales Analysis

Conclusion:

Five sales are analyzed in the sales grid from the market area. All sales are uninfluenced by the proximity of a wind tower. Sales one and two are inferior sales and bracket the lower end of the range. Sale five is superior and brackets the higher end of the range. Sales three and four have stronger similarities. After considering the differences in the elements of comparison, the market evidence indicates the selling price was not negatively influenced by the proximity of the wind towers.

Overall Conclusion:

An interview analysis, site visit and sales analysis has been completed for BK3. Although the buyer commented about the noise and view obstructions, the market evidence is consistent with the interview comments. The evidence suggests the overall purchase price was not negatively influenced by the proximity of the wind tower.

SALES ANALYSIS BK4	SALE No.	BK4
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 13 Acres
Improvements: 1989 Story ½
Finished Area: 2,728 SF GLA; 4500 SF Finished (Updated)
Garage: Attached 3-Stall
Features: Treed shelter belt. 50x112 & 160x120 Commercial Building
Access: Gravel road linkage; paved driveway

Sales Analysis Data:

Date of Sale: November 21, 2013
Market Exposure: MLS
Listing Price: \$569,000
Sale Price: \$530,000
Verification: Deed; Beacon; Interview with buyer, seller & agent
Type: Arm's Length Sale
DOM: 117 days

Wind Project:

Project: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 399 feet.
Property & Wind Tower Tower #1 10,500 +/- feet east. Tower #2 9,200 +/- feet east. Tower #3
Notes: 7,700 +/- feet southeast. Tower #4 6,500 +/- feet southeast. Tower #5
 5,400 +/- feet southeast. Tower #6 4,100 +/- feet southeast. Tower #7

3,100 +/- feet southeast. Tower #8 2,400 +/- feet southeast. Tower #9 1,800 +/- feet south, southeast.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Buyer, Seller & Agent
Interview Date Buyer: May 23, 2018
Interview Date Seller: May 24, 2018
Interview Date Agent: May 29, 2018

Interview Notes with Buyer:

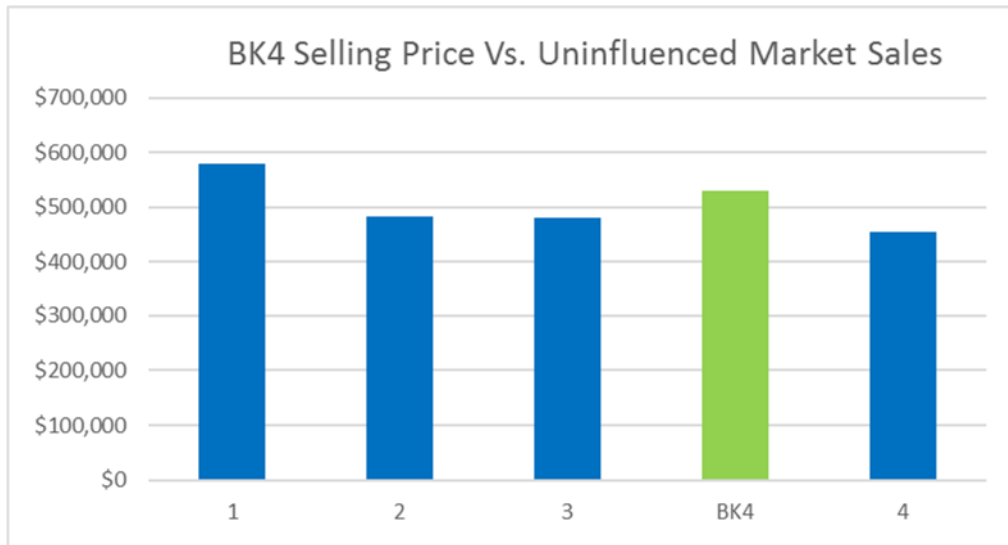
Proximity to wind turbines didn't make a difference in the purchase. Paid the same. Purchased property because it had a perfect setup with a remodeled house and two metal buildings. Towers are south of the house, so it doesn't affect the view from the house. The towers make noise and you can hear them in the yard. Doesn't matter, happy with the purchase.

Interview Notes with Seller:

We moved because we were sick and tired of the wind tower noise. We thought it would matter when we sold, but a buyer purchased the house and never mentioned the wind towers. Didn't have any issues with closing or the appraisal. We are happy not to be living next to a wind tower.

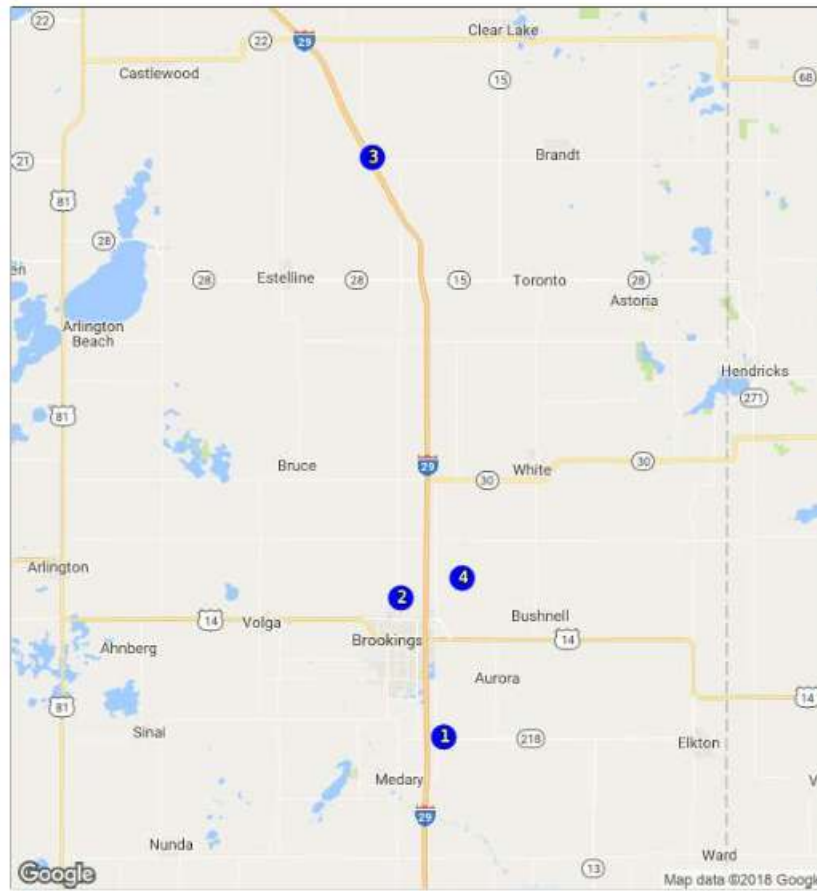
Interview Notes with Agent: Although the sellers initially expressed concerns about the turbines, and it took four months to sell the property, the agent does not think there was any real effect with potential buyers and she did not hear that from any other realtors regarding this property. The home is an executive home and the market is smaller in that price range according to the agent.

Market Sales Analysis:



Sales Analysis BK4									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK4	Elkton	2013	\$530,000	1989	2,728	13	Story 1/2	(2) Metal Buildings	
1	Brookings	2016	\$578,264	1920	3,365	39.87	Story1/2	Barn/Shed	Superior
		Adjustments:		Inferior(+)	Superior(-)	Superior(-)	Similar (=)	Similar(=)	
2	Brookings	2015	\$482,500	2007	1,726	5	Ranch	Metal Building	Inferior
		Adjustments:		Similar(=)	Inferior (+)	Inferior(+)	Similar (=)	Inferior(+)	
3	Esteline	2016	\$480,000	2003	2,651	4.99	Story1/2	Metal Buildings	Inferior
		Adjustments:		Similar(=)	Similar(=)	Inferior(+)	Similar(=)	Similar(=)	
4	Aurora	2010	\$455,000	1890	3,342	15	Story1/2	Barn/Shed/2car	Inferior
		Adjustments:		Inferior(+)	Superior(-)	Similar(=)	Similar (=)	Inferior(+)	

Sale Location Map:



Legend
1. 47358 SD Highway 324, Brookings, SD 57006(16-276)
2. 1320 W 30TH ST, Brookings, SD 57006(14-381)
3. 46958 188TH ST, Estelline, SD 57234(15-251)
4. 47437 209th St, Aurora, SD 57002(10-196)

Market Sales Analysis

Conclusion:

No sales could be found to bracket the selling price within the time of the transaction date; therefore, the sales search was expanded into 2017. Only one sale was found prior to the selling date in 2010. Sales one, two, and three occurred after the selling date in 2015 and 2016 and located near the city of Brookings. According the MLS data, BK4 was the highest sale price in 2013. The sale evidence suggests the selling price was not influenced by the proximity of the wind towers.

Overall Conclusion:

An interview analysis, site visit and sales analysis has been completed for BK4. The buyer's comments are consistent with the sales evidence. All evidence suggests the sale price was not affected by the proximity of the wind towers.

SALES ANALYSIS BK5	SALE No.	BK5
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 6.95 Acres
Improvements: 1936 Two-Story Design
Finished Area: 2,160 SF GLA. Basement 864 S.F.
Garage: Attached 1-Stall
Features: Treed shelter belt. Shed, storage building. Detached 1-Stall
Access: Gravel linkage

Sales Analysis Data

Date of Sale: March 26, 2014
Market Exposure: MLS
Listing Price: \$219,000
Sale Price: \$190,000 (Previous sale 2010 \$215,000)
Verification: Deed; Beacon; Interview with Buyer
Type: Arm's Length Sale

Wind Project:

Project: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 399 feet
Property & Wind Tower Four turbines located east, north and west. Tower #1 2,000 +/- feet northeast. Tower #2 3,600 +/- feet north. Tower #3 745 +/- feet west. Tower #4 2,700 +/- feet west.

Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: None at time of site visit. (no wind present)

Wind Tower Aerial Map:



Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Buyer
Party Interviewed: Agent
Interview Date: May 23, 2018 (Buyer) May 30, 2018 (Agent)

Interview Notes with Buyer:

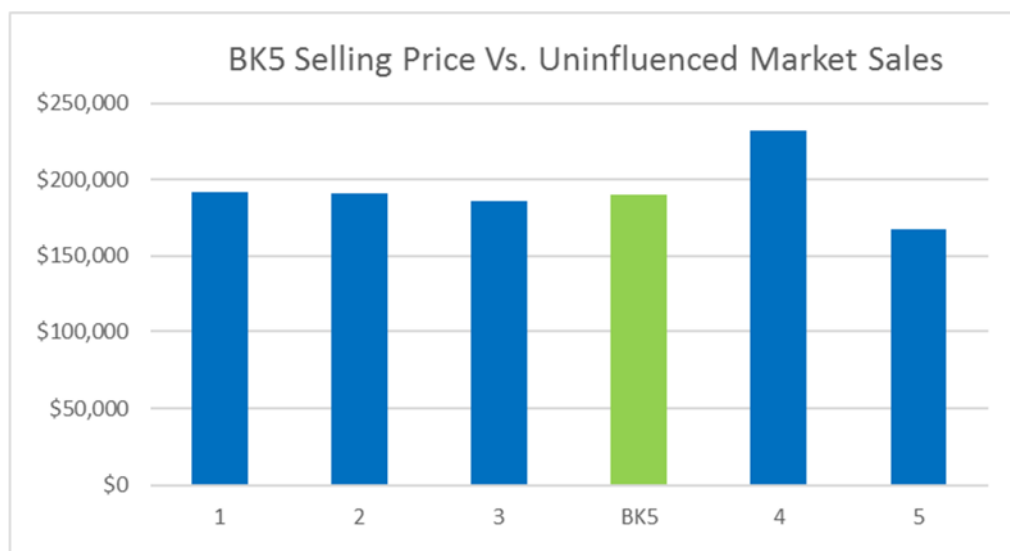
Property was listed for 3 years and seller had two previous offers fall through; seller was living alone and motivated to sell. Made a good deal. Wind towers can be noisy but didn't matter to us when we bought the home. Really no issues, besides the noise. Doesn't seem to bother wild life, deer come in the yard while the turbines are running.

Interview Notes with Agent:

There are limited acreages within the Brookings market and if the property is in good condition with the features of an acreage, it sells. Lots of buyers looking for acreages. The price was reduced (BK5) because of a dysfunctional floor plan and seller motivations. The floor

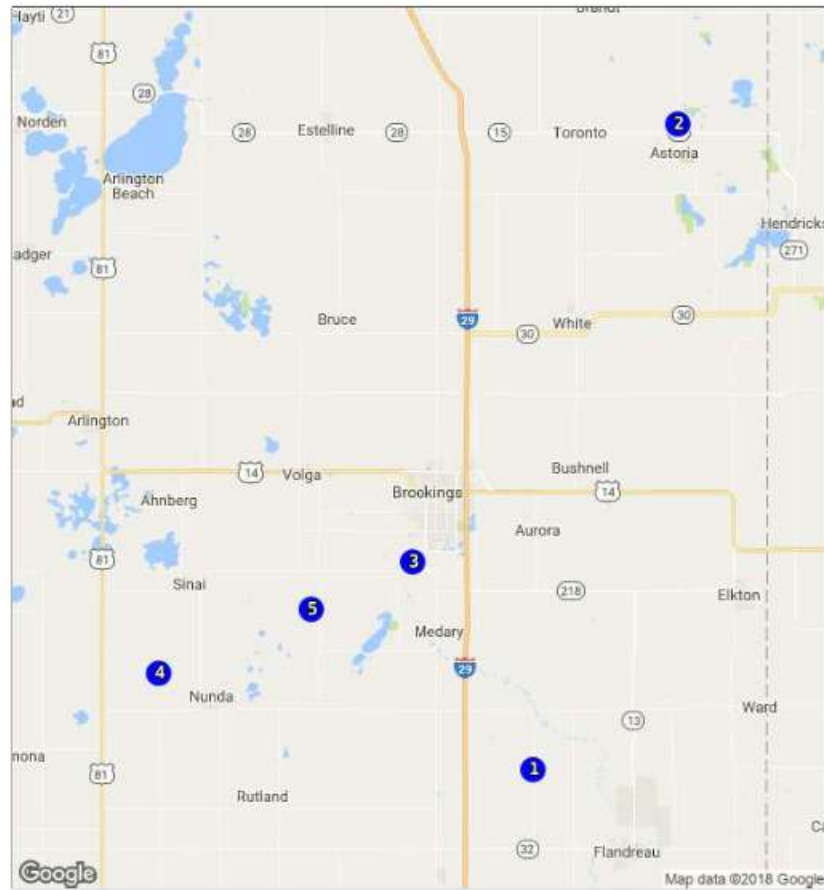
plan eliminated older buyers. Steep stairs. Old house and new house addition with weird layout. During the open house, buyers did not comment about the proximity of the wind towers, even though you can hear them in the yard. Distance from Brookings is what effects the price with acreages, not wind towers. If a property is past the 15-mile mark, price drops considerably. Price/distance relationship. Closer to Brookings prices increase. Acreage buyers are young people with kids. Lots of work to maintain an acreage. If it is too far from town, less buyers. No negative effects on purchase price from wind towers. Buyers did not seem to comment or raise concerns.

Market Sales Analysis:



Sales Analysis BK5									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK5	Elkton	2014	\$190,000	1936	2,160	6.95	Story 1/2	Shed/Storage Bld	
1	Flandreau	2014	\$191,900	1880	1,950	8.95	Story1/2	Barn/Shed	Comparable
			Adjustments:	Similar(=)	Similar(=)	Similar(=)	Similar(=)	Similar(=)	
2	Volga	2015	\$190,600	1918	1,680	15	Story 1/2	Barn/Shed	Inferior
			Adjustments:	Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Inferior(-)	
3	Astoria	2014	\$186,000	1910	1,472	14	Story1/2	Outbuildings	Comparable
			Adjustments:	Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Similar(=)	
4	Brookings	2013	\$232,000	1912	2,075	30.59	Story1/2	Barn/Shed/2car	Superior
			Adjustments:	Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Superior(-)	
5	Nunda	2013	\$167,900	1922	1,198	14.63	Story1/2	Shed/Barn/Metal	Inferior
			Adjustments:	Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Superior(-)	

Sale Location Map:



Legend	
1.	22603 476th Ave., Flandreau, SD 57028(14-156)
2.	19367 483RD AVE, Astoria, SD 57213(13-122)
3.	612 Wicklow Ln, Brookings, SD 57008(13-312)
4.	22125 457th Ave., Nunda, SD 57050(13-147)
5.	46464 218TH ST, Volga, SD 57071(14-579)

Market Sales Analysis

Conclusion:

Five sales uninfluenced by the proximity of wind towers are used for the analysis. The sales have similar highest and best use as acreages in the Brookings rural market. Sale BK5 is bracketed by the market sales. Sales two and five are inferior sales. Sale four is a superior sale. Sales one and three are the most similar. The market evidence suggests the selling price of BK5 was not influenced by the proximity of the wind towers.

Overall Conclusion:

An interview analysis, site visit, and sales analysis have been completed for sale BK5. The buyer's comments indicated the purchase price was influenced by seller motivations and not by the presence of the wind towers. The market data is consistent with the interview analysis and suggests the proximity of the wind towers did not negatively influence the selling price of BK5

SALES ANALYSIS BK7	SALE No.	BK7
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 13.35 Acres
Improvements: 1992 Ranch
Finished Area: 1680 SF GLA; 1680 L.L.
Garage: Attached 2-Stall
Features: Treed shelter belt. Metal outbuilding
Access: Gravel road linkage

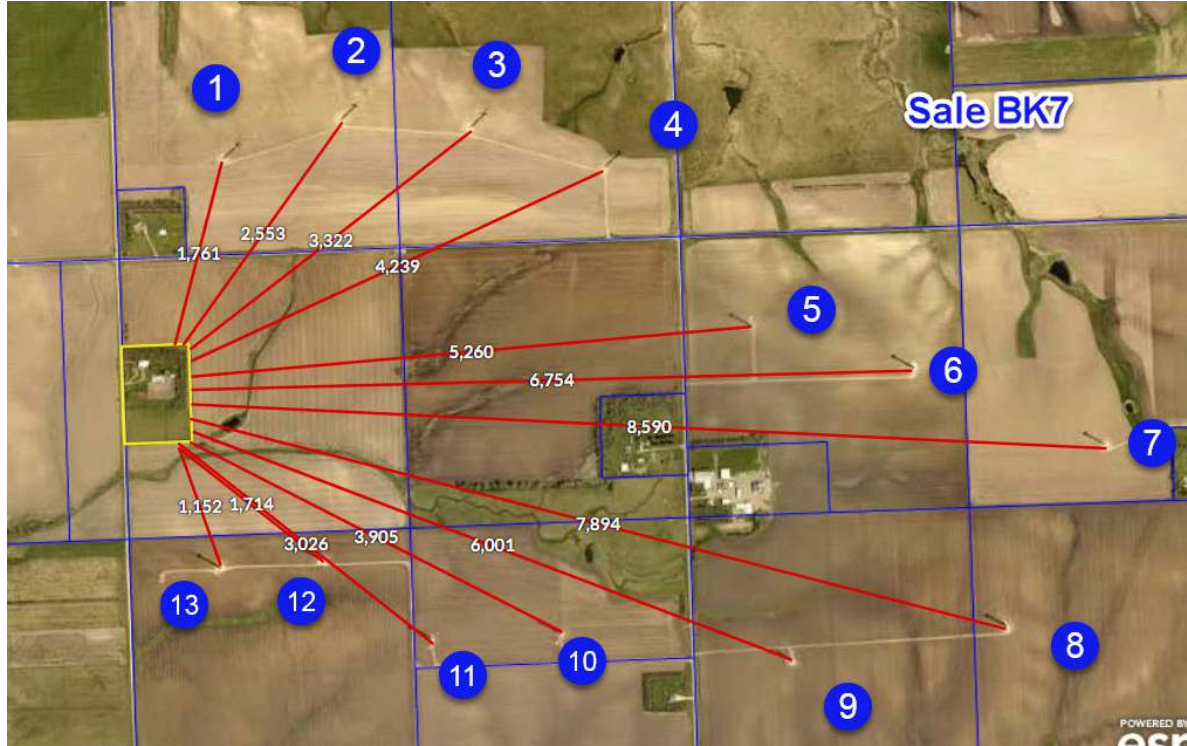
Sales Analysis Data:

Date of Sale: August 4, 2010
Market Exposure: Word of mouth
Sale Price: \$180,000
Verification: Deed; Beacon; Interview with Buyer
Type: Arm's Length Sale (estate sale, purchased based on appraisal)

Wind Project:

Project: Buffalo Ridge
Hub Height/Rotor Diameter: 78/87 meters
Height from Ground: 399 feet
Wind Tower Property Notes: Thirteen wind turbines surround the property. Tower #1 1,800 +/- feet north. Tower #2 2,500 +/- feet northeast. Tower #3 3,300 +/- feet northeast. Tower #4 4,200 +/- feet northeast. Tower #5 5,200 +/- feet northeast. Tower #6 6,700 +/- feet east. Tower #7 8,500 +/- feet east. Tower #8 7,900 +/- feet southeast. Tower #9 6,000 +/- feet southeast. Tower #10 3,900 +/- feet southeast. Tower #11 3,000 +/- feet southeast. Tower #12 1,700 +/- feet southeast. Tower #13 1,100 +/- feet south

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

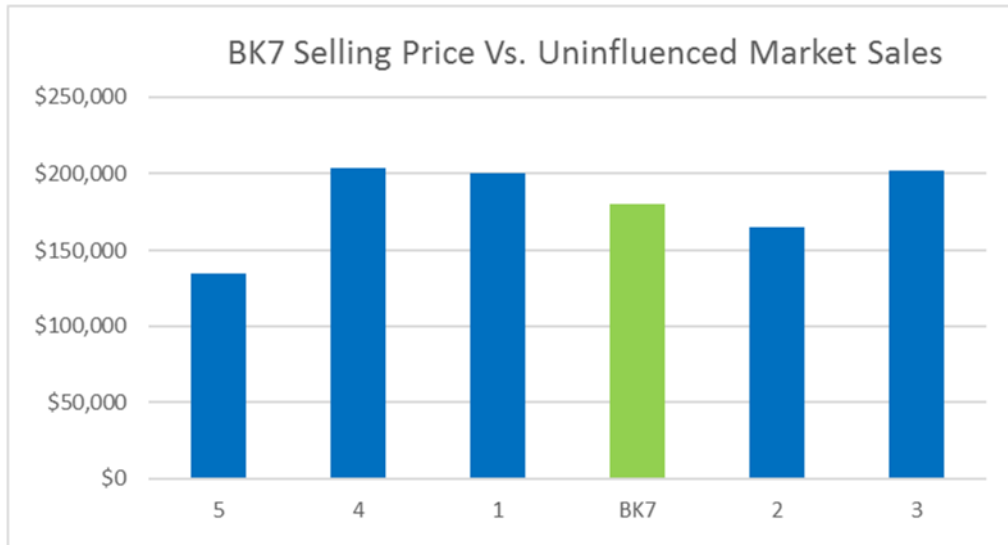
Interview Analysis:

Interview Conducted by: David Lawrence
Party Interview: Buyer
Interview Date Buyer: May 30, 2018

Interview Notes with Buyer:

Property value has increased by at least \$75,000 since purchase. No issues or concerns with living near wind towers. There is no effect on the value. No effect to the animals. Can hear a faint "swoosh" noise. No big deal.

Market Sales Analysis:



Sales Analysis BK7									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK7	Elkton	2010	\$180,000	1992	1,680	13.35	Ranch	Outbuild/2Car	
1	Volga	2011	\$200,000	2005	1,232	10	Ranch	Barn/2Car	Superior
		Adjustments:		Superior(-)	Inferior(+)	Superior(-)	Similar (=)	Similar(=)	
2	Colman	2009	\$165,000	2001	910	22.03	Ranch	None	Inferior
		Adjustments:		Similar(=)	Inferior (+)	Superior(-)	Similar (=)	Inferior(-)	
3	White	2010	\$202,000	1967	1,304	12.78	Ranch	Metal Building/Shed	Superior
		Adjustments:		Similar(=)	Inferior(+)	Similar(=)	Similar(=)	Superior(-)	
4	Volga	2011	\$204,000	1910	2,294	12.65	Story1/2	Barn/Shed/2car	Superior
		Adjustments:		Similar(=)	Superior(-)	Similar(=)	Similar (=)	Superior(-)	
5	Brookings	2010	\$135,000	1974	1,288	7.5	Ranch	Shed/2Car	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Inferior(+)	Similar (=)	Inferior(+)	

Sale Location Map:



Legend	
1. 47005 225th St., Colman, SD 57017(09-595)	4. 46306 209TH ST, Volga, SD 57071(11-436)
2. 21935 461ST AVE, Volga, SD 57071(11-226)	5. 20456 469TH Ave, Brookings, SD 57006(09-581)
3. 20787 482ND AVE, White, SD 57276(10-599)	6. 47318 SD Highway 30, Brookings, SD 57006(10-430)

Market Sales Analysis

Conclusion:

Six sales are utilized in the grid that is not influenced by the proximity of a wind tower. All sales share in highest and best use as a rural acreage and sold around the same time as BK7. After analyzing the elements of comparison, the market sales bracket the selling price of BK7 and suggest the selling price has not been negatively affected by the proximity of the wind tower.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for sale BK7. The market sales and buyer interview comments are consistent. The evidence suggests wind towers have not negatively impacted the selling price of BK7.

Rural Residential Transaction Summary Table						
Transaction Reference	Property Type	Physical Evidence of Effects	Interview Evidence of Effects	Sales Evidence of Effects	Consistency of Sale Evidence with Interview Evidence	Overall Conclusion
BK12	Rural/AG Residential	Yes	None	None	Consistent	No measurable effects
BK13	Rural Residential	Yes	None	None	Consistent	No measurable effects
BK14	Rural Residential	Yes	None	None	Consistent	No measurable effects
CD1	Rural Residential	*NA*	None	None	Consistent	No measurable effects
CD2	Rural Residential	*NA*	Yes	Yes	Consistent	Possible effects
DE1	Rural Residential	*NA*	Yes	None	Inconsistent	No measurable effects
DE2	Rural Residential	*NA*	None	None	Consistent	No measurable effects
DE3	Rural Residential	*NA*	None	None	Consistent	No measurable effects
DE4	Rural Residential	*NA*	None	None	Consistent	No measurable effects
DE5	Rural Residential	*NA*	None	None	Consistent	No measurable effects

NA=No wind towers installed at the time of sale

SALES ANALYSIS BK12	SALE No.	BK12
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural acreage & 1,000 head cattle operation
Land Size: 30.00 Acres
Improvements: 1938 Updated Story ½
Finished Area: 2182 SF GLA; 584 L.L. & Crawl space
Garage: Attached 2-Stall
Out buildings: 25x105, 128x50, 60x30, 62x30, 21,x80, 40x152 pole buildings, 42x66 flat barn, 40x60 Quonset, 5 grain bins, and misc. buildings.
Features: Treed shelter belt, outbuildings, and rural setting
Access: Paved road linkage; gravel driveway

Sales Analysis Data:

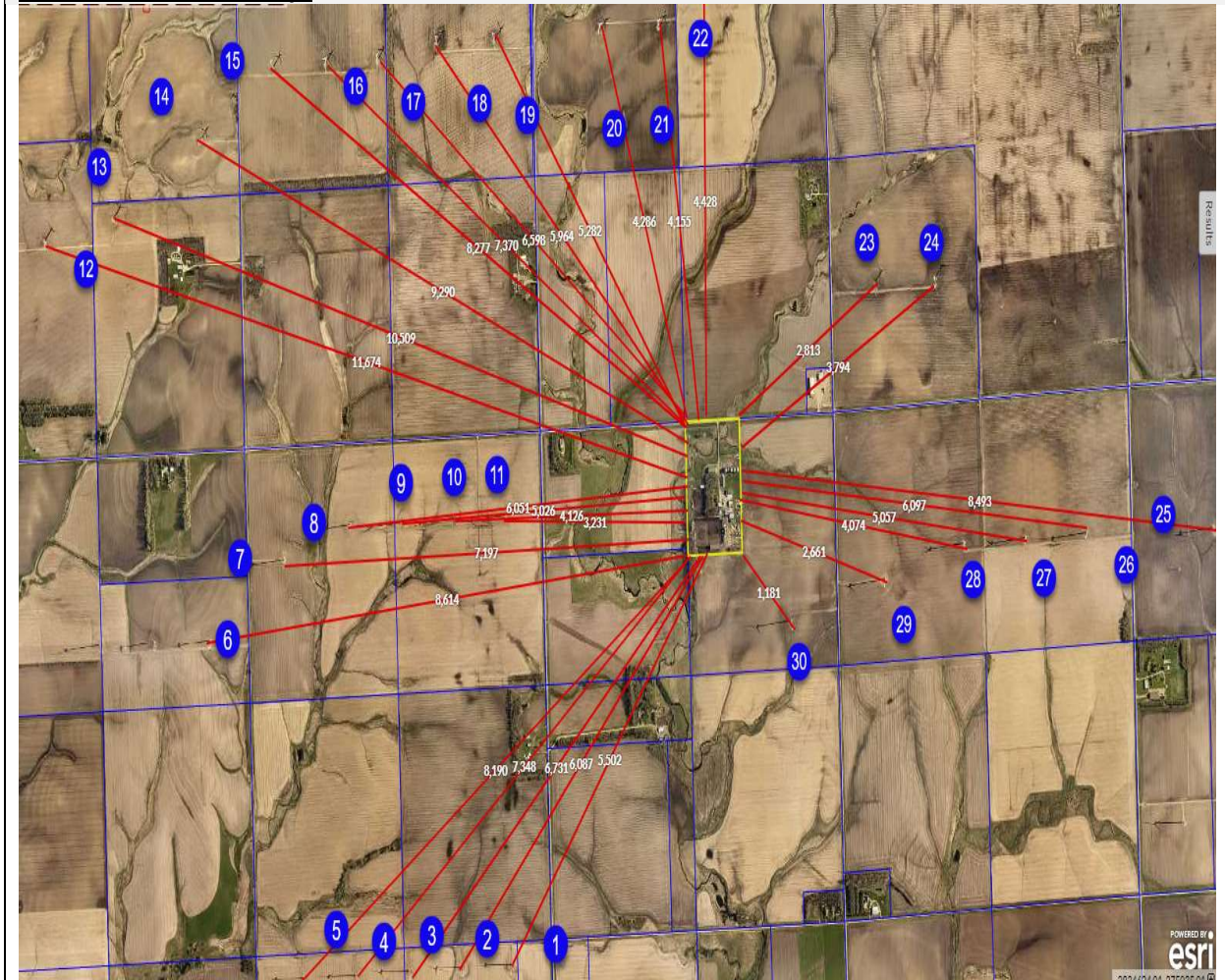
Date of Sale: May 5, 2019
Market Exposure: Auction managed by First Bank
Sale Price: \$450,000
Verification: Deed; Beacon; Interview with Buyer
Type: Arm's Length Sale

Wind Energy Project:

Development: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Roto Diameter: 78/87 meters
Height From Ground: 399 Feet per docket
Property & Wind Tower Notes: Thirty wind turbines surround the property. Tower #1 5,502 +/- feet southwest. Tower #2 6,087 +/- feet southwest. Tower #3 6,731 +/- feet southwest. Tower #4 7,348 +/- feet southwest. Tower #5 8,190

+/- feet southwest. Tower #6 8,614 +/- feet west. Tower #7 7,197 +/- feet west. Tower #8 6,051 +/- feet west. Tower #9 5,026 +/- feet west. Tower #10 4,126 +/- feet west. Tower #11 3,231 +/- feet west. Tower #12 11,674 +/- feet northwest. Tower #13 10,509 +/- feet northwest. Tower #14 9,290 +/- feet northwest. Tower #15 8,277 feet northwest. Tower #16 7,370 +/- feet northwest. Tower #17 6,598 +/- feet northwest. Tower #18 5,964 feet +/- feet northwest. Tower #19 5,286 +/- feet north. Tower #20 4,286 +/- feet north. Tower #21 4,155 +/- feet north. Tower #22 4,428 +/- feet north. Tower #23 2,813 +/- feet northeast. Tower #24 3,794 +/- feet northeast. Tower #25 8,493 +/- feet east. Tower #26 6,079 +/- feet east. Tower #27 5,057 +/- feet east. Tower #28 4,074 +/- feet east. Tower #29 2,661 +/- feet southeast. Tower #30 1,181 +/- feet southeast.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: November 18, 2019
View Obstruction: Wind towers within view of residence and all side of the property.
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

Interview Conducted by: David Lawrence
Party Interview: Buyer
Interview Date Buyer: October 31, 2019
Interview Notes with Buyer: The property was managed by First Bank & Trust and sold by auction. According to the buyer interview, there were three competing parties that participated in the bidding process. Their motivation to purchase the property was to expand their farming operations and provide a residence for their parents. It was common knowledge the property was located near the Buffalo Ridge wind farm. The buyer explained when they looked at the property, it was surrounded by towers. The buyer explained that the wind towers were not a concern and didn't influence the price they paid for the property.

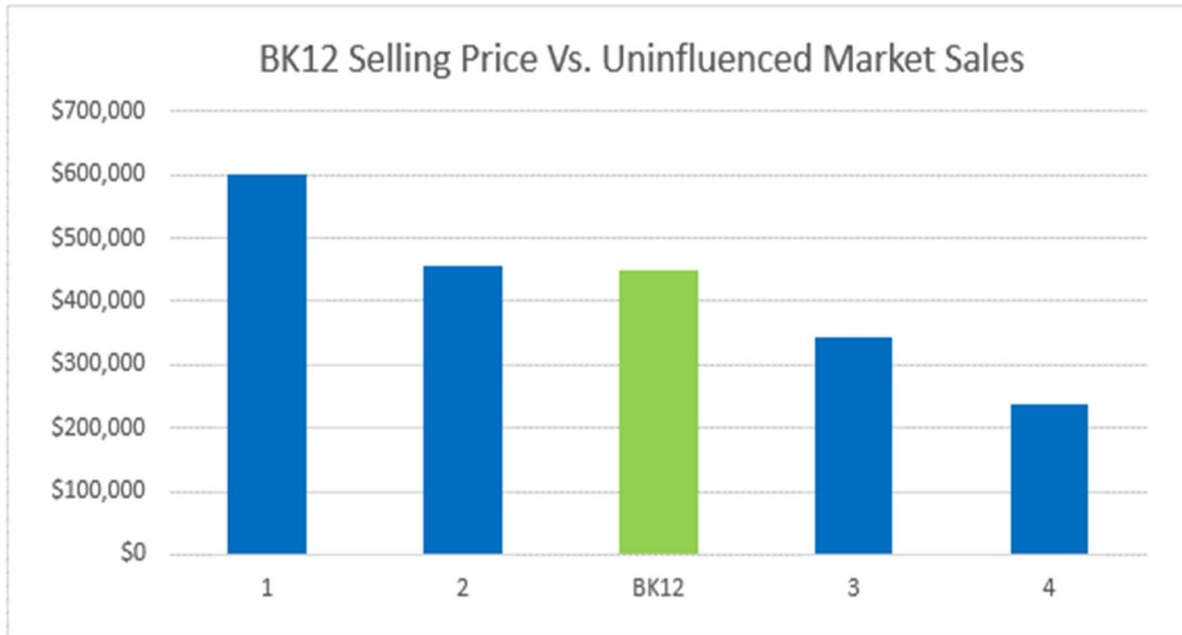
Site Photos:





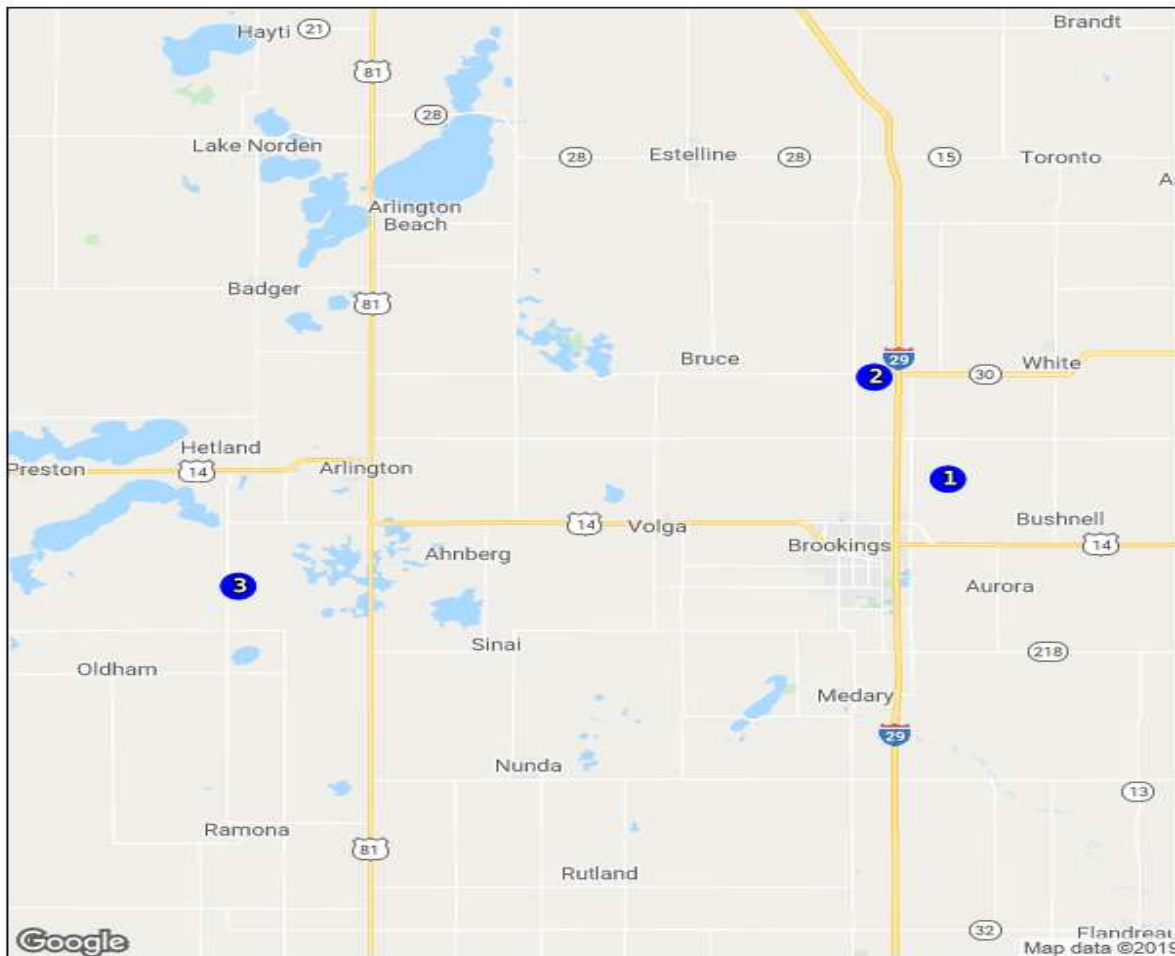


Market Sales Analysis:



Sales Analysis BK12									
Sale No.	Sale Date	Price	Location	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK12	2019	\$450,000	White	1938	2,182	30.97	Story 1/2	6 Buildings	
1	2019	\$600,000	Brookings	2016	1,792	10	Ranch	3 Bldpole/barn	Superior
		Adjustments:	Superior(-)	Superior(-)	Inferior(+)	Inferior(+)	Similar (=)	Similar(=)	
2	2017	\$455,000	Brookings	1920/Upd	2,085	15	Story1/2	Barn/2Bld	Superior
		Adjustments:	Superior(-)	Superior(-)	Similar(=)	Inferior(+)	Similar (=)	Inferior(+)	
3	2018	\$342,000	Arlington	1900	1,860	42	Story1/2	3 Pole	Inferior
		Adjustments:	Inferior(+)	Similar(=)	Inferior(+)	Superior(-)	Similar (=)	Inferior(+)	
4	2019	\$239,000	Renville	1900	1,392	23.35	Story 1/2	4 Pole Bld	Inferior
		Adjustments:	Inferior(+)	Similar(=)	Inferior(+)	Inferior(+)	Similar (=)	Inferior(+)	

Sale Location Map:



Legend

1. 47437 209th Street, Aurora, SD 57002(10-196)
2. 20441 472nd Avenue, Brookings, SD 57006(19-120)
3. 44947 214th Street, Arlington, SD 57212(18-212)

Renville sale 4 not located on map

Market Sales Analysis

Conclusion:

Four sales are utilized in the grid without influences from a wind turbine, tower or development. All sales are rural acreages within the market with similar features and outbuilding utility. Sales two and one are superior sales with proximity to Brookings; these are less comparable as acreages in proximity to Brookings and not operating cattle yards. Sale 3 has stronger similarities as a rural acreage and cattle yard. Sale 4 is not from the Brookings market; however, it provides a comparison sale for a 1,000 head cattle operation and rural residence. After analyzing the elements of comparison, the market sales bracket the selling price of BK12 and suggest the selling price has not been negatively affected by the proximity of the wind tower.

Overall Conclusion:

Evidence from the interview analysis, sales analysis, and site observation support the conclusion there is no negative affect on the selling price. The property was sold with competing bids with a selling price bracketed by uninfluenced sales. The buyer had knowledge of the wind towers prior to the sale and purchased the property within the range of the market comparables. The market data is consistent with the buyer's comments that the proximity of the wind towers had no influence on the price paid for the property. All evidence suggests there is no negative affect on the selling price.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS BK13	SALE No.	BK13
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural acreage
Land Size: 3.20 Acres
Improvements: 1975 Ranch
Finished Area: 1144 SF GLA; 1144 L.L. Finished
Garage: Attached 1-Stall
Out buildings: 40x56 Pole Building
Features: Treed shelter belt
Access: Paved road linkage

2015 Sales Analysis Data:

Date of Sale: September 9, 2015
DOM: 91
Market Exposure: Advertised Sale
Sale Price: \$188,000
Verification: Deed; Beacon; Interview with Buyer
Type: Arm's Length Sale

2019 Sales Analysis Data:

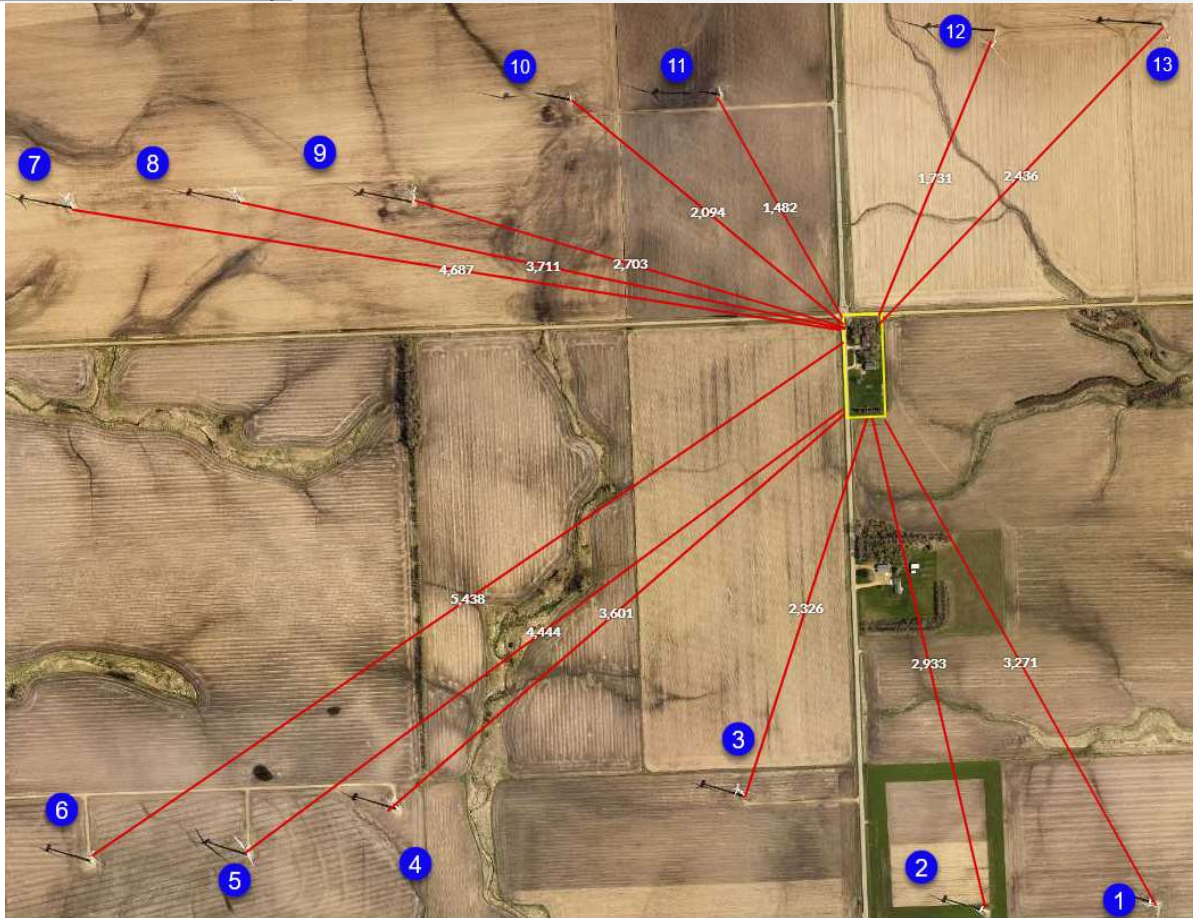
Date of Sale: October 31, 2019
DOM: 25
Market Exposure: Advertised Sale
Sale Price: \$237,000
Verification: MLS, Interview with Seller (previous buyer in 2015)
Type: Arm's Length Sale

Wind Energy Project:

Development: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW

Hub Height/Roto Diameter: 78/87 meters
Height From Ground: 399 Feet
Property & Wind Tower Notes: Thirteen wind turbines surround the property. Tower #1 3,271 +/- feet southeast. Tower #2 2,933 +/- feet south. Tower #3 2,326 +/- feet south. Tower #4 3,601 +/- feet southwest. Tower #5 4,444 +/- feet southwest. Tower #6 5,438 +/- feet southwest. Tower #7 4,687 +/- feet northwest. Tower #8 3,711 +/- feet northwest. Tower #9 2,703 +/- feet north. Tower #10 2,094 +/- feet north. Tower #11 1,482 +/- feet north. Tower #12 1,731 +/- feet northeast. Tower #13 2,436 +/- feet northeast.

Wind Tower Aerial Map:



Appreciation Analysis:

(Influenced by Tower) Sale 1 Bk13:	September 3, 2015	\$188,000
(Influenced by Tower) Sale 2 BK13:	<u>October 31, 2019</u>	<u>\$237,000</u>
	4.16 Years	\$49,000
BK13 Appreciation:	\$11,778/Year	6.26%/Year
(Uninfluenced) Sale 1 486 th :	December 7, 2004	\$133,000
(Uninfluenced) Sale 2 486 th :	<u>October 11, 2013</u>	<u>\$145,000</u>
	9.25 Years	\$12,000
486th Appreciation:	\$1,298/Year	.98%/Year

(Uninfluenced) Sale 213 th :	August 10, 2013	\$266,000
(Uninfluenced) Sale 213 th :	<u>May 24, 2018</u>	<u>\$290,903</u>
	4.62 Years	\$24,906
213 th Appreciation:	\$5,390/Year	2.02%/Year

Conclusion: Sale BK13 has market appreciation at the higher end of the market sales that are not influenced by a wind tower, turbine or wind project.

Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: November 18, 2019
View Obstruction: Wind towers within view of the residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

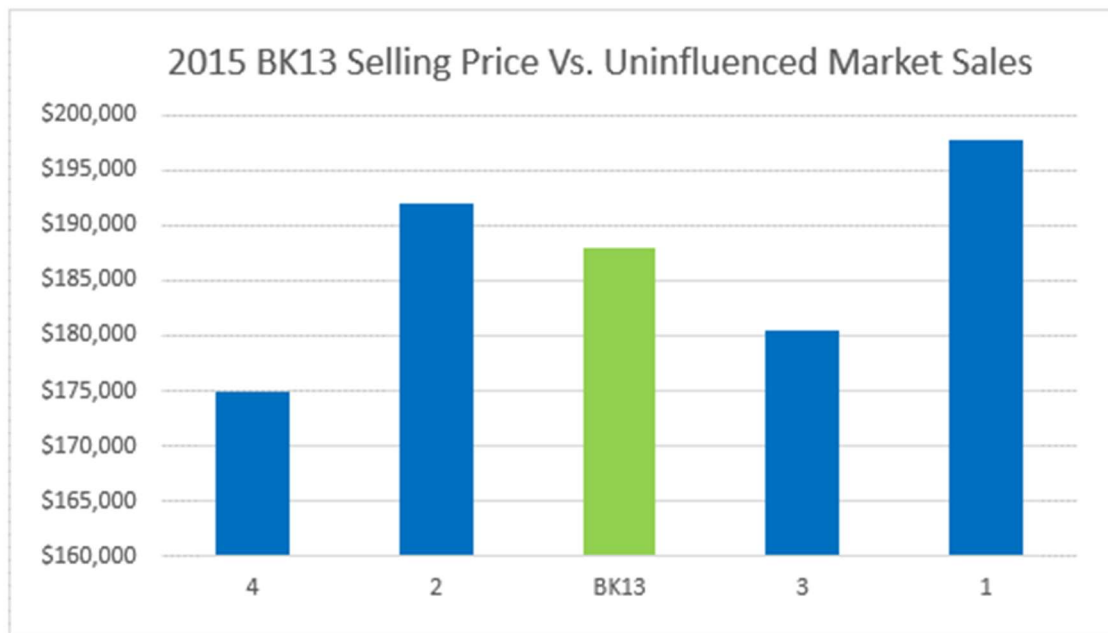
Interview Conducted by: David Lawrence
Party Interview: 2015 Buyer & 2019 Seller
Interview Date Buyer/Seller: November 4, 2019
Interview Notes with Buyer: The property was listed in 2014 and sold via the Brookings MLS system with 91 DOM. The buyer stated the wind towers were installed prior to their purchase with the closest tower 2,500 feet from the house. The buyer stated the towers can be noisy, and you can hear them inside the house. They experienced about 5-10 minutes a day of shadows from the towers depending on the time of year. South Dakota wind can make a lot of noise so the wind towers were less of a concern; however, they can't really find anything positive to say about living around wind towers. Not sure it affects the value of the property but having wind towers next to your property limits the buyer pool when you go to sell. There is a narrow group of people who want to live in rural S.D. and when you add wind towers to the proximity of a rural home, most people would prefer not to have them. The buyer stated if there was a choice between a rural property without the proximity of a wind tower, he would choose that property every time, but unfortunately, the market options are not readily available. The property was recently listed in September 2019 and sold within 25 DOM. The seller stated some of the prospective buyers didn't want to live in proximity to a wind tower.

Site Photos:



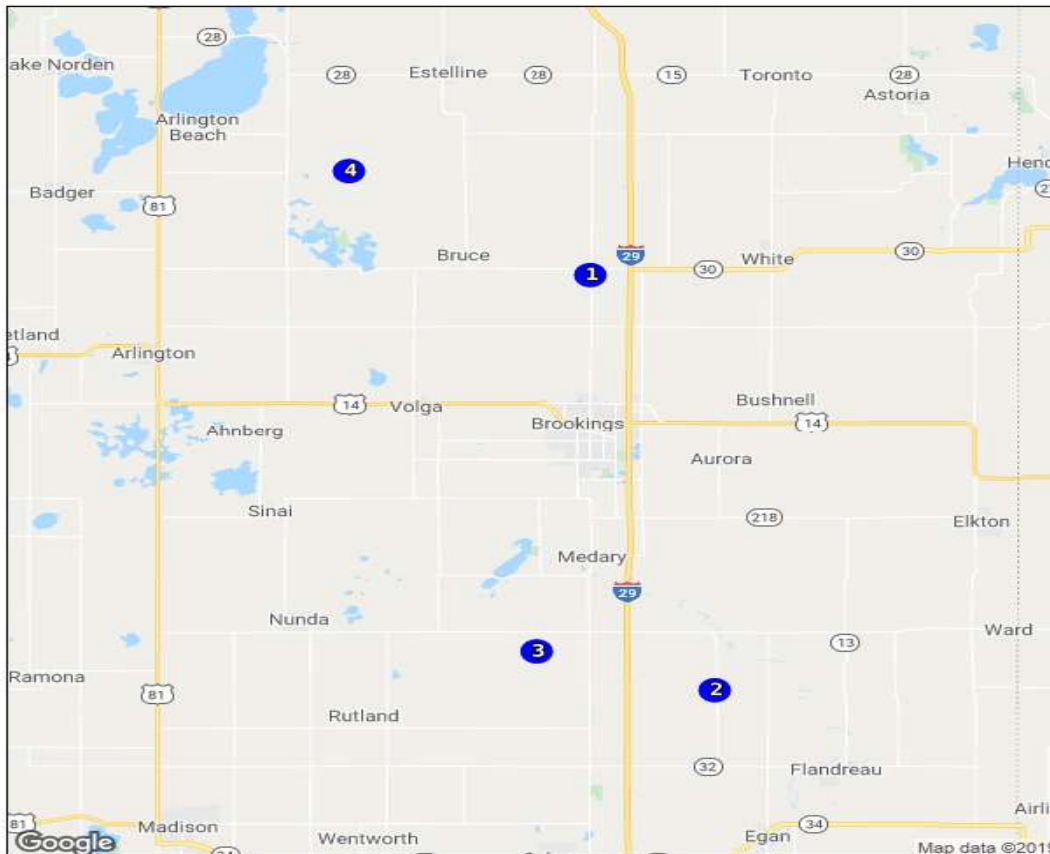


2015 Market Sales Analysis:



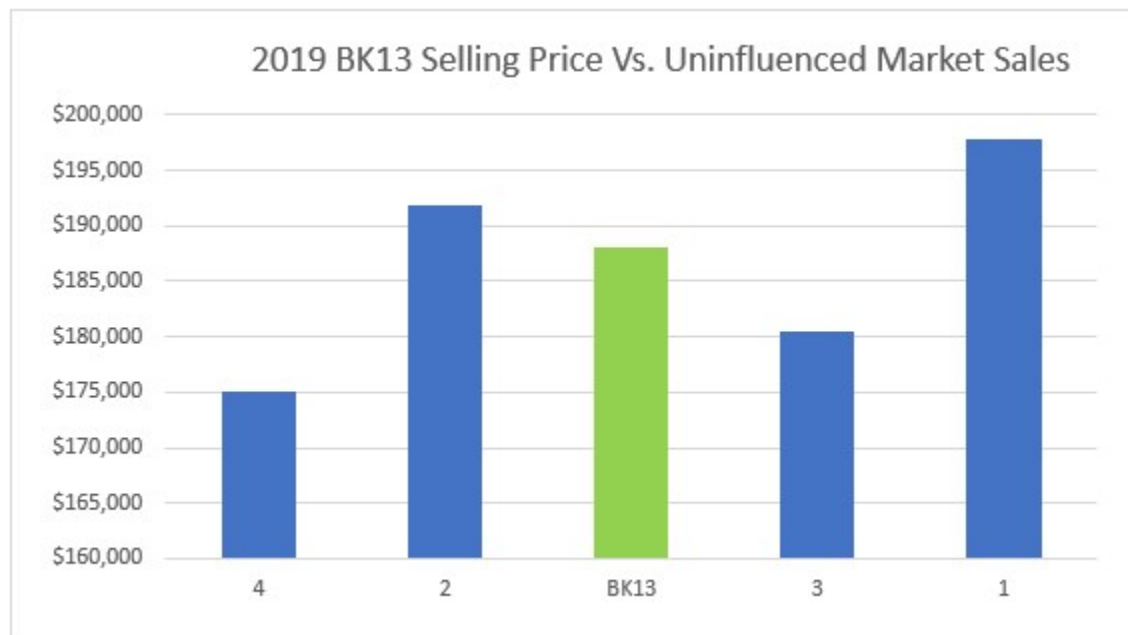
Sales Analysis BK13 -- 2015									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK13	Toronto	2015	\$188,000	1975	1,144	3.2	Ranch	Pole Building	
1	Brookings	2014	\$197,750	1975	1,534	2.02	Ranch	Barn/Shed	Comparable
			Adjustments:	Similar(=)	Superior(-)	Inferior(+)	Similar(=)	Similar(=)	
2	Flandreau	2014	\$191,900	1880	1,250	8.95	Story1/2	Barn/Shed	Comparable
			Adjustments:	Inferior(+)	Similar(=)	Superior(-)	Similar(=)	Similar(=)	
3	Colman	2015	\$180,400	1961	1,440	10	Ranch	Shed/Bld	Superior
			Adjustments:	Similar(=)	Superior(-)	Superior(-)	Similar(=)	Similar(=)	
4	Bruce	2015	\$175,000	1961	1,392	4.6	Ranch	Bld/Barn	Comparable
			Adjustments:	Similar(=)	Superior(-)	Similar(=)	Similar(=)	Similar(=)	

2015 Sale Location Map:



Legend
1. 20444 471st Avenue, Brookings, SD 57006(14-284)
2. 22603 476th Avenue, Flandreau, SD 57028(14-156)
3. 22409 468th Avenue, Colman, SD 57017(15-39)
4. 46153 199TH Street, Bruce, SD 57220(15-350)

2019 Market Sales Analysis:



Sales Analysis BK13 -- 2019									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK13	Toronto	2019	\$237,000	1975	1,144	3.2	Ranch	Pole Building	
1	Volga	2019	\$272,000	2003	1,576	2.08	Ranch	OutBld	Superior
			Adjustments:	Superior(-)	Superior(-)	Similar(=)	Similar(=)	Similar(=)	
2	Brookings	2018	\$206,000	1974	1,460	2.37	Ranch	None	Inferior
			Adjustments:	Similar(=)	Superior(-)	Similar(=)	Similar(=)	Inferior(+)	
3	White	2018	\$195,000	2008	1,008	5	Ranch	None	Inferior
			Adjustments:	Superior(-)	Inferior(+)	Superior(-)	Similar(=)	Inferior(+)	
4	Brookings	2018	\$236,500	1976	1,300	5.29	Ranch	Shed/OS Garg	Similar
			Adjustments:	Similar(=)	Superior(-)	Superior(-)	Similar(=)	Similar(=)	

Market Sales Analysis

Conclusion:

The data set includes eight market sales that are not influenced by the proximity of a wind tower, turbine or wind project. The analysis includes two sales of the BK13 between 2015 and 2019, with a market appreciation rate of 6.26%. The selling price of BK13 falls within the range of market substitutes. The value range of BK13 is bracketed by uninfluenced superior and inferior sales for both selling dates. The sales data is consistent with the interview comments. The market sales evidence supports the conclusion the proximity to the wind towers did not affect the selling price of BK13.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for sale BK13. The sale evidence suggests the proximity to the wind towers did not influence the selling price. Sale BK13 sold in 2015 and then in 2019 with a market appreciation rate on the higher end of the uninfluenced sales. Even though there is evidence of noise & visual effects from the interview analysis and site visit, the market data suggests the proximity to the wind tower has not negatively influenced sale BK13.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS BK14	SALE No.	BK14
	STATE	South Dakota
	COUNTY	Brookings



Property Characteristics:

Highest & Best Use: Rural acreage
Land Size: 5.70 Acres
Improvements: 1988 Ranch
Finished Area: 1344 SF GLA; 806 L.L.
Garage: Attached 2-Stall
Out buildings: 80x40 Pole Building
Features: Treed shelter belt
Access: Gravel road linkage

Sales Analysis Data:

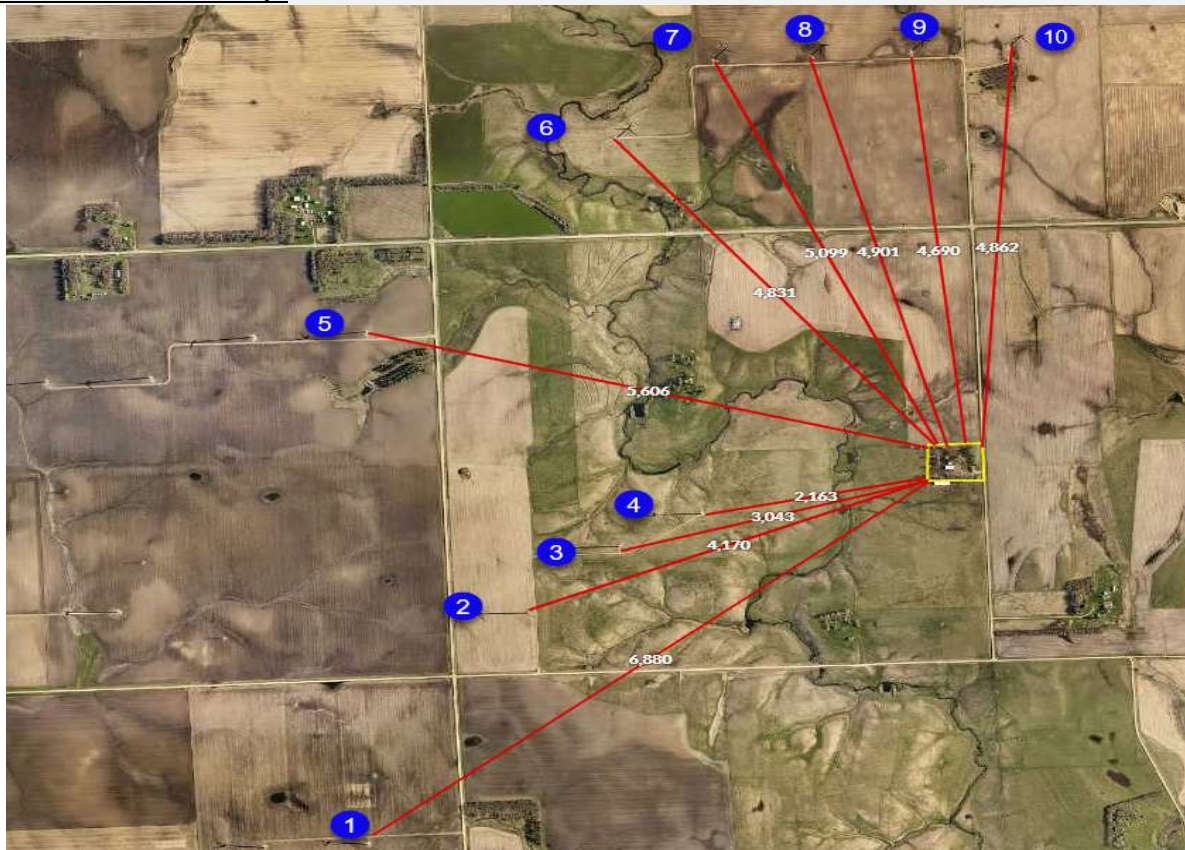
Date of Sale: April 30, 2019
Market Exposure: Auction managed by First Bank
Sale Price: \$165,000
Verification: Deed; Beacon; Interview with Buyer
Type: Arm's Length Sale

Wind Energy Project:

Development: Buffalo Ridge
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Roto Diameter: 78/87 meters
Height From Ground: 399 Feet
Property & Wind Tower Notes: Thirty wind turbines surround the property. Tower #1 5,502 +/- feet southwest. Tower #2 6,087 +/- feet southwest. Tower #3 6,731 +/- feet southwest. Tower #4 7,348 +/- feet southwest. Tower #5 8,190 +/- feet southwest. Tower #6 8,614 +/- feet west. Tower #7 7,197 +/- feet west. Tower #8 6,051 +/- feet west. Tower #9 5,026 +/- feet west. Tower #10 4,126 +/- feet west. Tower #11 3,231 +/- feet west.

Tower #12 11,674 +/- feet northwest. Tower #13 10,509 +/- feet northwest. Tower #14 9,290 +/- feet northwest. Tower #15 8,277 feet northwest. Tower #16 7,370 +/- feet northwest. Tower #17 6,598 +/- feet northwest. Tower #18 5,964 feet +/- feet northwest. Tower #19 5,286 +/- feet north. Tower #20 4,286 +/- feet north. Tower #21 4,155 +/- feet north. Tower #22 4,428 +/- feet north. Tower #23 2,813 +/- feet northeast. Tower #24 3,794 +/- feet northeast. Tower #25 8,493 +/- feet east. Tower #26 6,079 +/- feet east. Tower #27 5,057 +/- feet east. Tower #28 4,074 +/- feet east. Tower #29 2,661 +/- feet southeast. Tower #30 1,181 +/- feet southeast.

Wind Tower Aerial Map:



Appreciation Analysis:

(Influenced by Tower) Sale 1 Bk14:	December 08, 2015	\$125,000
(Influenced by Tower) Sale 2 BK14:	<u>April 30, 2019</u>	<u>\$165,000</u>
	3.39 Years	\$40,000
BK14 Appreciation:	\$11,799/Year	9.43%/Year
(Uninfluenced) Sale 1 486 th :	December 7, 2004	\$133,000
(Uninfluenced) Sale 2 486 th :	<u>October 11, 2013</u>	<u>\$145,000</u>
	9.25 Years	\$12,000
486th Appreciation:	\$1,298/Year	.98%/Year

(Uninfluenced) Sale 213th:	August 10, 2013	\$266,000
(Uninfluenced) Sale 213th:	<u>May 24, 2018</u>	<u>\$290,903</u>
	4.62 Years	\$24,906
213th Appreciation:	\$5,390/Year	2.02%/Year

Conclusion: Sale BK4 has market appreciation on the higher end of the range of the market sales that are not influenced by a wind tower, turbine or wind project.

Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: November 18, 2019
View Obstruction: Wind towers within view of the residence
Noise Analysis: Operational & blade noise present during site visit.

Interview Analysis:

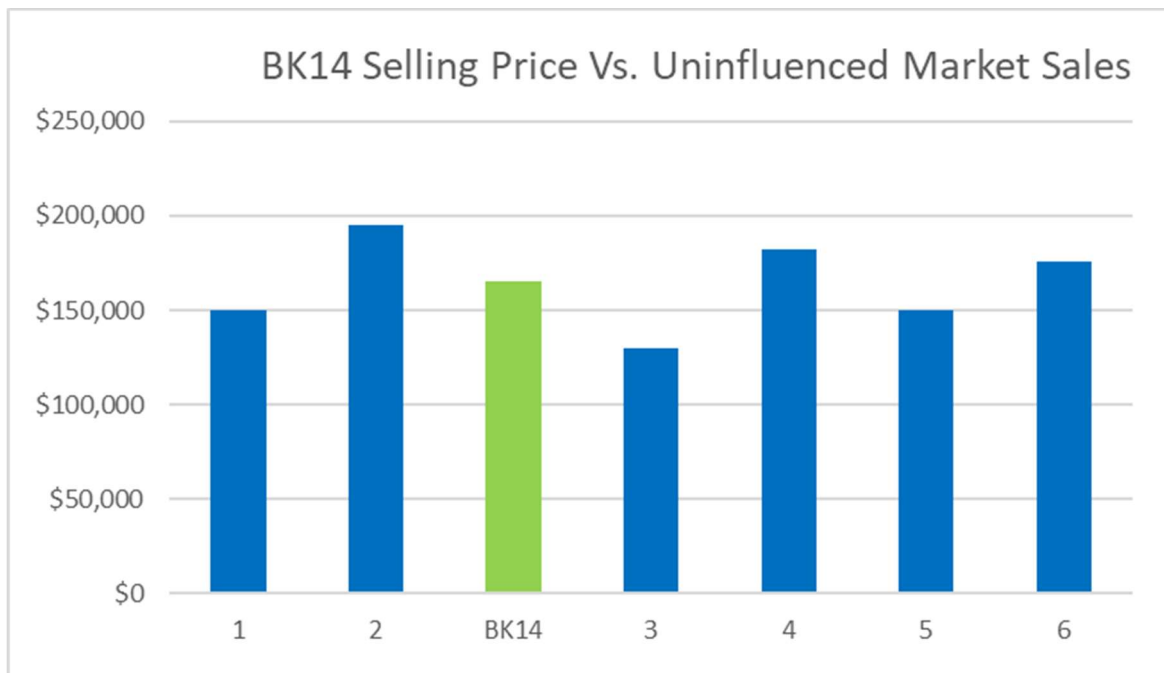
Interview Conducted by: David Lawrence
Party Interview: Buyer
Interview Date Buyer: October 31, 2019
Interview Notes with Buyer: The property was purchased with knowledge of wind towers in proximity to the property. The buyer stated they have been trying to purchase the property for years. They sent an email to the bank and after four years the bank finally agreed to sell the property. The buyer thinks they paid too much but wanted to assemble the property into their pasture that is contiguous to the west. The buyer explained they are not very impressed with the wind company as they rent ground around the area and are always leaving the cattle gates open and had the cows get out on numerous occasions. The towers make all kinds of noise and leak grease everywhere. The property had to be cleaned up when we purchased it. We have tenants in the property but are eventually planning to move there soon. Do not know if it negatively effects the property; we paid a market price for the land and house. Towers destroy the rural view.

Site Photos:



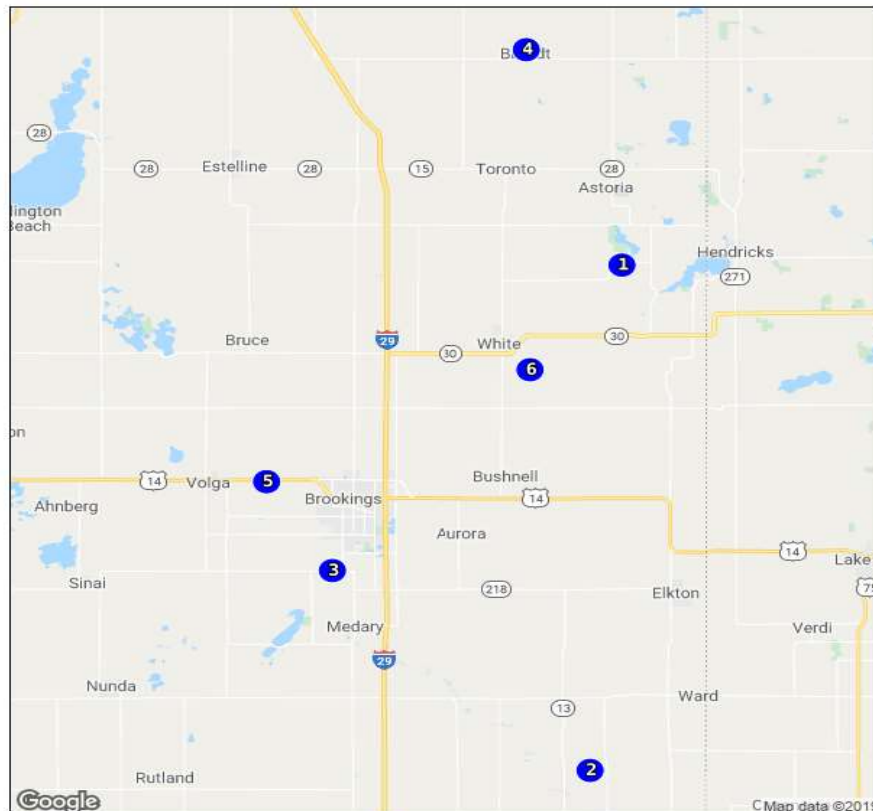


Market Sales Analysis:



Sales Analysis BK14									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
BK14	Astoria	2019	\$165,000	1988	1,344	5.7	Ranch	Pole Building	
1	Brookings	2017	\$150,000	1973	1,232	2.28	Ranch	None	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	
2	White	2018	\$195,000	2008	1,008	5	Ranch	Pole Barn	Superior
		Adjustments:		Superior(-)	Inferior(+)	Similar(=)	Similar(=)	Similar(=)	
3	White	2017	\$129,500	1994	1,404	13.8	Ranch	Pole Bld	Superior
		Adjustments:		Similar(=)	Superior(-)	Superior(-)	Similar(=)	Similar(=)	
4	Flandreau	2018	\$182,000	1978	1,976	7.01	Story1/2	Pole Blds/Barn	Superior
		Adjustments:		Similar(=)	Superior(-)	Superior(-)	Similar(=)	Superior(-)	
5	Brandt	2017	\$150,000	1977	1,162	2.14	Ranch	None	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	
6	Brookings	2017	\$175,900	1990	1,660	4.55	Ranch	3 Pol Blds	Superior
		Adjustments:		Similar(=)	Superior(-)	Similar(=)	Similar(=)	Superior(-)	

Sale Location Map:



Legend	
1. 48360 199A Street, White, SD 57276(18-211)	4. 200 Madison Street, Brandt, SD 57218(17-375)
2. 48221 227th Street, Flandreau, SD 57028(18-266)	5. 21119 467 Avenue, Brookings, SD 57006(17-319)
3. 518 W 44th Street S, Brookings, SD 57006(17-324)	6. 47930 205th Street, White, SD 57276(17-359)

Market Sales Analysis

Conclusion:

Five sales are utilized in the grid and uninfluenced by the proximity of a wind tower, turbine or project. All sales are rural acreages within the market. Sales 3 and 5 have proximity to Brookings. The remaining sales have inferior and superior features that bracket the selling price of the BK14. The buyer stated the property was purchased at a market price even though sale details mentioned a bank-owned property. After qualitatively analyzing the sales, the data suggests the wind towers did not negatively influence the selling price.

Overall Conclusion:

An interview, site, and sales analysis have been completed for BK14. During the site visit, the wind towers were observed within the proximity of the property. Buyer interview comments stated the price paid was not affect by the wind towers, although the buyer had negative comments regarding the wind towers. Although there are inconsistencies between interview comments and the market data, the selling price of BK14 is bracketed by uninfluenced market sales. The market evidence suggests there was no negative influence on the selling price of the property because of the proximity of the wind towers.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS CD1	SALE No.	CD1
	STATE	South Dakota
	COUNTY	Codington



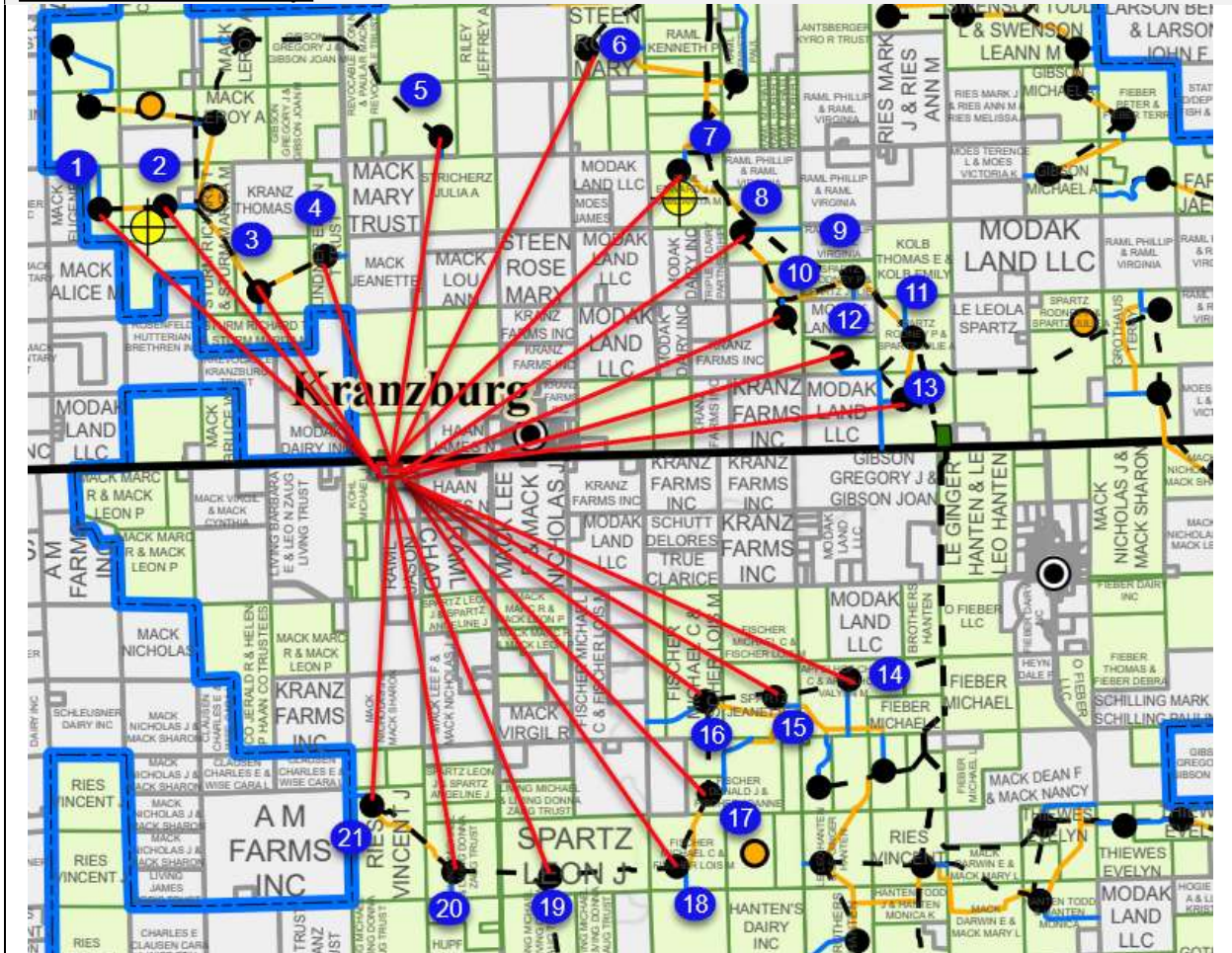
Property Characteristics:	
Highest & Best Use:	Rural Acreage
Land Size:	1.91 Acres
Improvements:	1918 Story 1/2
Finished Area:	1,776 S.F. GLA
Garage:	Attached 1- Stall
Features:	Treed shelter belt. Shed/Detached Garage
Access:	Paved highway linkage

Sales Analysis Data:	
Date of Sale:	August 1, 2019
Market Exposure:	MLS
Listing Price:	\$199,000
Sale Price:	\$190,000
Verification:	MLS/Broker
Type:	Arm's Length Sale
DOM:	72

Wind Energy Project:	
Development:	Crowned Ridge Wind Farm
Turbine Type:	Gamesa G87 2.0 MW
Hub Height/Rotor Diameter:	80/116 meters
Height From Ground:	150 meters or 500 feet +/- per PUC exhibit
Wind Tower Property Notes:	Crowned Ridge II wind Farm is in the permitting phase of the project. According to the turbine siting constraints map, twenty-one turbines will be in the proximity of the residence. The map shows the turbines to the northwest will be in closest proximity of approximately 4,000

feet. Site photos of the wind towers below are from Crown Ridge I by Waverly that are currently being constructed in the neighborhood. Towers 6-13, and 14-21 do not exist as of the effect selling date of CD1. Towers located northwest by Waverly are currently in the construction phase. According to the listing broker, he is was informed of the wind tower project in the neighborhood.

Wind Tower Aerial Map:



Appreciation Analysis:

(Influenced by Tower) Sale 1 CD1:	August 2, 2019	\$190,000
(Influenced by Tower) Sale 2 CD1:	<u>July 15, 2003</u>	<u>\$116,000</u>
	16 Years	\$74,000
BK14 Appreciation:	\$4,625/Year	3.9%/Year
(Uninfluenced) Sale 1 486 th :	December 7, 2004	\$133,000
(Uninfluenced) Sale 2 486 th :	<u>October 11, 2013</u>	<u>\$145,000</u>
	9.25 Years	\$12,000
486th Appreciation:	\$1,298/Year	.98%/Year

(Uninfluenced) Sale 213 th :	August 10, 2013	\$266,000
(Uninfluenced) Sale 213 th :	<u>May 24, 2018</u>	<u>\$290,903</u>
	4.62 Years	\$24,906
213 th Appreciation:	\$5,390/Year	2.02%/Year

Conclusion: Sale BK4 has market appreciation on the higher end of the range of the market sales that are not influenced by a wind tower, turbine or wind project.

Site Analysis:

Site Visit Conducted by: David Lawrence

Site Visit Date: November 19, 2019

View Obstruction: Wind towers to the north, south, and east within distance view of the residence. Wind tower citing maps show the nearest tower less than a mile to the northwest.

Noise Analysis: NA

Site Photos:





Wind tower construction by Waverly November 2019



Wind tower construction by Waverly November 2019



Interview Analysis:

Interview Conducted by: David Lawrence

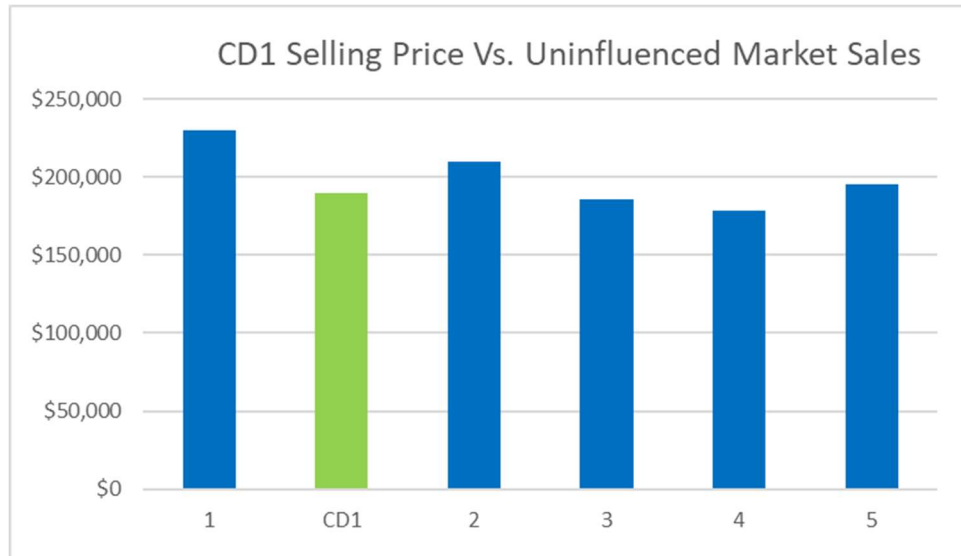
Party Interviewed: Broker

Interview Date: November 11, 2019

Interview Notes with Broker: The property sold via the MLS within 72 days on the market. It is common knowledge in the market that wind towers are being constructed in the neighborhood. Obviously, there are some buyers that are sensitive to wind towers, but there were no motivating factors by either the buyer or seller that negatively affected the selling price because of the wind towers. This property has a sales

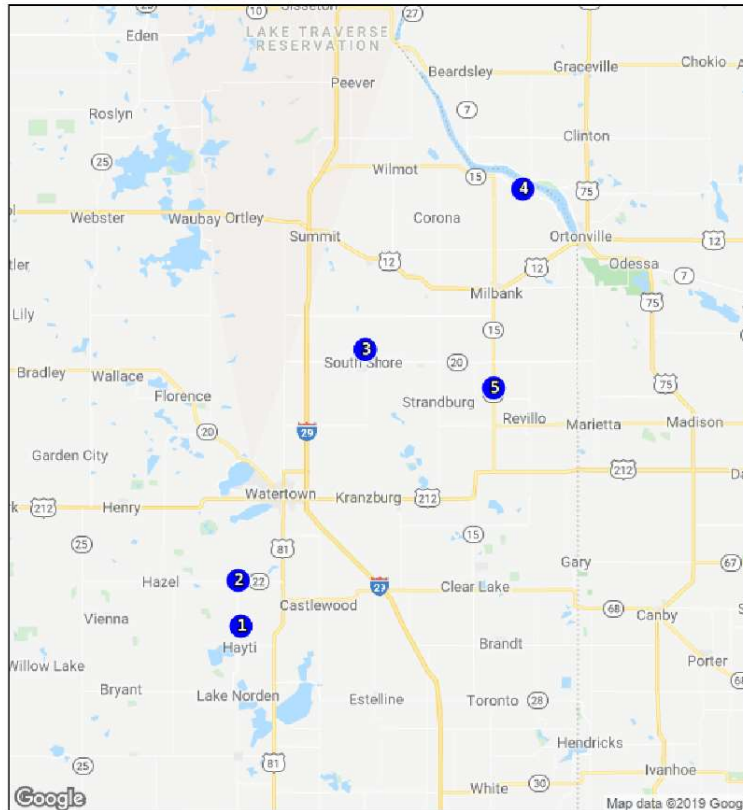
history that supports an appreciating market with features that have continued to attract buyers for the property.

Market Sales Analysis:



Sales Analysis CD1									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
CD1	Kranzburg	2019	\$190,000	1918	1,776	1.9	2-Story	Shed	
1	Labolt	2019	\$230,000	1968	1,429	4.48	Ranch	Pole	Superior
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Superior(-)	
2	Vienna	2019	\$210,000	1912	1,595	10	2-Story	Pole	Superior
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Superior(-)	
3	Hayti	2019	\$186,000	1910	1,743	21.92	Story1/2	Pole Shed	Similar
		Adjustments:		Similar(=)	Similar(=)	Superior(-)	Similar(=)	Similar(=)	
4	S. South	2019	\$178,250	1919	1,830	5	Story1/2	Pole Blds	Similar
		Adjustments:		Similar(=)	Similar(=)	Superior(-)	Similar(=)	Similar(=)	
5	Big Stone	2019	\$195,000	1972	1,432	4.42	Ranch	Shed/Pole	Similar
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Similar(=)	

Sale Location Map:



Legend

1. 45049 186TH STREET, Hayti, SD 57241(30-3598)
2. 45019 SD-22 HIGHWAY, Hayti, SD 57241(17-18)
3. 15582 464TH AVENUE, South Shore, SD 57263(35-217)
4. 48115 SD-109 HIGHWAY, Big Stone City, SD 57216(35-222)
5. 16002 SD-15 HIGHWAY, LaBolt, SD 57246(35-136)

Market Sales Analysis

Conclusion:

The sales analysis uses five market sales that are not influenced by a wind tower, turbine or project. Sales one and two are within similar proximity to Watertown, with sales five, four and three in similar proximity to Millbank. The selling price of CD1 falls within the range of the uninfluenced sales with sales three, four and five the stronger market substitutes. The sales evidence suggests there was no negative influence on the selling price of the sale CD1.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for CD1. The research and data suggest the proximity of the future wind towers and the announcement of the project did not influence the selling price. Interview comments were consistent with the sales evidence that showed there was no effect on the selling price. Even though the wind project construction is not complete, the data support the proximity to the future wind towers and the announcement of the project has not negatively influenced the sale transaction for CD1.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS CD2	SALE No.	CD2
	STATE	South Dakota
	COUNTY	Codington



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 2.65 Acres
Improvements: 2001
Finished Area: 1,570 SF GLA 1544 SF L.L. Finished
Garage: Attached 2-Stall
Features: Treed shelter belt. 60x57 Modern pole barn with concrete
Access: Gravel road – Shared driveway per broker and aerial

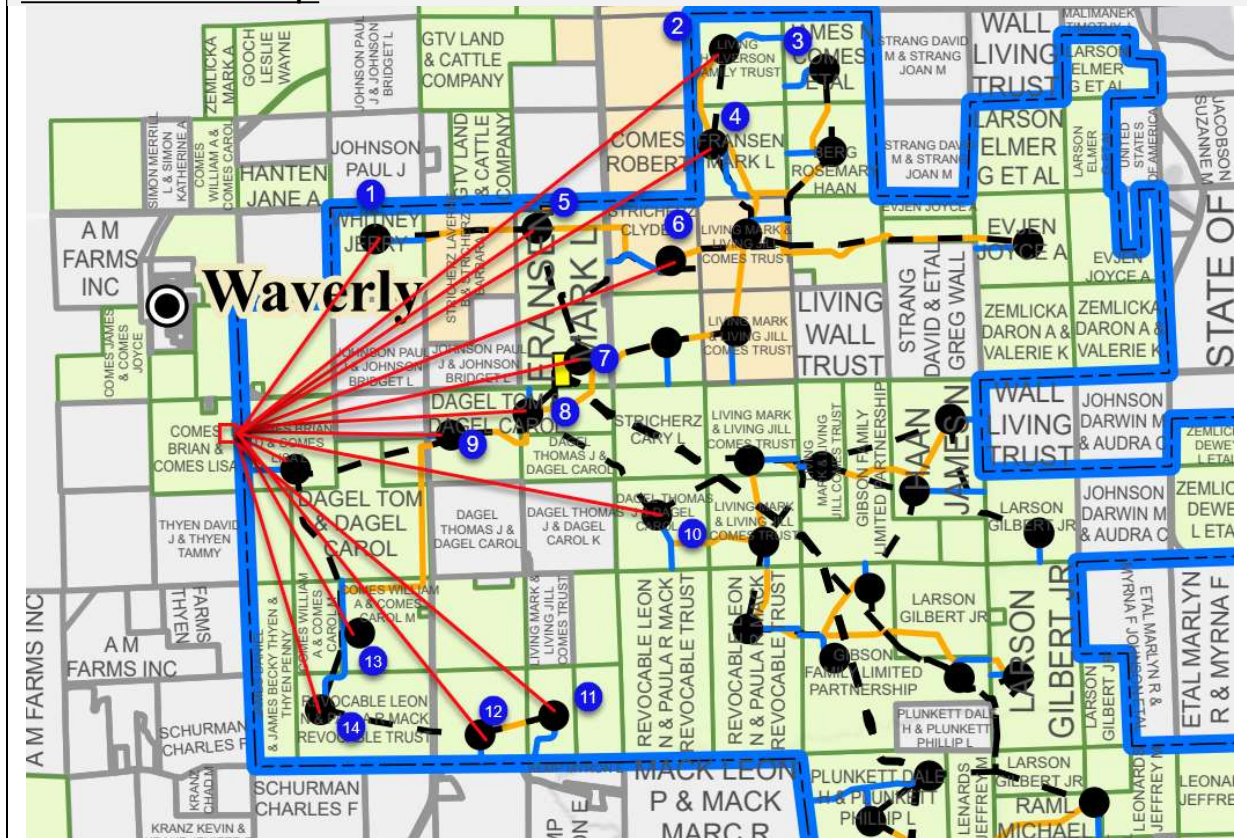
Sales Analysis Data:

Date of Sale: August 8, 2019
Market Exposure: MLS
Listing Price: \$329,000
Sale Price: \$275,000
Verification: MLS/Broker/Seller/CRV/Codington GIS/Site Visit
Type: Arm's Length Sale
DOM: 189

Wind Energy Project:

Development: Crowned Ridge Wind Project
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 80/116 meters
Height from Ground: 150 meters or 500 feet +/- per PUC exhibit
Wind Tower Property Notes: Crowned Ridge Wind Farm is in the construction phase of the project. According to the turbine siting constraints map, fifteen turbines will be in the proximity of the residence, with the nearest turbine CR11-134 within 2,000 feet of the property.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence

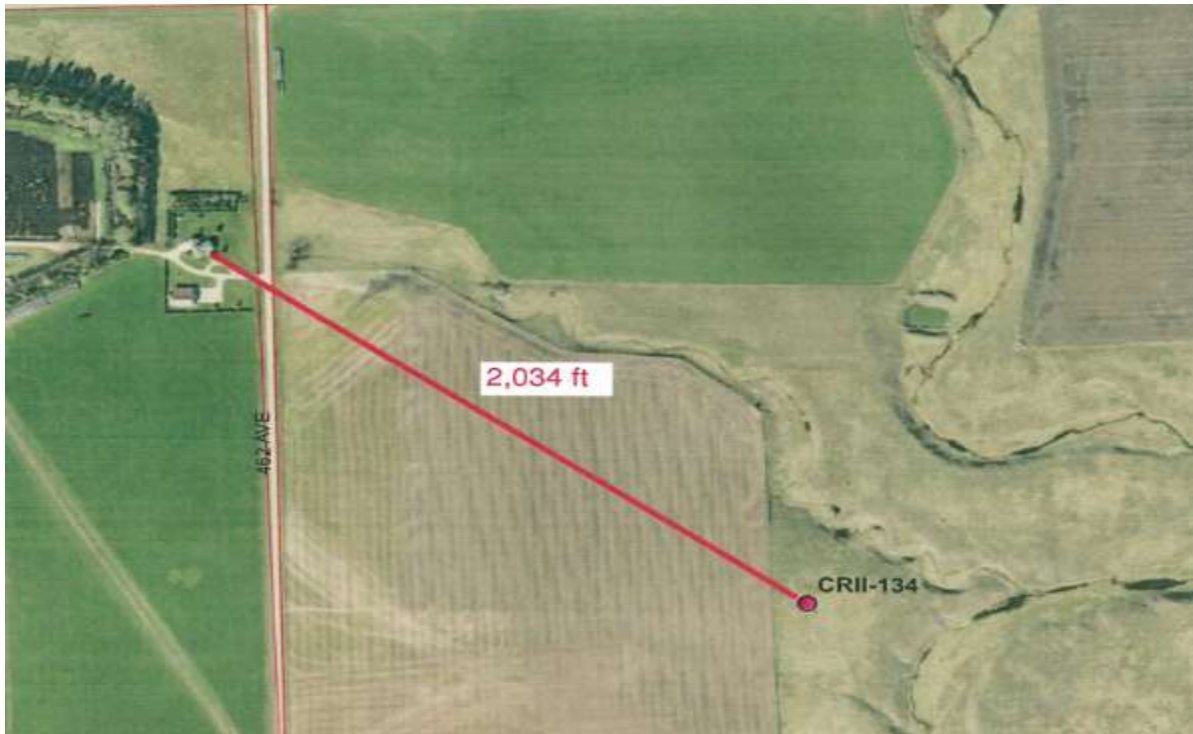
Site Visit Date: November 19, 2019

View Obstruction: None – wind towers under construction around the Waverly market area

Noise Analysis: NA – wind towers not operational at time of site visit

Site Photos:







Interview Analysis:

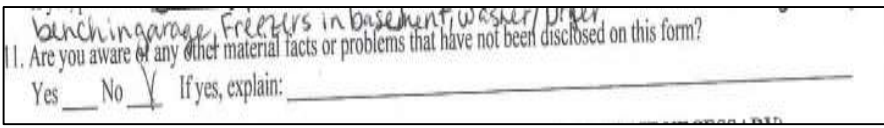
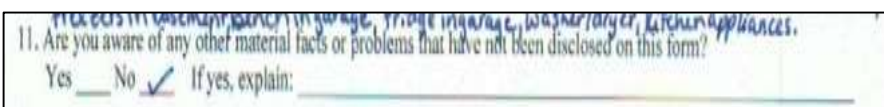
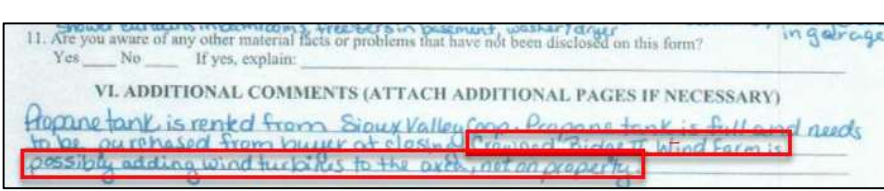
Interview Conducted by: David Lawrence

Party Interviewed: Broker-1/Broker-2/Seller/Buyer

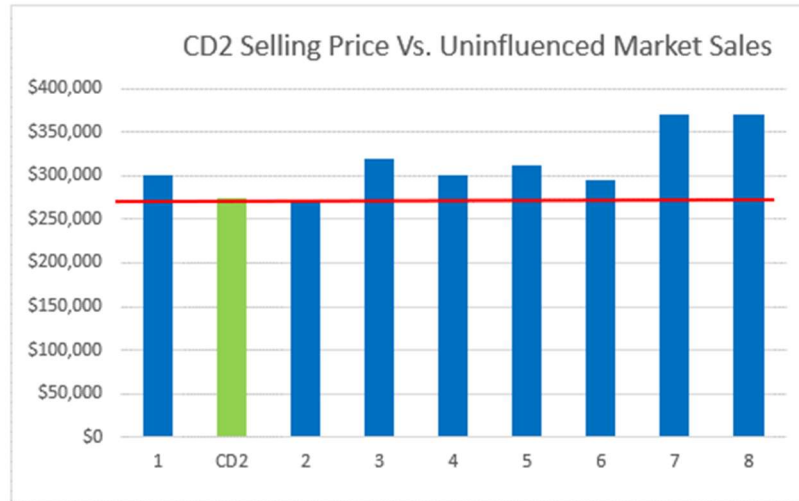
Interview Date: November 11, 2019

Interview Notes with Broker-1: Broker-1 listed the property in June of 2018 for \$424,900. After 26 days on the market, the listing price was reduced to \$409,000. After 20 days the listing price was reduced to \$398,500. After a total of 93 days on the market, the listing expired. Per broker-1 the listing price was not supported by the market. The June 2, 2018 disclosure statement did not disclose the wind project or location of the tower within 2,000 of the residence.

Interview Notes with Broker-2: Broker-2 was contacted by the owner in April of 2019. Prior to the listing, broker-2 had the seller complete a disclosure statement on April 25, 2019; the wind project was not disclosed. The property was listed at \$379,900, which the agent admitted was most likely on the higher end of the market range. After 60 days on the market, the price was lowered to \$369,900. On July 30, 2019, buyer-1 submitted a written offer for \$350,000. The offer was accepted by the seller; however, broker-2 updated the disclosure form on July 30, 2019, to include statements about the Crowned Ridge Wind Farm. After receiving the updated disclosure statement, the offer was rescinded by buyer-1. On August 21, 2019, the listing price was reduced to \$329,000. After approximately 183 days buyer-2 submitted an offer with the knowledge of the wind project and wind towers for \$275,000. The seller accepted the offer. According to broker-2 the disclosure of the wind

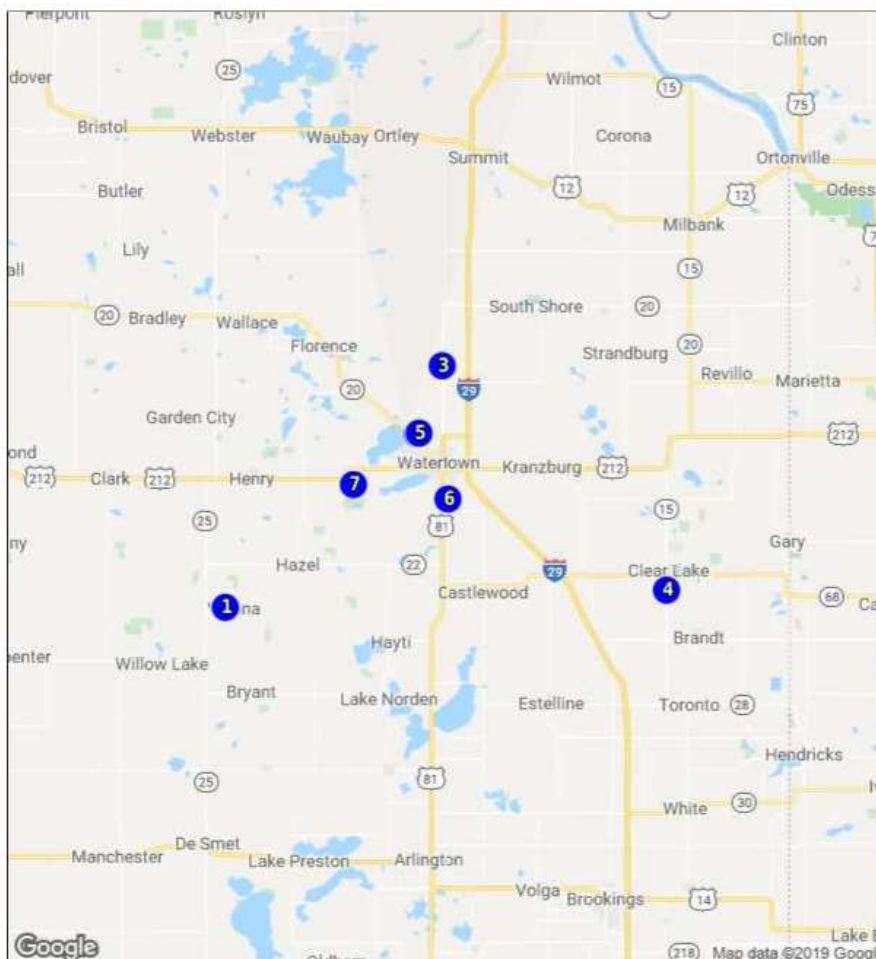
	project and wind tower within 2,000 of property resulted in a \$75,000 or 27% difference to the seller (the difference between buyer-1 before disclosure and buyer-2 after disclosure). Broker-2 stated as evident with the CD2 transaction and experiences with selling real estate in S.D., residential property values are negatively affected by wind towers. Broker-2 stated wind towers will continue to be an issue for property owners as more and more towers are built. There is a segment of the market that refuses to look at properties near wind towers. Broker-2 recently built a house by Waverly prior to any knowledge of the project and will soon be living in the middle of the Crowned Ridge project. Broker-2 strongly believes their investment of a rural residence will be negatively affected by towers surrounding their home and will result in a segment of the market that will have less interest in the property when it comes time to sell.
Interview Notes with Seller:	The seller had a signed purchase agreement for \$350,000. After talking with broker-2, the seller decided to update the disclosure statement to include information about the wind project. Buyer-1 recinded the offer after facts of the wind project were disclosed. Broker-2 relisted the property with full disclosure of the wind project. Buyer-2 knowledgeable of the wind project and towers offered \$275,000, which the seller accepted. The seller stated the proximity of the Crown Ridge Wind Farm reduced the value of the property by \$75,000 and is supported by the facts and documents of the transaction.
Interview Notes with Buyer-1	The seller would not provide contact information or documents at this time because of pending litigation.
Interview Notes with Buyer-2	During my site visit on November 18, 2019, I knocked on the front door to talk with the buyer; no one answered the door. I left my card. I was unsuccessful in obtaining a working phone number to contact the buyer.
June 2018 Disclosure Statement:	
March 2019 Disclosure Statement:	
2019 Updated Disclosure Statement:	

Market Sales Analysis:



Sales Analysis CD2									Overall Analysis
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	
CD2	Waverly	2019	\$275,000	2001	1,570	2.6	Split	Pole Building	
1	Watertown	2019	\$300,000	1976/upd	1,106	3.21	Split	Pole Bld	Comparable
		Adjustments:		Similar(=)	Inferior(+)	Similar(=)	Similar (=)	Similar(=)	
2	Watertown	2018	\$270,000	2005	1,920	5	Ranch	None	Comparable
		Adjustments:		Similar(=)	Superior(-)	Superior(-)	Similar (=)	Inferior(+)	
3	Vienna	2019	\$275,000	1980	1,400	8.16	Ranch	None	Inferior
		Adjustments:		Inferior(+)	Inferior(+)	Superior(-)	Similar (=)	Inferior(+)	
4	Watertown	2019	\$319,000	1974/upd	1,476	9.46	Ranch	Pole Blds	Superior
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar (=)	Superior(-)	
5	Clear Lake	2019	\$301,000	1952/upd	1,556	8.9	Ranch	Pole Blds	Comparable
		Adjustments:		Similar(=)	Similar(=)	Superior(-)	Similar (=)	Similar(=)	
6	Watertown	2019	\$312,500	1970	1,352	5.63	Ranch	Sheds	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar (=)	Inferior(+)	
7	Watertown	2019	\$295,000	1976	1,440	1.88	Ranch	None	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Similar(=)	Similar (=)	Inferior(+)	
8	Watertown	2019	\$370,000	2000	1,556	12.01	Ranch	Pole Blds	Superior
		Adjustments:		Similar(=)	Similar(=)	Superior(-)	Similar (=)	Similar(=)	

Sale Location Map:



Legend

- | | |
|---|---|
| 1. 18509 435TH AVENUE, Vienna, SD 57271(20-8178) | 5. 2217 STADHEIM DRIVE, Watertown, SD 57201(42-9) |
| 2. 2502 STADHEIM DRIVE, Watertown, SD 57201(24-6016) | 6. 45581 175TH STREET, Watertown, SD 57201(98-91) |
| 3. 16276 455TH AVENUE, Watertown, SD 57201(28-1048) | 7. 17375 447TH AVENUE, Watertown, SD 57201(24-6249) |
| 4. 18215 SD 15 HIGHWAY, Clear Lake, SD 57226(24-6243) | |

Market Sales Analysis

Conclusion:

Eight sales are from the market without the influence of a wind tower, project or turbine. All transactions have similar highest and best use as a rural acreage and located within the market area. Sales one, two, and five are most similar to CD2. Sales two, five and six are inferior sales. Sale three has slightly superior site size and outbuildings. The market evidence suggests the bracketed market range for CD2 should fall within \$275,000 to \$370,000 as demonstrated by the uninfluenced market sale transactions. The selling price at \$275,000 is at the low end of the market range suggesting there could be an influence on the selling price of CD2 as a result of the anticipation of the wind project,

the proximity of the wind tower near the property and/or disclosure of the wind project. To further provide a substantiate conclusion, a detailed site inspection, investigation, and appraisal would need to be completed. A review of the sales data suggests there is some type of negative influence or motivating factor for the sale transaction for CD2 resulting in a sale price that is on the lower end of the market range.

Overall Conclusion:

This is the first transaction in South Dakota that has been identified with possible negative influences from the announcement of a wind project and/or influences from a wind tower in proximity to a rural residential property. During the listing of CD2, the project was announced with a location of a wind tower southeast of the property. Buyer-1 submitted a written offer that was accepted by the seller for \$350,000. The offer was rescinded by Buyer-1 when the seller disclosed the wind project. Buyer-2 submitted a written offer for \$275,000, with knowledge and consideration given from the future influence of the wind towers. Both the buyer and seller acted prudently, knowledgeably and for self-interest. The difference between Buyer-1 uninfluenced offer and Buyer-2 influenced offer is \$75,000. The sales data and interview analysis are consistent to support the evidence there was some type of motivating factor or market penalty due to the future location of the wind tower; however, what makes this sale transaction difficult to substantiate loss in market value is that a wind tower did not exist at the time of the sale; only the perception regarding the project and location of a wind tower near the property. The disclosure statement provides vague information about tower locations with no direct relation to CD2. The disclosure statement just says, "Crown Ridge II is possibly adding wind towers to the area, not on property." Maybe additional information was provided to the Buyer-1, but the vague information seems to provide some initial stigma or influence on the decision making of Buyer-1? As concluded in the sale analysis, an on-site inspection, interview investigation, and appraisal are required to further substantiate the facts presented by the seller, and broker to support the change in market value before and after the disclosure of the wind project. Based on completed researched within the Buffalo Ridge wind development in Brookings County, I have not found market evidence to support an adverse impact on the selling price of rural residential properties in proximity to an existing wind tower, turbine or wind project. This sale transaction might be the first sale in South Dakota to document a negative influence on the selling price due to the anticipation of the project or initial project stigma, resulting from the management of the listings. The details of the transaction are consistent with market participant comments showing there is a segment of the market that is sensitive to living in proximity to wind towers, turbines and wind development.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS DE1	SALE No.	DE1
	STATE	South Dakota
	COUNTY	Deuel



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 30.00 Acres
Improvements: 2008
Finished Area: 2,640 GLA
Garage: Attached
Features: Treed valley, running creek and hills. Detached garage.
Access: Paved highway linkage and paved driveway

Sales Analysis Data:

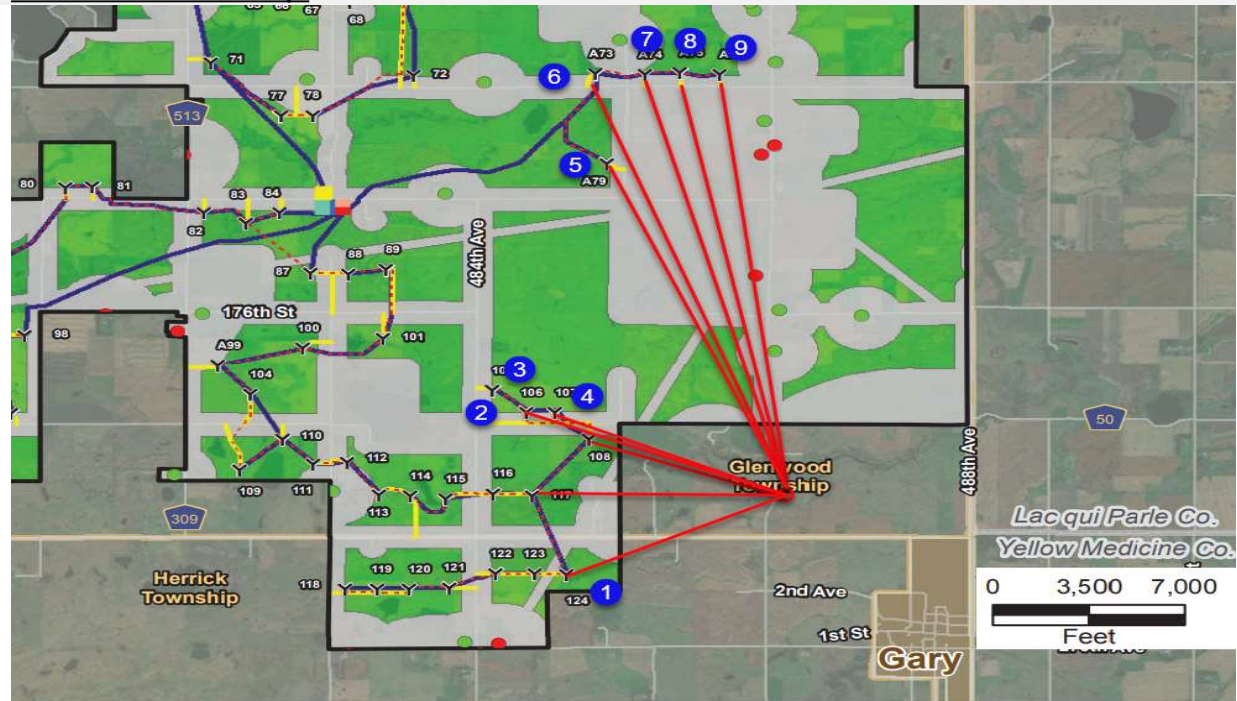
Date of Sale: February 28, 2019
Market Exposure: MLS
Listing Price: \$549,900
Sale Price: \$517,000
Verification: MLS/Broker/Seller/Site Visit
Type: Arm's Length Sale
DOM: 245

Wind Energy Project:

Development: Deuel Harvest
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 150 meters or 500 feet +/- ground to blade height per PUC exhibit
Wind Tower Property Notes: Deuel Harvest is a permitted wind development that is currently in the construction phase of the project. Nine wind towers will be in proximity west of the property. Distances from the residence range

from 3,500 feet to over 10,000 feet. The turbines are north, northwest, west, and southwest of the property.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence

Site Visit Date: May 23, 2018 & November 18, 2019

View Obstruction: NA – Deuel Harvest is a permitted wind project; however, construction has not yet started so there are no towers constructed within the project area. DE1 is located in a treed valley that is protected by the varying topography and landscape. The location is unique and highly desirable for a rural acreage in South Dakota. The features of the treed valley would protect any future view obstructions within the property boundaries, including if any towers would be constructed within the minimum zoning setbacks of 2,000 feet.

Noise Analysis: NA -- There are no existing towers within the neighborhood at this time.

Site Photos:





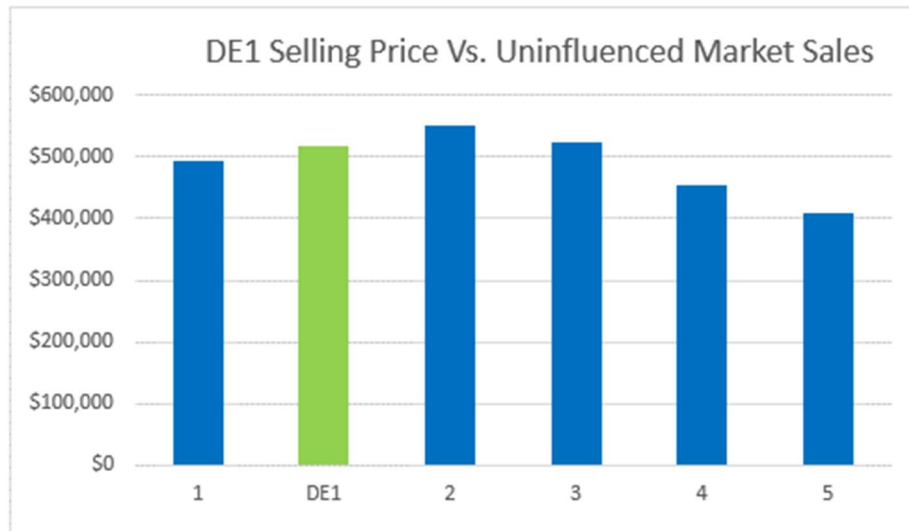
Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Broker/Seller
Interview Date: November 18, 2019

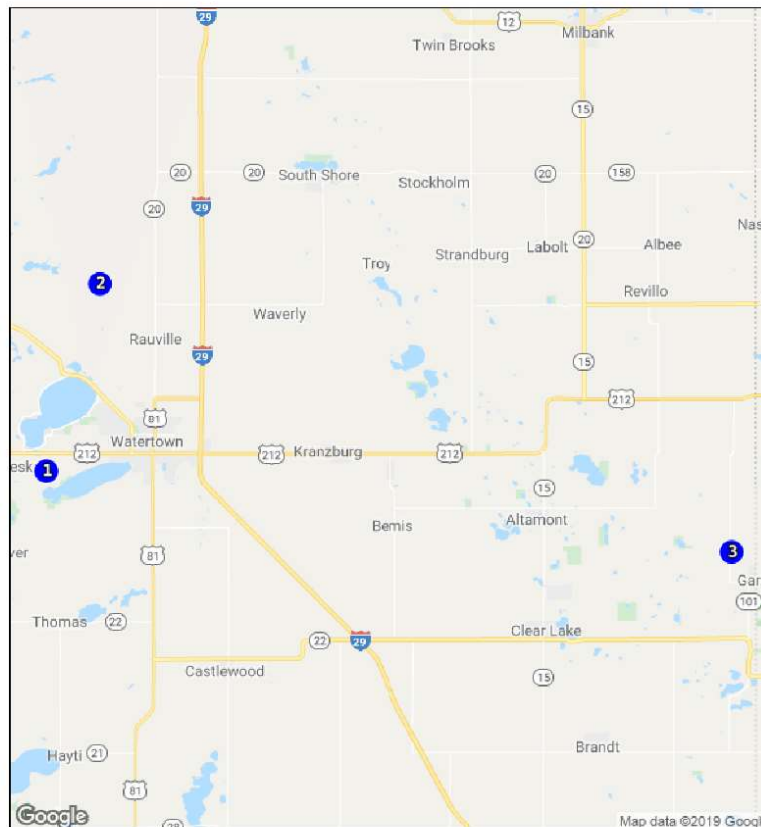
Interview Notes with Broker:	The property was listed for sale for \$549,900. This very unique property prompted interest from the market. We had an offer at \$500,000 and the seller countered \$535,000. The negotiations ended without a signed purchased agreement. The seller believes the parties backed out because of the wind tower; however, the agent explained there could be other motivating factors. The agent has listed a number of properties in the immediate neighborhood and the wind project was not a reason they were selling. It seems the fear of the project has subsided as there has been a number of new buyers in the neighborhood purchasing property around the project area. The property sold for \$517,000 to a buyer who previously looked at the property. The agent stated the property took about 6 months to sell which is typical of property in this price range at the higher end of the market.
Interview Notes with Seller:	The seller explained that disclosing the wind project caused the offer to fall through and believes property values are affected by wind development in the rural area.

Market Sales Analysis:

Sales Analysis DE1									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
DE1	Gary	2019	\$517,000	2008	2,640	30	Ranch	Outbuilding	
1	Watertown	Active	\$495,000	2007	1,428	32	Ranch	Barn/Blgs	Inferior
		Adjustments:		Similar(=)	Inferior(+)	Similar(=)	Similar(=)	Similar(=)	
2	Watertown	Active	\$549,900	2007	1,428	32	Story1/2	Barn/Pol	Similar
		Adjustments:		Inferior(+)	Inferior(+)	Similar(=)	Similar(=)	Superior(-)	
3	Watertown	2017	\$525,000	2012	1,832	44	Ranch	Pole	Superior
		Adjustments:		Similar(=)	Inferior(+)	Superior(-)	Similar(=)	Similar(=)	
4	Watertown	2018	\$454,900	2015	1,440	15	Ranch	Pole/Shed	Inferior
		Adjustments:		Superior(-)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	
5	Gary	2018	\$410,000	2005	1,928	34	Story1/2	Pole	Similar
		Adjustments:		Similar(=)	Inferior(+)	Similar(=)	Similar(=)	Superior(-)	



Sale Location Map:



Legend

1. 44928 173RD STREET, Watertown, SD 57201(26-8625)
2. 16297 452ND AVENUE, Watertown, SD 57201(26-8761)
3. 17724 486TH AVENUE, Gary, SD 57237(24-6100)

Market Sales Analysis

Conclusion:

Five sales are from the market without the influence of a wind tower, with exception to sale five. All transactions have similar highest and best use and from the rural Watertown market area. DE1 has a selling price on the higher end of the market range and active listings were used to support a bracketed market range. Sales one and two are active listings. Sale three is slightly superior. Sale four is an inferior sale. Sale one and two also have locations in proximity to Watertown. Sale five is a contiguous sale just to the north of the subject and is a strong market substitute yet has a much lower selling price than DE1. The sales data does not suggest the selling price of DE1 was negatively impacted by the permitting of the Deuel Harvest Wind Project. All sale evidence suggests the sale was a market transaction.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for DE1. The sales evidence does not support the seller's comments there was a negative effect on the selling price because of the announcement of the Deuel Harvest Wind Project. There was no observed effect from a future view of a wind tower due to the secluded valley location of the residence and distance from the tower locations to the west. Although there are inconsistencies with the seller's statements about negative impacts from the wind project, the sales evidence suggests just the opposite.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS DE2	SALE No.	DE2
	STATE	South Dakota
	COUNTY	Deuel



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 10 Acres
Improvements: 1979 Story ½
Finished Area: 1,792 SF GLA; 2,700 SF Finished (Updated)
Garage: Attached 2-Stall
Features: Treed shelter belt. Outbuilding
Access: Paved HWY linkage; gravel & concrete driveway

Sales Analysis Data:

Date of Contract: October 9, 2019
Market Exposure: Word of Mouth – Told neighbors and friends it was for sale
Listing Price: \$300,000
Sale Price: \$275,000
Verification: Purchase Contract/Seller/Appraiser
Type: Arm's Length Sale
DOM: 45+/-

Wind Energy Project:

Development: Tatanka Ridge Wind Project
Turbine Type: Gamesa G82.127
Hub Height/Rotor: 88.60 meters/ 116 meters
Height From Ground: 148 meters or 485 feet
Property & Wind Tower Notes: The property is located north of the Tatanka Ridge wind development. Two wind towers will be constructed to the southwest. Tower F2 and F4 will be within 2.5 miles. Future towers will be north of home within 1 mile reported by the owner. Invenergy Wind Development LLC has been granted a wind easement and memorandum of wind lease granted by the

property owner on August 11, 2016. Deuel County setbacks from the rural residence limit any type of wind development within the 10 acres. The agreement is for 25 years. (See interview comments)

Memorandum of Wind Agreement

Drafted by and after recording return to:
Invenergy Wind Development LLC
Attn: Land Administration
One South Wacker Drive
Suite 1800
Chicago, Illinois 60606

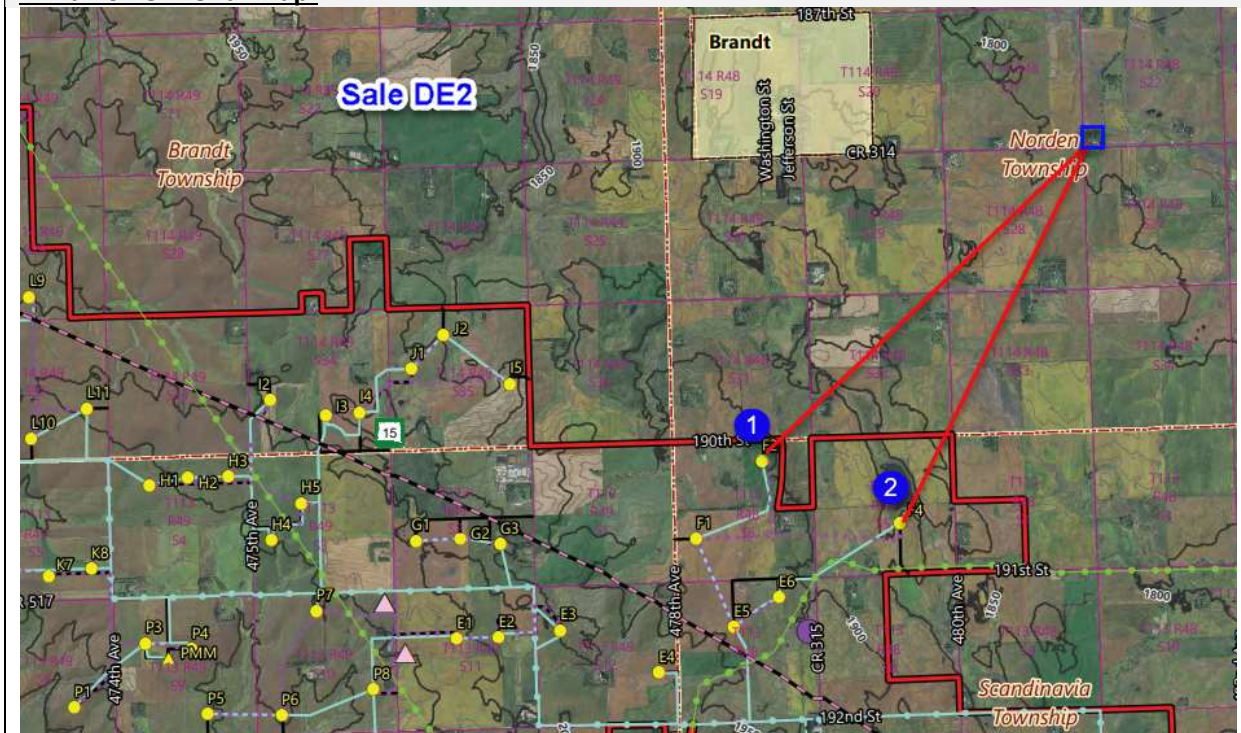
MEMORANDUM OF WIND LEASE AND EASEMENT AGREEMENT

THE STATE OF SOUTH DAKOTA §
COUNTY OF DEUEL §

KNOW ALL PERSONS BY THESE PRESENTS:

THIS MEMORANDUM OF WIND LEASE AND EASEMENT AGREEMENT (this "Memorandum"), is made, dated and effective as of August 11, 2016 (the "Effective Date"), between (together with its successors, assigns and heirs, "Owner"), whose address is and **Invenergy Wind Development LLC**, a Delaware limited liability company (together with its transferees, successors and assigns, "Grantee"), whose address is One South Wacker Drive, Suite 1800, Chicago, IL 60606, with regards to the following:

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: November 18, 2019
View Obstruction: None. Proposed wind development and construction are common knowledge among property owners and residences within the neighborhood.
Noise Analysis: NA – no towers constructed at the time of site visit

Site Photos:





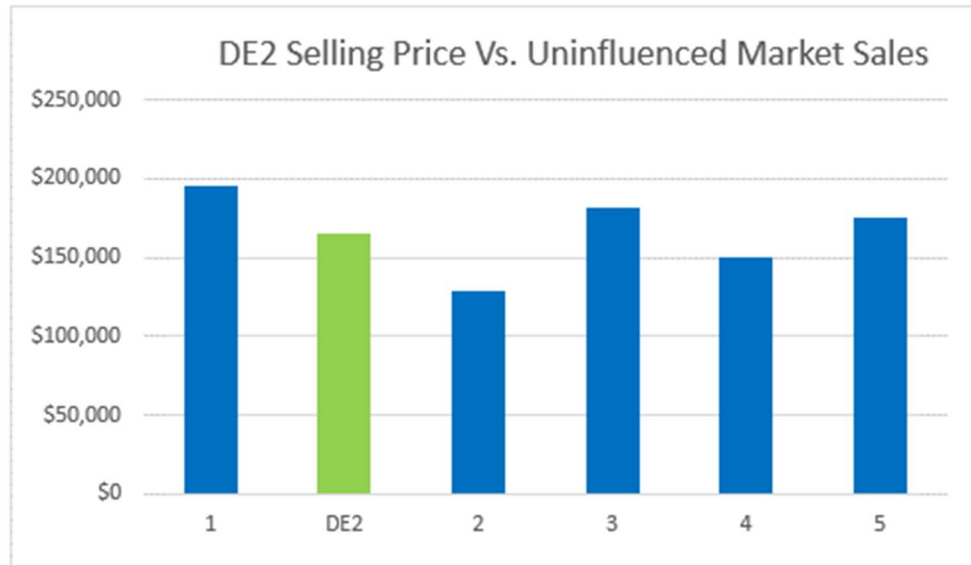
Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Seller/Property Owner
Interview Date Seller: November 18, 2019

Interview Notes with Seller: The seller has been a mailman in the area for the last ten years. The wind company approached him with a "hush payment" so he wouldn't complain about the wind towers. The agreement was \$500 for the first 5 years and \$1,500 per year for the remaining 25 years. The seller explained that he knew he couldn't stop the wind project and agreed to the lease. The seller decided he didn't want to live around the wind towers and listed the property for sale. The property was purchased by a buyer who had family just up the road. The price was not influenced by the proximity of the wind project. The seller stated that he agreed to pass on the wind lease payments to the buyer, and the buyer was happy to have them to cover the property taxes.

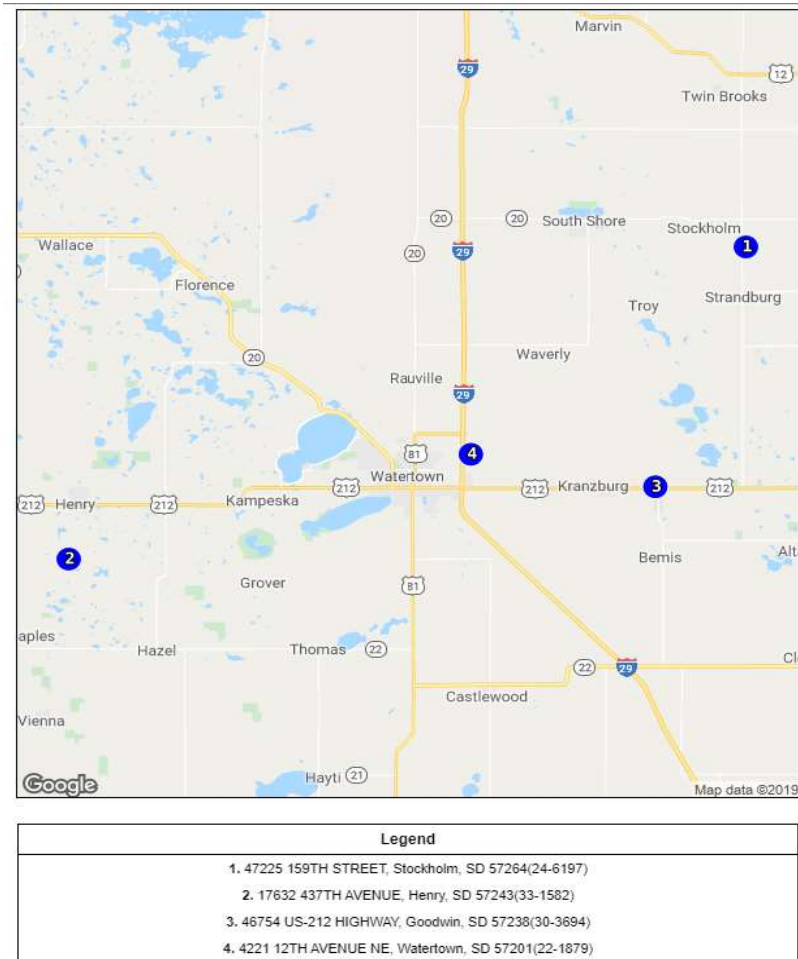
Interview Notes with Buyer: The buyer is fully aware of the lease agreement and terms. His parents own the acreage directly to the west of the subject and they also have a wind lease agreement with the same company. The buyer understands the lease to be a payment for having to look at the blinking lights on the wind towers and is aware more towers could be placed in the area. The closest a tower could be located to the property is 1,500 feet in Deuel. These factors were not significant motivators for the purchase of the property, rather location and proximity to family.

Market Sales Analysis:



Sales Analysis DE2									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
DE2	Brandt	2019	\$275,000	1976	1,792	10	Story 1/2	Building	
1	Henry	2019	\$285,000	1900	1,820	12	2-Story	Barn	Superior
			Adjustments:	Inferior(+)	Similar(=)	Superior(-)	Similar(=)	Similar(=)	
2	Stockholm	2019	\$200,000	1900	2,690	9.94	Story1/2	Barn/Pol	Inferior
			Adjustments:	Inferior(+)	Inferior(+)	Similar(=)	Similar(=)	Superior(-)	
3	Henry	2019	\$298,500	1953	1,620	10	Story1/2	Pole (2)	Superior
			Adjustments:	Similar(=)	Similar(=)	Similar(=)	Similar(=)	Superior(-)	
4	Goodwin	2018	\$210,000	1976	1,752	5	Ranch	Shed	Inferior
			Adjustments:	Similar(=)	Similar(=)	Inferior(+)	Similar(=)	Inferior(+)	
5	Watertown	2018	\$250,000	1977	1,120	2	Ranch	Shed	Inferior
			Adjustments:	Similar(=)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	

Sale Location Map:



Market Sales Analysis

Conclusion:

Six market sales are selected for the analysis without influences from a wind project, tower or turbine. The sales share similar features of rural acreages. All sales are market transactions and advertised on the MLS system. Sales one and three are slightly superior sales, while sales two and five are slightly inferior. The selling price of DE2 falls within the market range of uninfluenced sales. An interview with the seller provided consistent comments, stating the wind tower easement was not a factor to the buyer or price negotiated. The sales data suggests there was no influence from the wind project or wind easement on the selling price of the property.

Overall Conclusion:

A sales analysis, site visit, and interview analysis have been completed for DE2. The sales data and interview comments are consistent and support the conclusion there was no affect from the wind easement or announcement of the wind project on the selling price of the property. The market evidence leads to the conclusion the purchase price was not affected and, in this case, the wind payment could be a benefit to the property according to the seller.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS DE3	SALE No.	DE3
	STATE	South Dakota
	COUNTY	Deuel



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 7.42 Acres
Improvements: 1912 Story ½
Finished Area: 1,680 S.F. GLA
Garage: Detached
Features: Treed shelter belt. 40x60 Pole building shed and grain bin
Access: Highway linkage

2018 Sales Analysis Data:

Date of Sale: May 25, 2018 (Influenced Sale)
Market Exposure: MLS
Listing Price: \$184,900
Sale Price: \$183,000
Verification: MLS/Broker
Type: Arm's Length Sale
DOM: 123

2016 Sales Analysis Data:

Date of Sale: September 1st, 2016 (Influenced Sale)
Listing Price: NA
Sale Price: \$164,000
Verification: Deed/County Records
Type: Arm's Length Sale
DOM: NA

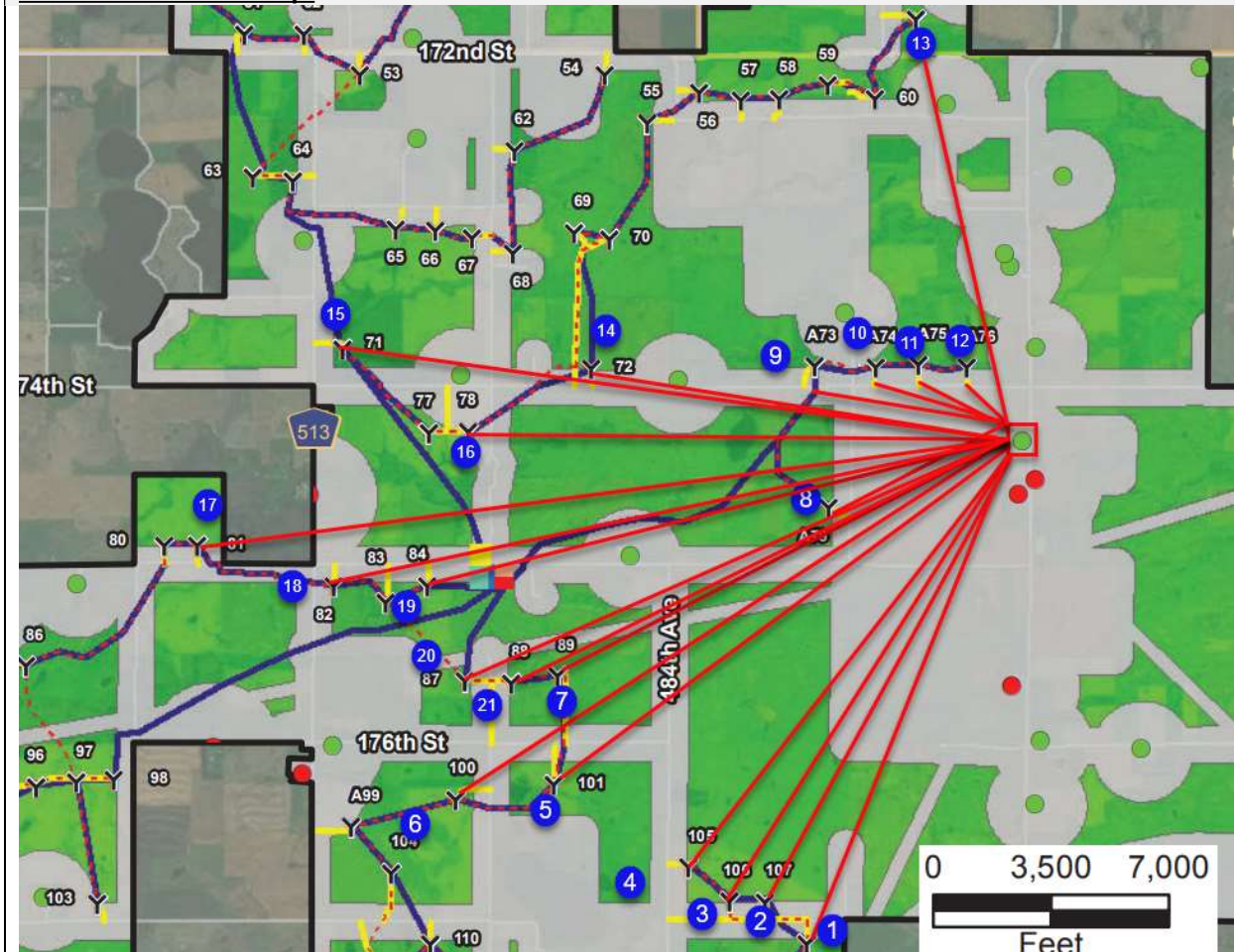
2007 Sales Analysis Data:

Date of Sale: October 1, 2007 (Uninfluenced Sale)
Market Exposure: MLS
Listing Price: \$75,000
Sale Price: \$64,000
Verification: MLS/Broker
Type: Arm's Length Sale
DOM: 81

Wind Energy Project:

Development: Deuel Harvest
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 150 meters or 500 feet +/- ground to blade height per PUC exhibit
Wind Tower Property Notes: Deuel Harvest is a permitted wind development that is currently in the construction phase of the project. Twenty-one wind towers will be in proximity to the residence. Distances from the residence range from 1,600 feet to over 5,000 feet. The turbines are north, northwest, west, southwest, and south of the property.

Wind Tower Aerial Map:



Appreciation Analysis:

2007 Sale 1 DE3:	October 01, 2007	\$64,000 (Uninfluenced by Lease)
2016 Sale 2 DE3:	<u>September 1, 2016</u>	<u>\$164,000 (Influenced by Lease)</u>
	5.31 Years	\$100,000
DE3 Appreciation	\$18,832/Year	29%/Year
2016 Sale 2 DE3:	September 1, 2016	\$164,000 (Influenced by Lease)
2018 Sale 3 DE3	<u>May 19, 2018</u>	<u>\$183,000</u>
	1.74 years	\$19,000
DE3 Appreciation:	\$10,919/Year	6.65%/Year
(Uninfluenced) Sale 1 486th:	December 7, 2004	\$133,000
(Uninfluenced) Sale 2 486th:	<u>October 11, 2013</u>	<u>\$145,000</u>
	9.25 Years	\$12,000
486th Appreciation:	\$1,298/Year	.98%/Year
(Uninfluenced) Sale 213th:	August 10, 2013	\$266,000
(Uninfluenced) Sale 213th:	<u>May 24, 2018</u>	<u>\$290,903</u>
	4.62 Years	\$24,906
213th Appreciation:	\$5,390/Year	2.02%/Year

Conclusion: DE3 sold in 2007, 2016 and 2018. On June 21, 2016, a wind memorandum was signed by owner-1. In 2016 DE3 sold with a recorded wind agreement. According to the broker and MLS DE3 remodeled condition affected the sale price and appreciation rates from 2007 to 2016 at 29%. The 2016 and 2018 were influenced by the recorded wind agreement and had market appreciation rates at 6.65% a year which is on the higher end of the market scale. The appreciation rates of DE3 are well-above the market average and the data shows there was no negative influence from the recorded wind agreement. It is important to note that at the time of the sale transactions no wind towers were constructed in the neighborhood or project area.

Site Analysis:

Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of the residence
Noise Analysis: Operational & blade noise present during site visit.
Site Photos:



Interview Analysis:

Interview Conducted by: David Lawrence
Party Interviewed: Broker
Interview Date: November 18, 2019
Interview Notes with Broker: The property was listed by Exit Realty Connection and sold within 123 DOM. The property was recently updated. The property was being sold because of a job relocation, not because of the wind project. The seller's disclose statement did not disclose the wind project; however, according to the agent, there was a wind lease recorded with the property and future location of the turbines that will be in proximity to the residences. The buyers had full knowledge of the project and lease and it did not affect the selling price or buyer's decision to purchase the property. The broker explained that in his experience the proximity to wind towers affects some buyers and they do not want to live around wind development.

Wind Memorandum:

Deuel Harvest Wind Energy LLC
1 S. Wacker Dr., Suite 1800
Chicago, IL 60606

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made as of October 22, 2019, by Invenergy Wind Development LLC, a Delaware limited liability company ("Assignor") and Deuel Harvest Wind Energy LLC, a Delaware limited liability company ("Assignee").

Lease 125

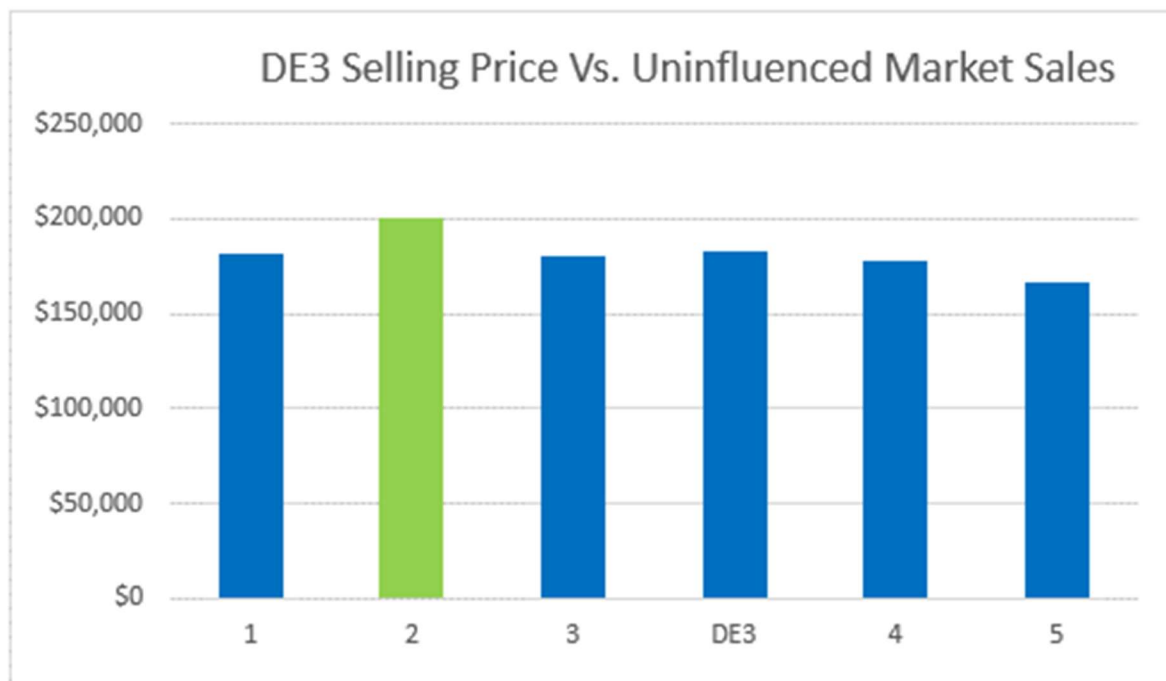
WSDNDC0171

Wind Lease and Easement Agreement dated June 21, 2016 by and between [REDACTED] and Invenergy Wind Development LLC as evidenced by that Memorandum of Wind Lease and Easement Agreement recorded on August 30, 2016 in Book 2016 Page 3381 in the Official Public Records of Deuel County, South Dakota.

Legal Description:

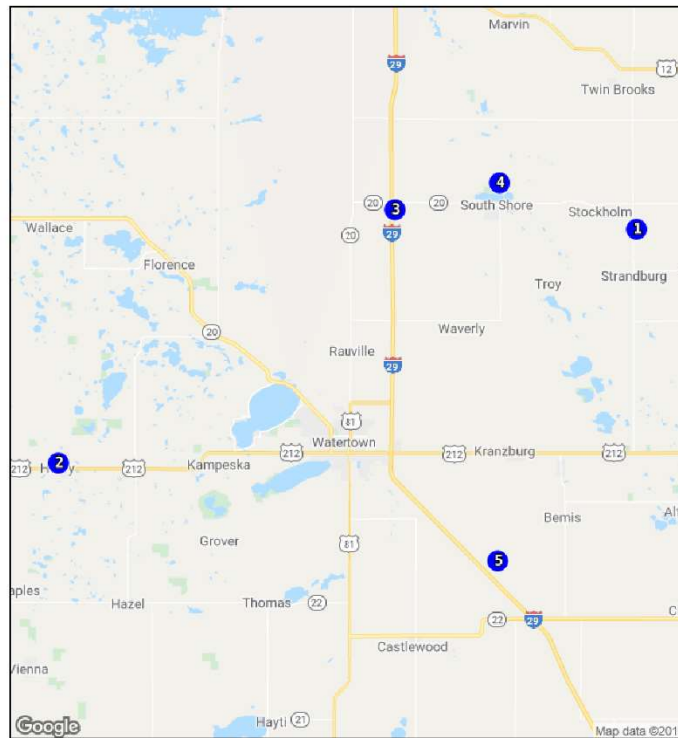
Block One (1) Jacobson Addition, located in the Southeast Quarter of the Northeast Quarter (SE1/4NE1/4 in Section Seventeen (17), Township One Hundred Sixteen (116) North, Range Forty-seven (47), West of the 5th P.M., Deuel County, South Dakota.

Market Sales Analysis:



Sales Analysis DE3									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
DE3	Gary	2018	\$183,000	1910	1,680	7.42	Story 1/2	Pole Building	
1	Henry	2018	\$182,000	1915	2,384	6.89	2-Story	Shed	Similar
			Adjustments: Inferior(+) Superior(-) Similar(=) Similar(=) Inferior(+)						
2	Stockholm	2018	\$200,000	1900	2,690	9.94	Story1/2	Barn/Pol	Superior
			Adjustments: Similar(=) Superior(-) Similar(=) Similar(=) Superior(-)						
3	S. Shore	2018	\$180,000	1956	1,390	17.1	Story1/2	None	Inferior
			Adjustments: Similar(=) Inferior(+) Superior(-) Similar(=) Inferior(+)						
4	S. Shore	2019	\$178,250	1919	1,830	5	Story1/2	Pole Blds/Barn	Similar
			Adjustments: Similar(=) Superior(-) Inferior(+) Similar(=) Similar(=)						
5	Goodwin	2018	\$166,500	1998	2,400	2.85	Ranch	None	Inferior
			Adjustments: Superior(-) Superior(-) Inferior(+) Similar(=) Inferior(+)						

Sale Location Map:



Legend

1. 47225 159TH STREET, Stockholm, SD 57264(24-6197)
2. 107 N PINE STREET, Henry, SD 57243(30-3617)
3. 15753 458TH AVENUE, South Shore, SD 57263(38-95)
4. 15582 464TH AVENUE, South Shore, SD 57263(35-217)
5. 17857 464TH AVENUE, Goodwin, SD 57238(30-3740)

Market Sales Analysis

Conclusion:

Five sales are from the market without the influence of a wind tower. All transactions have similar highest and best use and are bracketed by the market sales. Sale two is slightly superior with a larger acreage and GLA. Sales three and five are slightly inferior, with sales one and four having more similarities. The market evidence suggests the selling price was not affected by the proximity of the wind towers as evident by the uninfluenced bracketed range.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for DE3. The research and data suggest the proximity of the proposed wind towers and the project did not influence the selling price. Sale DE3 sold in 2007, 2016 and then resold in 2018 with market appreciation rates on the higher end of the market range. The agent reported the buyer was aware of the wind project and that it didn't affect the purchase price. The sales data is consistent with the interview analysis and does not show any negative affect on the selling price.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS DE4	SALE No.	DE4
	STATE	South Dakota
	COUNTY	Deuel



Property Characteristics:

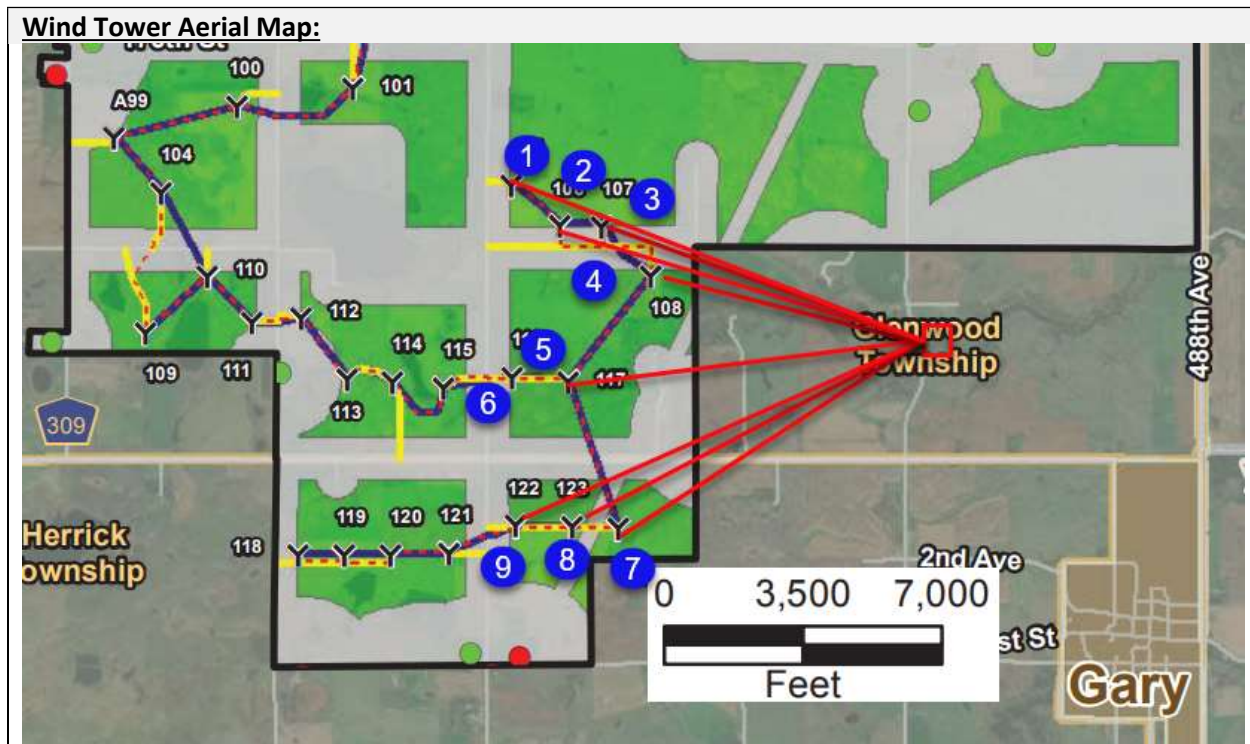
Highest & Best Use: Rural Acreage
Land Size: 34 Acres
Improvements: 2005 Story 1/2
Finished Area: 1,928 S.F. GLA, 1,160 S.F. Lower Level
Garage: Tuck-under 2-Stall
Features: Treed shelter belt. (2) Pole buildings 30x56, 24x36
Access: Gravel road linkage

Sales Analysis Data:

Date of Sale: March 15, 2019
Market Exposure: MLS
Listing Price: \$434,900
Sale Price: \$410,000
Verification: MLS/Broker
Type: Arm's Length Sale
DOM: 242

Wind Energy Project:

Development: Deuel Harvest
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 150 meters or 500 feet +/- ground to blade height per PUC exhibit
Wind Tower Property Notes: Deuel Harvest is a permitted wind development and in the construction phase of the project. Nine wind towers will be located west of the DE4, within proximity of 5,000 to 6,000 feet per the Invenergy turbine siting constraints map.



Site Analysis:

Site Visit Conducted by: David Lawrence

Site Visit Date: November 13, 2019 & May 23, 2018

View Obstruction: Wind towers to the west within distance view of the residence.

Noise Analysis: NA

Site Photos:





Interview Analysis:

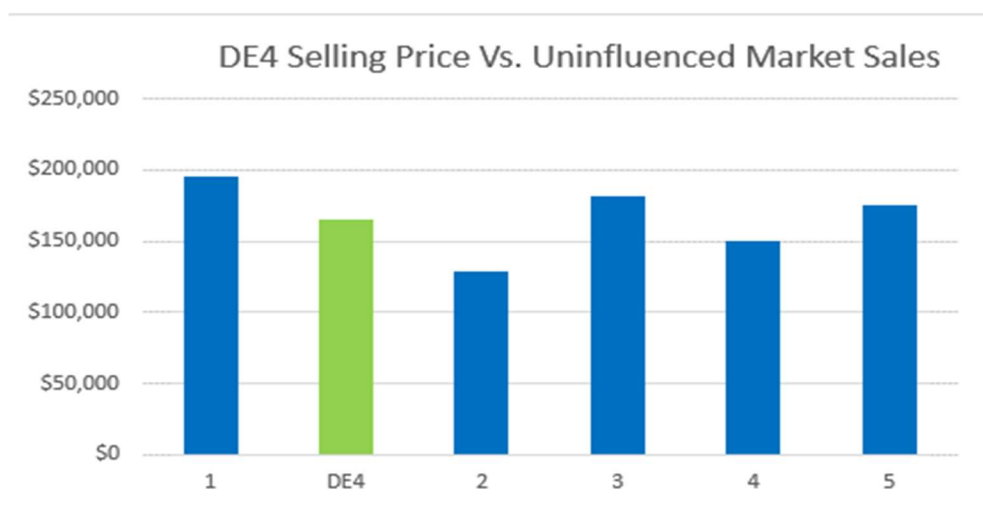
Interview Conducted by: David Lawrence

Party Interviewed: Broker

Interview Date: November 11, 2019

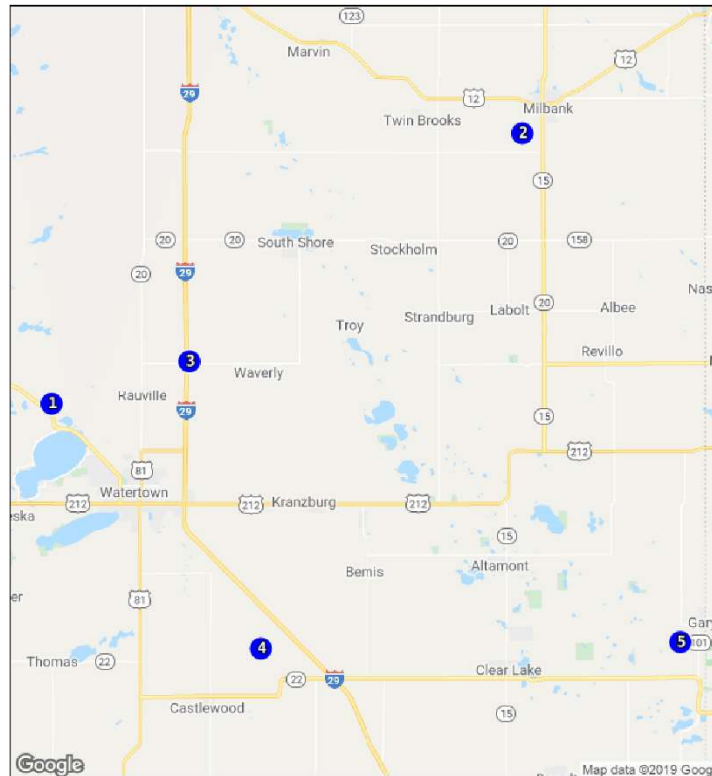
Interview Notes with Broker: The property was listed for sale because the owner was being relocated to Minnesota. The wind project was not a concern or a motivating factor to sell the property. The sellers were satisfied with the transaction and market price. There was no influence from the wind project on the selling price. The buyers were from Nebraska and previously lived around a wind project. They purchased the property with knowledge of the wind project, and it did not affect the price paid or purpose decision.

Market Sales Analysis:



Sales Analysis DE4									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
DE4	Gary	2019	\$410,000	2005	1,928	34	Story 1/2	Building	
1	Watertown	2019	\$430,000	1915upd	2,857	8.54	2-Story	Barn/Pole	Superior
			Adjustments:	Similar(=)	Superior(-)	Inferior(+)	Similar(=)	Similar(=)	
2	Millbank	2019	\$395,000	2011	2,728	19.9	Ranch	Barn	Inferior
			Adjustments:	Similar(=)	Superior(-)	Inferior(+)	Similar(=)	Inferior(+)	
3	Watertown	2019	\$390,000	1999	2,288	8.08	Story1/2	Pole/Barn	Similar
			Adjustments:	Similar(=)	Superior(-)	Inferior(+)	Similar(=)	Similar(=)	
4	Castlewood	2019	\$360,000	2010	1,845	16.45	Ranch	Barn	Inferior
			Adjustments:	Similar(=)	Inferior(+)	Inferior(+)	Similar(=)	Inferior(+)	
5	Gary	2019	\$517,000	2008	2,640	30	Ranch	Garage	Similar
			Adjustments:	Similar(=)	Superior(-)	Similar(=)	Similar(=)	Inferior(+)	

Sale Location Map:



Legend

1. 16641 450TH AVENUE, Watertown, SD 57201(30-3623)
2. 47695 151ST STREET, Millbank, SD 57252(35-174)
3. 45776 164TH STREET, Watertown, SD 57201(26-8785)
4. 18037 462ND AVENUE, Castlewood, SD 57223(28-1037)
5. 17752 486TH AVENUE, Gary, SD 57237(24-6031)

Market Sales Analysis

Conclusion:

Five sales are from the market without the influence of a wind tower. All transactions have similar highest and best use and are bracketed by the market sales. The selling price of the subject is supported by the uninfluenced sales suggesting there was no influence from the wind project or future location of wind towers.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for DE4. The broker stated the buyers were knowledgeable of the wind project and the purchase price was not influenced. Although no tower was constructed at the time of the sale, the wind tower exhibits show the nearest wind towers more than 4,000 feet to the west. The sales data is consistent with the interview comments and support the conclusion the sale price was not affected by the wind project or future tower locations.

Wind Energy Development Analysis – Rural Residential		
SALES ANALYSIS DE5	SALE No.	DE5
	STATE	South Dakota
	COUNTY	Deuel



Property Characteristics:

Highest & Best Use: Rural Acreage
Land Size: 9.45 acres
Improvements: 2008 Pole designed Ranch
Finished Area: 1,024 SF GLA
Garage: Attached 2-stall
Features: Treed shelter belt.
Access: Gravel road linkage

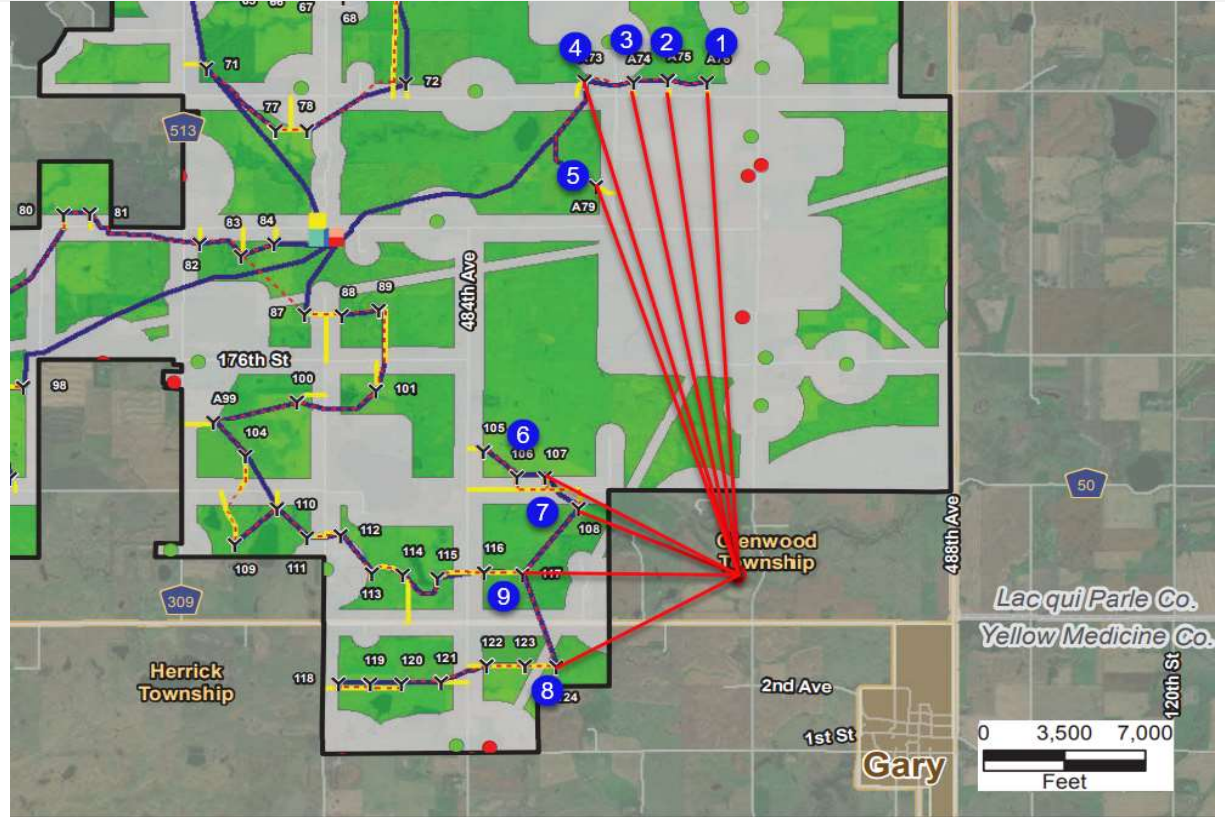
Sales Analysis Data:

Date of Sale: March 08, 2019
Market Exposure: MLS
Listing Price: \$169,000
Sale Price: \$163,000
Verification: MLS/Broker
Type: Arm's Length Sale
DOM: 296

Wind Energy Project:

Development: Deuel Harvest
Turbine Type: Gamesa G87 2.0 MW
Hub Height/Rotor Diameter: 78/87 meters
Height From Ground: 150 meters or 500 feet +/- ground to blade height per PUC exhibit
Wind Tower Property Notes: Deuel Harvest is a permitted wind development and in the construction phase of the project. Nine wind towers will be located west of the DE5, within proximity of 4,000 to 6,000 feet per the Invenergy turbine siting constraints map.

Wind Tower Aerial Map:



Site Analysis:

Site Visit Conducted by: David Lawrence

Site Visit Date: November 13, 2019 & May 23, 2018

View Obstruction: Future wind towers to the west within distant view of the residence.

Noise Analysis: NA – No wind tower constructed as the time of site visit

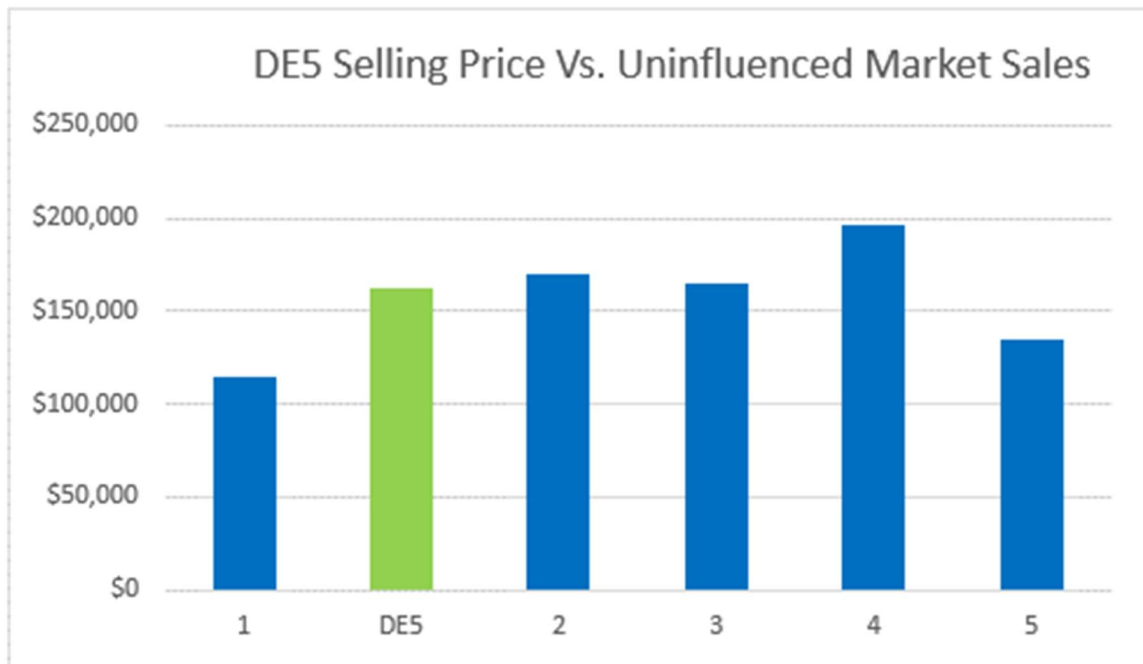
Site Photos:



Interview Analysis:

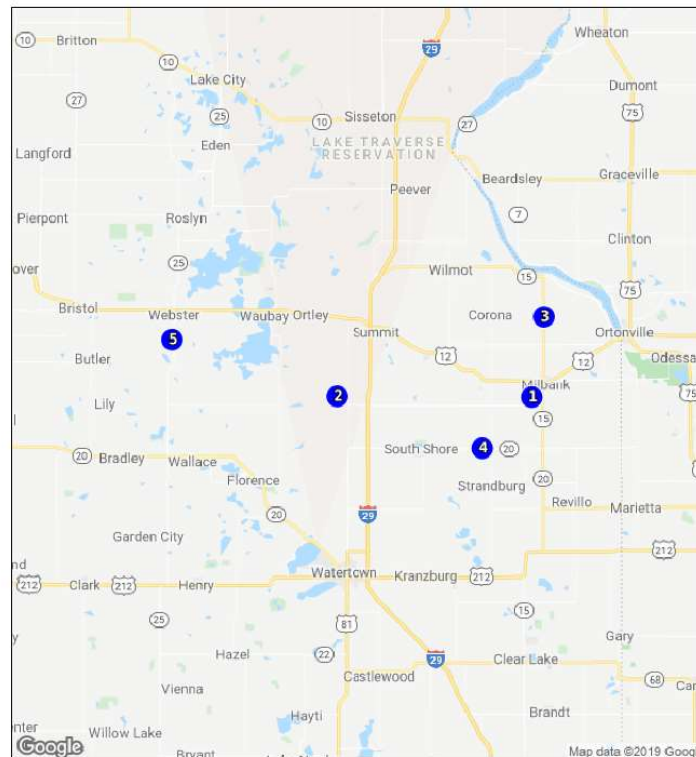
Interview Conducted by: David Lawrence
Party Interviewed: Broker
Interview Date: November 25, 2019
Interview Notes with Broker: The buyer did not have concerns about the possibilities of wind towers being built in the neighborhood. The property offered the features the buyer was looking for within the price range. The agent commented that when the Deuel Harvest project was first announced many residences had concerns about property values, but that has seemed to go away and the market has moved forward. There have been three other properties sold in the neighborhood within the last 12 months near the project area.

Market Sales Analysis:



Sales Analysis DES									
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	Overall Analysis
DE5	Gary	2019	\$163,000	2008	1,024	9.45	Ranch	Attached	
1	Milbank	2019	\$114,000	2014	1,260	3.2	Ranch	None	Inferior
			Adjustments:	Similar(=)	Superior(-)	Inferior(+)	Similar(=)	Similar(=)	
2	Stockholm	2019	\$170,000	2016	1,008	5	Ranch	None	Similar
			Adjustments:	Similar(=)	Similar(=)	Inferior(+)	Similar(=)	Similar(=)	
3	Milbank	2019	\$165,000	1930	864	4.66	Ranch	Barn	Inferior
			Adjustments:	Inferior(+)	Inferior(+)	Inferior(+)	Similar(=)	Superior(-)	
4	Webster	2019	\$197,000	1971	1,288	26.9	Ranch	Barn/Pole	Superior
			Adjustments:	Inferior(+)	Superior(-)	Superior(-)	Similar(=)	Superior(-)	
5	Summit	2019	\$135,000	1890	1,390	10	Ranch	Old Barn	Inferior
			Adjustments:	Inferior(+)	Superior(-)	Similar(=)	Similar(=)	Similar(=)	

Sale Location Map:



Legend

1. 47687 151ST STREET, Milbank, SD 57252(35-207)
2. 45366 151ST STREET, Summit, SD 57266(24-6131)
3. 14190 SD 15 HIGHWAY, Milbank, SD 57252(35-201)
4. 47211 SD-20 HIGHWAY, Stockholm, SD 57264(24-6203)
5. 14447 SD-25 HIGHWAY, Webster, SD 57274(26-8769)

Market Sales Analysis

Conclusion:

The market analysis includes six sales that are not influenced by the proximity of a wind tower, turbine or development. The selected sales for the analysis include similar rural properties with features of an acreage. The uninfluenced sales present a bracketed range for the DE5. Sales three, five and one are inferior sales. Sale two has is stronger for comparison, with sale four bracketing the higher end of the range. The market evidence suggests the selling price was not affected by the proximity of the wind towers.

Overall Conclusion:

An interview analysis, site observation, and sales analysis were completed for DE5. The broker comments were consistent with the sales evidence the proximity to the wind towers did not negatively influence the selling price. Although the towers were not constructed as of the date of the site visit, the future location of the towers was over 4,000 feet to the west. The sales data and interview analysis suggest there was no influence on the selling price.

SELLER'S PROPERTY CONDITION DISCLOSURE STATEMENT

(This disclosure shall be completed by the seller. This is a disclosure required by law. If you do not understand this form, seek legal advice.)

Seller _____ Property Address _____

This Disclosure Statement concerns the real property identified above situated in the City of _____
County of _____, State of South Dakota.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 43-4-38. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT REPRESENTING ANY PARTY IN THIS TRANSACTION AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PARTIES MAY WISH TO OBTAIN.

Seller hereby authorizes any agent representing any party in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

IF ANY MATERIAL FACT CHANGES BEFORE CONVEYANCE OF TITLE TO THIS PROPERTY, THE SELLER MUST DISCLOSE SUCH MATERIAL FACT WITH A WRITTEN AMENDMENT TO THIS DISCLOSURE STATEMENT.

I. LOT OR TITLE INFORMATION

1. When did you purchase or build the home? _____

If the answer is yes to any of the following, please explain under additional comments or on an attached separate sheet.

2. Were there any title problems when you purchased the property? Yes ____ No ____

3. Are there any recorded liens or financial instruments against the property, other than a first mortgage?
Yes ____ No ____

4. Are there any unrecorded liens or financial instruments against the property, other than a first mortgage; or have any materials or services been provided in the past one hundred twenty days that would create a lien against the property under chapter 44-9? Yes ____ No ____ Unknown ____

5. Are there any easements which have been granted in connection with the property (other than normal utility easements for public water and sewer, gas and electric service, telephone service, cable television service, drainage, and sidewalks)? Yes ____ No ____ Unknown ____

6. Are there any problems related to establishing the lot lines/boundaries? Yes ____ No ____ Unknown ____

7. Do you have a location survey in your possession or a copy of the recorded plat? If yes, attach a copy.
Yes ____ No ____ Unknown ____

8. Are you aware of any encroachments or shared features, from or on adjoining property (i.e. fences, driveway, sheds, outbuildings, or other improvements)? Yes ____ No ____

9. Are you aware of any covenants or restrictions affecting the use of the property in accordance with local law? If yes, attach a copy of the covenants and restrictions. Yes ____ No ____

10. Are you aware of any current or pending litigation, foreclosure, zoning, building code or restrictive covenant violation notices, mechanic's liens, judgments, special assessments, zoning changes, or changes that could affect your property?
Yes ____ No ____

11. Is the property currently occupied by the owner? Yes ____ No ____

12. Does the property currently receive the owner occupied tax reduction pursuant to SDCL 10-13-39? Yes ____ No ____

13. Is the property currently part of a property tax freeze for any reason? Yes ____ No ____ Unknown ____

14. Is the property leased? Yes ____ No ____

15. If leased, does the property use comply with local zoning laws? Yes ____ No ____

16. Does this property or any portion of this property receive rent? Yes ____ No ____
If yes, how much \$ ____ and how often ____?

III. SYSTEMS/UTILITIES INFORMATION

	None/Not Included	Working	Not Working
1. 220 Volt Service			
2. Air Exchanger			
3. Air Purifier			
4. Attic Fan			
5. Burglar Alarm & Security System			
6. Ceiling Fan			
7. Central Air – Electric			
8. Central Air – Water Cooled			
9. Cistern			
10. Dishwasher			
11. Disposal			
12. Doorbell			
13. Fireplace			
14. Fireplace Insert			
15. Garage Door/Opener Control(s)			
16. Garage Wiring			
17. Heating System			
18. Hot Tub, Whirlpool, and Controls			
19. Humidifier			
20. Intercom			
21. Light Fixtures			
22. Microwave/Hood			
23. Plumbing and Fixtures			
24. Pool and Equipment			
25. Propane Tank			
26. Radon System			
27. Sauna			
28. Septic/Leaching Field			
29. Sewer Systems/Drains			
30. Smoke/Fire Alarm			
31. Solar House – Heating			
32. Sump Pump(s)			
33. Switches and Outlets			
34. Underground Sprinkler and Heads			
35. Vent Fan			
36. Water Heater – Electric or Gas			
37. Water Purifier			
38. Water Softener – Leased or Owned			
39. Well and Pump			
40. Wood Burning Stove			

IV. HAZARDOUS CONDITIONS

Are you aware of any existing hazardous conditions of the property and are you aware of any tests having been performed?

	Existing Conditions		Tests Performed	
	Yes	No	Yes	No
1. Methane Gas				
2. Lead Paint				
3. Radon Gas (House)				
4. Radon Gas (Well)				
5. Radioactive Materials				
6. Landfill, Mineshaft				
7. Expansive Soil				
8. Mold				
9. Toxic Materials				
10. Urea Formaldehyde Foam Insulations				
11. Asbestos Insulation				
12. Buried Fuel Tanks				
13. Chemical Storage Tanks				
14. Fire Retardant Treated Plywood				
15. Production of Methamphetamines				

If the answer is yes to any of the questions above, please explain in additional comments or on an attached separate sheet.

17. Do you pay any mandatory fees or special assessments to a homeowners' or condominium association?
Yes ____ No ____
If yes, what are the fees or assessments? \$ ____ per ____ (i.e. annually, semi-annually, monthly)
Payable to whom: _____ For what purpose? _____
18. Are you aware if the property has ever had standing water in either the front, rear, or side yard more than forty-eight hours after heavy rain? Yes ____ No ____
19. Is the property located in or near a flood plain? Yes ____ No ____ Unknown ____
20. Are wetlands located upon any part of the property? Yes ____ No ____ Unknown ____
21. Are you aware of any private transfer fee obligations, as defined pursuant to § 43-4-48, that would require a buyer or seller of the property to pay a fee or charge upon the transfer of the property, regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the property?
Yes ____ No ____ Unknown ____
If yes, what are the fees or charges? \$ _____ per _____ (i.e. annually, semi-annually, monthly)

II. STRUCTURAL INFORMATION

If the answer is yes to any of the following, please explain under additional comments or on an attached separate sheet.

1. Are you aware of any water penetration problems in the walls, windows, doors, basement, or crawl space?
Yes ____ No ____
2. What water damage related repairs, if any, have been made? _____
If any, when? _____
3. Are you aware if drain tile is installed on the property? Yes ____ No ____
4. Are you aware of any interior cracked walls or floors, or cracks or defects in exterior driveways, sidewalks, patios, or other hard surface areas? Yes ____ No ____
What related repairs, if any, have been made? _____
5. Are you aware of any roof leakage, past or present? Yes ____ No ____
Type of roof covering: _____ Age: _____
What roof repairs, if any, have been made, when and by whom? _____
Describe any existing unrepaired damage to the roof: _____
6. Are you aware of insulation in:
the ceiling/attic? Yes ____ No ____ the walls? Yes ____ No ____ the floors? Yes ____ No ____
7. Are you aware of any pest infestation or damage, either past or present? Yes ____ No ____
8. Are you aware of the property having been treated for any pest infestation or damage?
Yes ____ No ____ If yes, who treated it and when? _____
9. Are you aware of any work upon the property which required a building, plumbing, electrical, or any other permit?
Yes ____ No ____ If yes, describe the work: _____
Was a permit obtained? Yes ____ No ____ Was the work approved by an inspector? Yes ____ No ____
10. Are you aware of any past or present damage to the property (i.e. fire, smoke, wind, floods, hail, or snow)?
Yes ____ No ____ If yes, describe _____
Have any insurance claims been made? Yes ____ No ____ Unknown ____
Was an insurance payment received? Yes ____ No ____ Unknown ____
Has the damage been repaired? Yes ____ No ____ If yes, describe in detail: _____
11. Are you aware of any problems with sewer blockage or backup, past or present? Yes ____ No ____
12. Are you aware of any drainage, leakage, or runoff from any sewer, septic tank, storage tank, or drain on the property into any adjoining lake, stream, or waterway? Yes ____ No ____ If yes, describe in detail: _____

V. MISCELLANEOUS INFORMATION

1. Is the street or road located at the end of the driveway to the property public or private?
Public ____ Private ____
2. Is there a written road maintenance agreement? Yes ____ No ____
If yes, attach a copy of the maintenance agreement.
3. When was the fireplace/wood stove/chimney flue last cleaned? _____
4. Within the previous twelve months prior to signing this document, are you aware of any of the following occurring on the subject property?
 - a. A human death by homicide or suicide? Yes ____ No ____
If yes, explain: _____
 - b. Other felony committed against the property or a person on the property? Yes ____ No ____
If yes, explain: _____
5. Is the water source (select one) ____ public or ____ private?
6. If private, what is the date and result of the last water test? _____
7. Is the sewer system (select one) ____ public or ____ private?
8. If private, what is the date of the last time the septic tank was pumped? _____
9. Are there broken window panes or seals? Yes ____ No ____
If yes, specify: _____
10. Are there any items attached to the property that will not be left, such as: towel bars, mirrors, swag lamps and hooks, curtain rods, window coverings, light fixtures, clothes lines, swing sets, storage sheds, ceiling fans, basketball hoops, mail boxes, etc. Yes ____ No ____
If yes, please list _____
11. Are you aware of any other material facts or problems that have not been disclosed on this form?
Yes ____ No ____ If yes, explain: _____

VI. ADDITIONAL COMMENTS (ATTACH ADDITIONAL PAGES IF NECESSARY)

CLOSING SECTION

The Seller hereby certifies that the information contained herein is true and correct to the best of the Seller's information, knowledge, and belief as of the date of the Seller's signature below. If any of these conditions change before conveyance of title to this property, the change will be disclosed in a written amendment to this disclosure statement.

_____ Seller	_____ Date
_____ Seller	_____ Date

THE SELLER AND THE BUYER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND INSPECTIONS OF THE PROPERTY TO OBTAIN A TRUE REPORT AS TO THE CONDITION OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN ANY CONTRACT OF SALE AS NEGOTIATED BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO SUCH PROFESSIONAL ADVICE AND INSPECTIONS.

I/We acknowledge receipt of a copy of this statement on the date appearing beside my/our signature(s) below. Any agent representing any party to this transaction makes no representations and is not responsible for any conditions existing in the property.

_____ Buyer	_____ Date
_____ Buyer	_____ Date