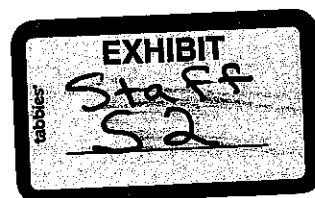


BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

DOCKET EL18-026

**IN THE MATTER OF THE APPLICATION BY PREVAILING WIND PARK, LLC
FOR A PERMIT OF A WIND ENERGY FACILITY IN BON HOMME COUNTY,
CHARLES MIX COUNTY AND HUTCHINSON COUNTY, SOUTH DAKOTA,
FOR THE PREVAILING WIND PARK PROJECT**

**Direct Testimony of David Lawrence
On Behalf of the Staff of the South Dakota Public Utilities Commission
September 10, 2018**



1

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

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

4

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

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

7

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

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

10

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

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

23

1 **Q: Can you briefly describe the requirements to be a real property appraiser**
2 **in South Dakota?**

3 A: The South Dakota Appraisal Certification Program has four types of license
4 levels for performing valuation services: State-Registered Appraiser (entry level);
5 State-Licensed Appraiser (mid-level licensure); State-Certified Residential
6 Appraiser (highest level of residential certification); and the State-Certified General
7 Appraiser (highest level of certification). The first three license levels have scope
8 of practice limitations, with an emphasis on residential property. The State-
9 Certified General Appraiser license is without limits to property type or complexity
10 for an appraisal assignment. The residential license levels require holding an
11 associate degree or higher from an accredited college. The State-Certified General
12 Appraiser license requires a bachelor's degree or higher from an accredited
13 college or university. Beyond the college or secondary education, each license
14 level has specific appraisal education and experience requirements, national
15 testing and peer work product review in conformance with the Uniform Standards
16 of Professional Appraisal Practice (USPAP) and the laws of South Dakota.

17

18 **Q: What level of appraisal credentials do you hold with the State of South**
19 **Dakota?**

20 A: I am a State-Certified General Appraiser.

21

22

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 nine 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 properties 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. Most recently, I completed research that analyzed the influences
19 from the Buffalo Ridge Wind Farm on rural residential properties values in
20 Brookings County, South Dakota. My experience with impact studies across the
21 state has given me the knowledge and experience to correctly research and apply
22 the methodology for credible analysis.

23

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

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

5

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

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

9

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

11 A: The purpose of my testimony is to (1) assist the Commission in understanding
12 valuation principles and techniques and how they can be appropriately applied to
13 estimate value impacts from the Prevailing Wind Park Project and (2) assist the
14 Commission in understanding the information presented by Prevailing Wind Park
15 in regards to potential value impacts on South Dakota real property.

16

17 **Q: Are you aware of any studies that have been conducted in South Dakota
18 that properly support and address the potential impacts of wind project,
19 towers or turbines on real property value?**

20 A: As of the effective date of my direct testimony, I'm not aware of any
21 comprehensive study that properly addresses the potential value impacts, if any,
22 on agricultural or residential properties in South Dakota from a wind farm, turbine,
23 tower or wind project. I am aware of a preliminary study I completed for the Dakota

1 Range Wind Project in Docket EL18-003, in which the area of study was limited to
2 only one of the fourteen counties in South Dakota impacted by a wind project. This
3 research identified a sample population of seven rural residential properties in
4 Brookings County that were analyzed to measure the effects on value from the
5 presence of a wind tower, wind turbine or wind project. The scope of work, and
6 results of my research are addressed in my testimony. I also am aware of a Market
7 Impact Analysis prepared by Michael S. MaRous, MAI, CRE that uses the sale
8 research from my Brookings County study, supplemented by sales data from
9 Minnesota, Iowa, and Illinois, and assessor surveys from South Dakota, Iowa,
10 Minnesota, Iowa and Illinois.

11

12 **Q: What materials have you reviewed in this docket?**

13 A: I have reviewed the Application, specifically the pre-filed testimony of Michael
14 MaRous, including Exhibits 1 through 6, and Appendixes P & Q that address the
15 property values study by Lawrence Berkeley National Laboratory (LBNL).

16

17 **Q: Does Prevailing Wind Park's valuation expert, Mr. MaRous, meet the**
18 **criteria to be a real property appraiser in South Dakota?**

19 A: Yes. Mr. MaRous is a Credentialed South Dakota Certified General Real Estate
20 Appraiser with permit No. 1467CG issued by the South Dakota Appraisal
21 Certification Program. Mr. MaRous' qualifications show extensive appraisal
22 experience with different property types including energy and wind projects, and
23 competency in this type of appraisal work.

1

2 **Q: Do the studies and testimony of the Applicant adequately reflect the**
3 **potential impact to property values in the vicinity of the proposed Prevailing**
4 **Wind Park Project?**

5 A: The studies and testimony presented by Prevailing Wind Park provide a useful
6 starting point to gauge the potential impacts that can be applied to rural properties
7 in the subject market area for the Prevailing Winds Project; however, the studies
8 presented have limitations that need to be considered for their applicability to the
9 proposed project area.

10 First, the Market Impact Analysis only presents general market information from
11 the Prevailing Winds Project area and the Southeast Agricultural Region to gauge
12 the potential value impacts a wind project can have on real property values. While
13 sales evidence can be challenging in the rural market areas, the Market Impact
14 Analysis does not analyze the wind projects that are direct comparisons to the
15 proposed project area. The Beethoven Wind Project with 43 turbines is located
16 just to the north of the proposed project area and became operational in 2015. SD
17 Wind Partners, Prairie Winds SD-1 and Prairie Winds are located to the northwest
18 with 108 turbines and have been operating since 2011. The Wessington Springs
19 Wind Project began operations in 2009 with 34 turbines and the Titan Wind Project,
20 with 10 turbines, became operational in 2009; both are located north of the
21 proposed project area. These existing South Dakota wind projects provide an
22 excellent comparison for sales data, interview analysis with impacted property
23 owners, and overall analysis of the effects of a wind project in the Southeast

1 Region of South Dakota. While I have not completed research in this market area
2 for a study, I am aware of two sales that have occurred in proximity to a wind tower
3 in the Southeast Region near the proposed project area that were not addressed
4 in the updated Market Impact Analysis. Without data from these comparable wind
5 projects, there is a gap in the research and the results of the data are not able to
6 be compared to the Brookings County research and other data contained in the
7 Market Impact Analysis for consistency analysis.

8 Second, most of the studies (Exhibits 2-6, Appendixes P & Q) present statistical
9 analysis of a large, well-defined residential dataset from other market areas that
10 are not necessarily comparable to South Dakota (Ontario, Canada; Rhode Island;
11 Ridgetown, Canada; and Massachusetts).

12 Third, the studies presented as Exhibits 2 & 3, are developed to assist with
13 Canadian assessment valuations for the purpose of taxation and are not
14 necessarily applicable to South Dakota.

15

16 **Q: Can you explain some of the limitations of a statistical study that uses the**
17 **hedonic regression method that has been presented by Prevailing Wind Park**
18 **in Exhibits 2-6, and Appendixes Q & P?**

19 A: To estimate the value of real property using the hedonic mathematical equation,
20 property characteristics or independent variables are identified that contribute to
21 market value such as view, shape, topography, location, and utility. By including
22 proximity or view of a wind energy project or wind tower as a variable in the
23 regression, the appraiser can better estimate the negative or positive impact the

1 wind energy project or tower will have on the value of the property. The hedonic
2 analysis has been an accepted methodology in the appraisal profession for years;
3 however, it has limitations. One significant weakness of hedonic analysis was
4 pointed out in the winter 2012 edition of the Appraisal Journal. In the article James
5 Chalmers, PhD states, “(hedonic analysis)...*does not rule out the possibility that*
6 *some individual properties are significantly affected nor provide any insight into the*
7 *conditions shared by those individual properties that make them vulnerable to*
8 *transmission line impacts.*” In my experience with damages studies, I have found
9 Chalmers’ statement to be valid in analyzing properties affected by an energy
10 project. To truly gauge a project’s impact, the methodology needs to address more
11 than just a mathematical analysis of a large data set from different market areas
12 around the United States. The study needs to address a case-by-case analysis
13 with sale evidence from specific and surrounding market areas that would be
14 applicable to the impacted properties.

15

16 **Q: Did Prevailing Wind Park provide this type of study with the Market**
17 **Impact Analysis prepared by Mr. MaRous, as described above?**

18 A: Yes, the Market Impact Analysis provides additional insight with case-by-case
19 analysis in Iowa, Minnesota and Illinois. The Market Impact Analysis also includes
20 sales research from Brookings County and concludes there was no market data
21 indicating a measurable effect on property values in Brookings County from the
22 presence of a wind project.

1 **Q: Are the studies presented by Prevailing Wind Park relevant to the**
2 **Prevailing Wind Park Project area?**

3 A: Although there are limitations with the information presented, I find the data
4 presented by Prevailing Wind Park to be a relevant starting point in evaluating the
5 potential impact of a wind project, turbine or tower on property values in the project
6 area for several reasons. First, the sales research I completed in Brookings County
7 did not show a measurable effect on the selling prices of rural residential properties
8 in proximity to a wind project. Second, the Brookings County research was
9 consistent with the national peer-reviewed studies; and third, the sales data,
10 market analysis and interviews completed by Mr. MaRous were consistent with my
11 preliminary research in Brookings County.

12

13 **Q: Can you briefly describe the scope of work for your Brookings County**
14 **study completed for the Dakota Range Wind Project in Docket EL18-003?**

15 A: In preparation for the Dakota Range hearing, I completed research in Brookings
16 County to identify properties that have sold in proximity to a wind project, tower or
17 turbine. My research identified thirteen arm's length transactions in Brookings
18 County. Unfortunately, due to time constraints of the June hearing, I was not able
19 to perform a complete case-by-case analysis for the thirteen sales identified. I did
20 prioritize the residential sales BK1, BK2, BK3, BK4, BK5 and BK7. For these sales
21 I performed a site inspection, interview analysis, and a sales analysis. The
22 remaining sales were analyzed with site inspections and interviews. My field
23 research and site inspections had particular emphasis on examining the proximity

1 of a wind tower and how the tower proximity relationship can influence rural
2 properties. Inspections were done from the public roadway for sales BK1, BK2.5,
3 BK6, BK7, BK9, BK10, BK11 and BK12. In five cases the property owner was
4 present, and I was able to complete an on-site inspection with sales BK2, BK3,
5 BK4, BK5, and BK8. I did not have time to drive to Jerauld County, and relied on
6 high resolution aerial images for sale JD13 and a telephone participant interview.
7 In addition to the BK sales, I visited several rural residential and agricultural
8 properties in the market area influenced by a wind tower. These inspections
9 allowed me to evaluate the influences a wind tower can have on the different
10 property types in the market area of Brookings County. After completing the field
11 work, the next step was to interview as many of the participants in the transaction
12 as possible. I knew a buyer's name and address, and/or a broker involved with
13 the transaction from preliminary research. Given the name and address, I was
14 able to search for phone numbers. Unfortunately, finding a working phone number
15 for participants is becoming more difficult, but I was able to talk with about twenty
16 participants by phone or in person. The objective of the interview analysis was to
17 verify terms of the sale and to inquire whether the sale and/or subsequent use of
18 the property were in any way affected by the proximity of a wind tower. A set of
19 scripted questions were asked in such a manner that no bias or preconceived
20 notions were projected during the interview. Based on the recorded legal
21 documents, site inspections, and information gathered, a detailed description of
22 BK1, BK2, BK3, BK4, BK5 and BK7 was developed for the sales analysis. The
23 next step was to develop data on property sales that were similar in time, location

1 and property type to each of the BK sales, but not in proximity to a wind tower.
2 The methodology of the analysis is similar to the sales comparison approach in the
3 appraisal process. To identify this research, I used the Brookings County MLS,
4 Beacon and aerial images to confirm that each comparable sale was unaffected
5 by a wind tower, turbine or wind project. Then each of these sales were
6 summarized in terms of physical characteristics and qualitatively analyzed for
7 differences. The uninfluenced sales were compared to the BK influenced sale for
8 analysis. The final step was to analyze the information collected for each
9 transaction and draw conclusions with respect to the effect, if any, of the proximity
10 of the wind tower on the transaction or on use of the property. The summary of
11 BK1, BK2, BK3, BK4, BK5 and BK7 can be found in Exhibit_DAL-2 of my direct
12 testimony. As mentioned previously, I did not have sufficient time to complete a
13 thorough analysis with each of the thirteen individual sales. My scope of work did
14 not include: 1) a sales analysis for sales BK6, BK8, BK9, BK10, BK11, BK12 and
15 JD13; 2) a site visit for JD13; 3) a review of the chain of title for each property
16 ownership since the project first became operational; 4) a site visit and additional
17 verification for the comparable sales identified with MLS; 5) an analysis of the
18 history of the wind project(s) in Brookings County, such as installation date, tower
19 characteristics, project capacity, project construction, operational history etc. and
20 6) supplemental research in the other thirteen South Dakota counties with
21 operating wind projects.

22

23

1 **Q: What are your general conclusions from the research you completed?**

2 A: Based on my research within the Brookings County market, the evidence
3 supports the presumption there have been no adverse effects on the selling price
4 of rural residential properties in proximity to a wind tower, turbine or wind project.
5 However, the interview and site analysis support the presumption that proximity to
6 a wind tower could influence the property owner's bundles of rights, such as the
7 right to quiet enjoyment. Given the responses from market participants, there is
8 a relationship between the distance from a turbine and the effects on value
9 perceived by individual property owners who live in proximity to wind towers. Wind
10 tower noise is the number one reason cited by market participants for a perceived
11 impact on value; however, the sales data suggests otherwise. More specifically,
12 the Brookings County research for rural residential properties suggests: 1) there
13 was no discernible adverse impact on the selling prices in Brookings County that
14 could be supported for sales BK1, BK2, BK3, BK4, BK5 and BK7; 2) Interviews
15 with buyers of properties near wind towers were unanimous to report the proximity
16 of the wind tower did not influence the price they paid; 3) In six of six rural
17 residential sales, the market data was consistent, even though the site inspection
18 observed influences of noise and view obstructions within the property boundaries.
19 Although I did not complete a sales analysis for the agricultural sales, the research
20 supports the presumption there have been no adverse effects on the selling price
21 of agricultural properties in proximity to and within the boundaries of the property
22 with a wind tower. During the interview process, participants of agricultural
23 properties were consistent to report the price paid was not affected by a wind tower

1 and in some cases reported a stronger price per acre when the wind payments
2 transferred with the property. The most common issues farmers cited about wind
3 towers is the limitation of aerial spraying, poor reclamation, and compaction issues
4 after the installation of the towers, possible yield loss due to the inability to plant
5 straight rows and the difficulties associated with working around the towers during
6 planting and harvest. Without comparison of the sales evidence with the interview
7 evidence, the agricultural analysis is determined to be inconclusive; however, all
8 agricultural participants were consistent to report there was no adverse effect to
9 the price paid because of the presence of a wind tower. The summary of my
10 research is limited to Brookings County and supported by analyzing six rural
11 residential sales, seven agricultural sales, and twenty market participant
12 interviews.

13

14 **Q: Do you have any additional comments regarding your findings from the**
15 **Brookings County study?**

16 A: I would caution the Commissioners or any reader of my Brookings County study
17 that the research represents only a small representation of one of fourteen
18 counties in South Dakota where there is an operating wind project. With an
19 assignment of this nature, I would typically have a multi-county or tri-state research
20 area with a sales population of at least fifteen sales for a case-by-case analysis
21 (per property type) with participant interviews of more than thirty. While the
22 research is consistent with the LBNL study and Mr. Marous' research, a pool of six
23 rural residential and seven agricultural sales is a limited population upon which to

1 base conclusive results. Brookings County represents only seven percent of the
2 study area that is available in South Dakota for research of the impacts of wind
3 projects on real property values. Nevertheless, the research reported in my
4 testimony provides a useful starting point from which to consider the facts of a
5 particular situation and does not rule out that an individual property could be
6 adversely impacted from the presence of a wind tower, turbine, or wind project.

7

8 **Q: In response to Staff Data Request 1-4, Ms. Karen Jenkins requested a**
9 **permit condition of a “guarantee of property value to be funded and**
10 **developed by the Applicant, subject to approval of the property owner to**
11 **protect residents in the footprint and buffer zone from financial loss should**
12 **the residence become unlivable and/or unmarketable.” Do you have any**
13 **comments on this condition request?**

14 A: While I understand the goal of a property value guarantee, I have concerns
15 about how to properly manage the valuation process for consistent results before
16 the project and after the installation of the wind project. Many variables can
17 influence the criteria to establish value or to reestablish value at a later date. For
18 example, who is qualified to provide a value opinion? What will be the scope of
19 work for establishing the market value before, and the market value after the
20 installation of the wind project? How will changes in a property’s condition such as
21 a well-maintained property versus a poorly maintained property be measured for
22 value differences in contrast to the operational date of the wind project? I would be
23 more supportive of the idea of a property value guarantee if there were a way to

1 consistently define and measure the valuation process for a property's market
2 value in proximity to a wind project.

3

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

5 A: Yes.

6

Qualification & Resume

David A. Lawrence MAI SRA AI-RRS SR/WA

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O 605.782.5300 / C 605.376.3781

david@dalappraisal.com

Summary of Experience

David Lawrence is a designated member of the Appraisal Institute and the International Right of Way Association. Real property appraisal experience includes residential, commercial, land development, easement rights, retail, farm, ranch, and linear and infrastructure projects.

Licenses & Certifications

-) South Dakota Certified General Real Property Appraiser – Certificate No. 1034
-) South Dakota Real Estate Broker Associate – Certificate No. 14125
-) Nebraska Certified General Real Property Appraiser – Certificate No. 2018004R
-) Minnesota Certified General Real Property Appraiser – Certification No. 40499441

Appraisal and Real Estate Experience

2006 to Present

-Owner and President of DAL Appraisal & Land Services Inc., a real property consulting and valuation firm. Appraisal discipline includes real property with a focus on residential, commercial and agricultural property types.

2008 to 2012

-Real Property Appraiser with William D. Otto Spence Real Estate. Duties include research, development and reporting of appraisal reviews, market impact studies, damage issues and appraisals for Federal Land Acquisitions. (Principle: William D. Otto Spence MAI SR/WA CCIM MS)

2006 to 2015

-Real Property Appraiser with RJ Hobson Agency. Duties include research, development and reporting of residential, agricultural and commercial appraisal reports. (Principle: Bill Hobson, MAI retired 2015)

Education

B.A. Business Administration

Western State Colorado University

Professional Affiliations & Development

-) Appraisal Institute SRA Designated Member – North Star Chapter Minneapolis
-) Appraisal Institute MAI Designated Member – North Star Chapter Minneapolis
-) Appraisal Institute Professional Development Program – Appraisal Litigation
-) Appraisal Institute Professional Development Program –Conservation Easements
-) Appraisal Institute – Leadership Development & Advisory Council 2014, 2015 & 2016 D.C.
-) *Appraisal Institute – Candidate for AI-GRS Designation*
-) FHA/HUD Approved Appraiser – FHA Connection ID MJH926
-) Appraisal Institute Member – North Star Chapter 2006 to Present
-) IRWA – International Right of Way Association Member – 2007 to Present
-) IRWA – International Right of Way SR/WA Designated Member
-) PAASD – Professional Association of Appraisers of South Dakota Member
-) PAASD – Elected Board Member 2008 to Present. President 2014.
-) IRWA – Chapter 72 Regional Pipeline Committee – 2012 to 2014
-) RASE – Sioux Empire Association of Realtors – Member 2006 to Present
-) Realtor Associate – National Association of Realtors – Member 2006 to Present

Professional Education and Development

Pro Ed Professional Education

-) Fundamentals of Appraisal
-) Sales Comparison Approach for Single Family
-) Cost Approach for Single Family
-) Income Approach for Small Income Properties
-) Uniform Standards of Professional Practice & Ethics
-) Residential Report Writing

Appraisal Foundation

-) 15 Hour National USPAP
-) State Investigator Training Level II
-) State Investigator Training Level III
-) 2018 USPAP Update Course
-) USPAP Instructor Certification Course

Appraisal Institute

-) 400G Certified General Highest & Best Use
-) 401G Certified General Sales Comparison Approach
-) 402G Certified General Cost Approach
-) 403G Certified General Income Part I
-) 404G Certified General Income Part II
-) 405G Certified General Report Writing and Case Studies
-) 300GR Real Estate Finance, Statistic, and Valuation Modeling
-) Business Practice & Ethics
-) Residential Market Analysis & Highest and Best Use

-) Residential Report Writing and Case Studies
-) Residential Site Valuation & Cost Approach
-) Residential Sales Comparison Approach and Income Approaches
-) 601RED Advanced Residential Applications and Case Studies Part I
-) 604RED Advanced Residential Report Writing Part II
-) 806 Introduction to FHA Appraising
-) 802 REO Appraisal: Appraisal of Residential Property Foreclosure
-) 715GRE Condemnation Appraising: Principles & Applications
-) Uniform Appraisal Standards for Federal Land Acquisitions
-) Appraising Distressed Commercial Real Estate
-) 510 Advanced Sales Comparison and Cost Approach
-) 540 Advanced Writing and Valuation Analysis
-) 700 GRE The Appraiser as an Expert Witness: Preparations & Testimony
-) 705 GRE Litigation Appraising: Specialized Topics & Applications
-) 510 Advanced Income Capitalization
-) 550 Advanced Applications
-) The Lending World in Crisis
-) Real Estate Damage Economics and Statistics
-) Complex Litigation Appraisal Case Studies
-) Gas Station Valuation: Real, Property, and Intangible Aspects
-) Regression Analysis
-) UAD After Affects: Efficiency vs. Obligation
-) Residential Review Theory
-) Valuation of Conservation Easements
-) IRS Valuation of Donated Real Estate & Conservation Easements
-) Using Spreadsheet Programs in Real Estate Appraisals
-) General Review Theory
-) Do's and Don'ts of Litigation Support
-) Uniform Appraisal Standards of Federal Land Acquisition 2014
-) Using Technology to Measure and Support Assignment Results
-) Wind Turbine Effects on Value
-) Contamination and the Valuation Process
-) FHA Appraising for Valuation Professional
-) Effective Report Writing
-) Yellow Book Changes (USFLA) Overview for Appraisers
-) Case Studies in Complex Valuation
-) Subject Matter Expert Round Table

Ted Whitmer

-) Advanced Comprehensive Workshop
-) Attacking & Defending in Appraisal Litigation

Professional Appraisers Association of South Dakota – PAASD

-) What Every Certified Appraiser Needs to Know
-) Training Course for Supervising Appraisers
-) Fannie Mae UAD Compliance
-) Builder Cost in Residential Construction
-) Loss Prevention for Real Estate Appraisers
-) Appraisal Desk & Field Review Form Reports
-) Training Course for Supervising Appraisers
-) Building Design & Construction
-) Fannie Mae's Form Reports & the UAD
-) Appraising Rural Residential Homes
-) Intro to Partial Rights and Damages Issues in Condemnation

International Right of Way Association

-) 104 Practice for the ROW Professional
-) 200 Principle of Real Estate Negotiations
-) 409 Easement Valuation
-) 203 Alternate Dispute Resolution
-) 803 Eminent Domain Law
-) 403 Reviewing Appraisals in Eminent Domain
-) 800 Principle of Real Estate Law
-) 205 Bargaining Negotiations
-) 801 United State Land Titles
-) 700 Intro to Property Management
-) 400 Appraisal of Real Property
-) 900 Principles of Real Estate Engineering
-) Lessons Learned on Linear Projects
-) ROW Options on Native American Lands
-) Complex ROW Scheduling and Cost Estimating
-) Valuation of 1800 miles of Railroad ROW
-) Environmental Issues with Transmission Lines
-) 802 Legal Aspects of Easements
-) 600 Environmental Awareness

Federal Highway Administration

-) Appraisal Review for Federal-Aid Highway Programs
-) Appraisal for Federal-Aid Highway Programs

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



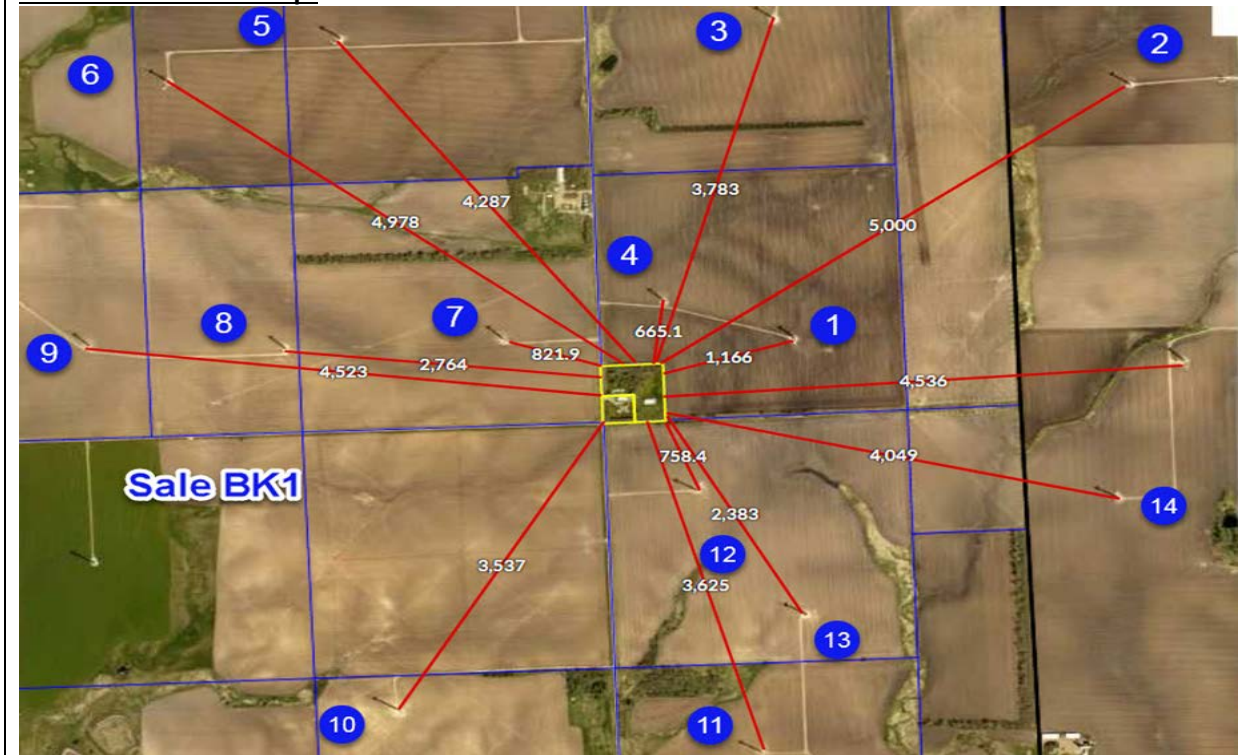
Property Characteristics:	
Highest & Best Use:	Rural Acreage
Land Size:	8 Acres
Improvements:	2003 Ranch modular design
Finished Area:	2,356 S.F. GLA, 300 S.F. Lower Level
Garage:	Attached 2-Stall
Features:	Treed shelter belt. (2) Pole buildings 40x96 & 34x50
Access:	Gravel road linkage

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 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: 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

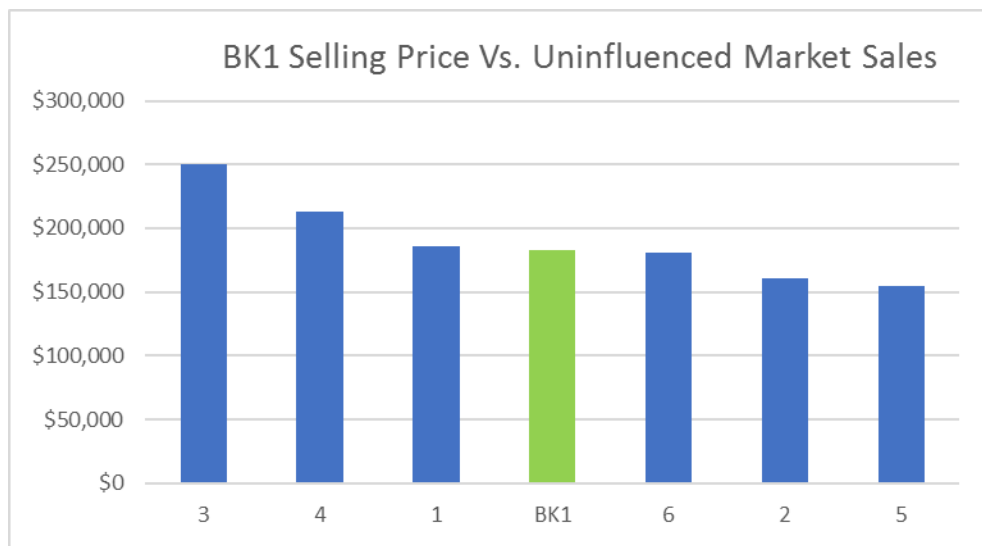
Interview Notes with Broker:

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:

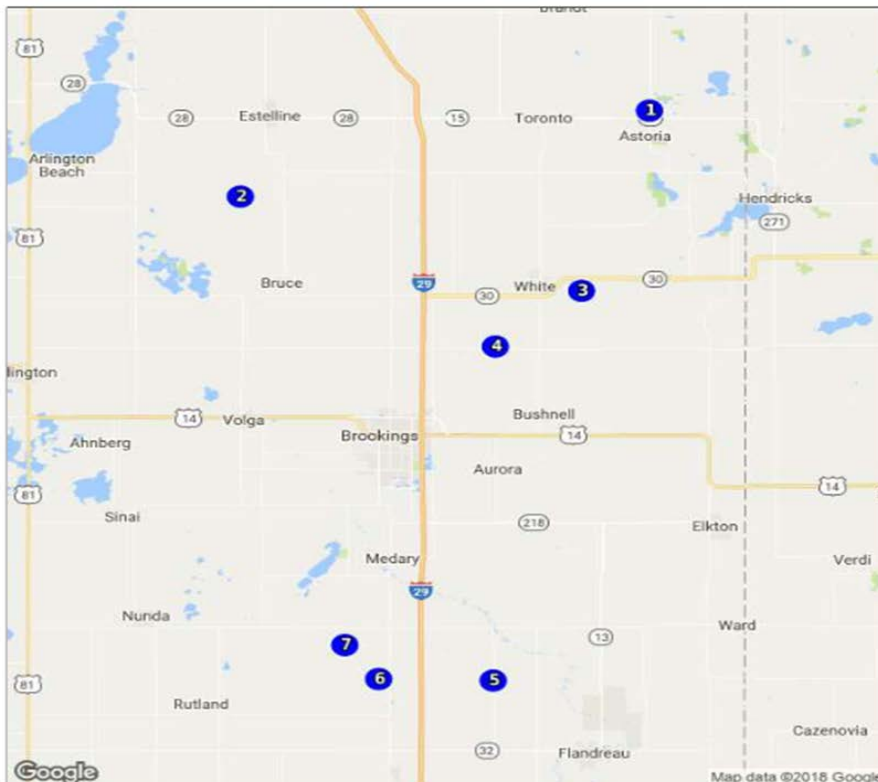
The owner was not available during the site visit. I left a voice mail message; the owner did not return my phone call.

Market Sales Analysis:



Sales Analysis BK1									Overall Analysis
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	
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:



Legend	
1. 19367 483RD AVE, Astoria, SD 57213(13-122)	5. 22603 476th Ave., Flandreau, SD 57028(14-156)
2. 19851 464th Avenue, Bruce, SD 57220(15-394)	6. 47023 226th Street, Colman, SD 57071(15-368)
3. 20383 480TH AVE, White, SD 57276(15-434)	7. 22409 468th Avenue, Colman, SD 57017(15-39)
4. 47594 207th St, Aurora, SD 57002(16-467)	

<u>Market Sales Analysis</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>Conclusion:</u>	

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



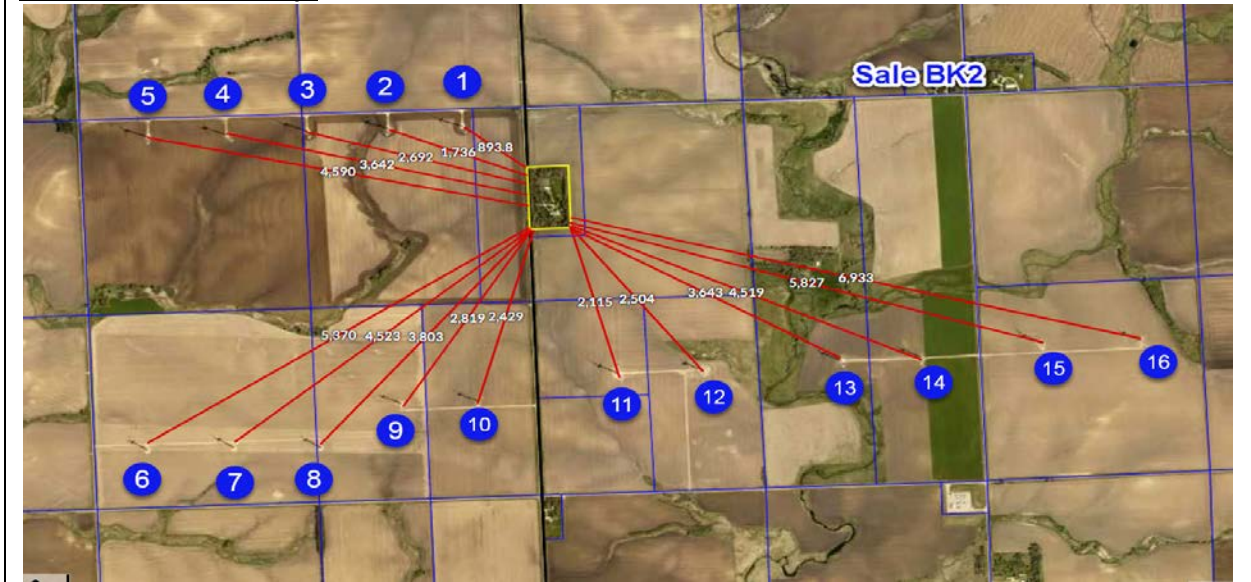
<u>Property Characteristics:</u>	
Highest & Best Use:	Rural Acreage
Land Size:	10 Acres
Improvements:	1998 Story 1/2 design
Finished Area:	1,850 S.F. GLA, 1,004 S.F. Lower Level
Garage:	Attached 1-Stall
Features:	Treed shelter belt. Shed, storage building & hobby building
Access:	Paved highway linkage

<u>Sales Analysis Data:</u>	
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

<u>Wind Project:</u>	
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:

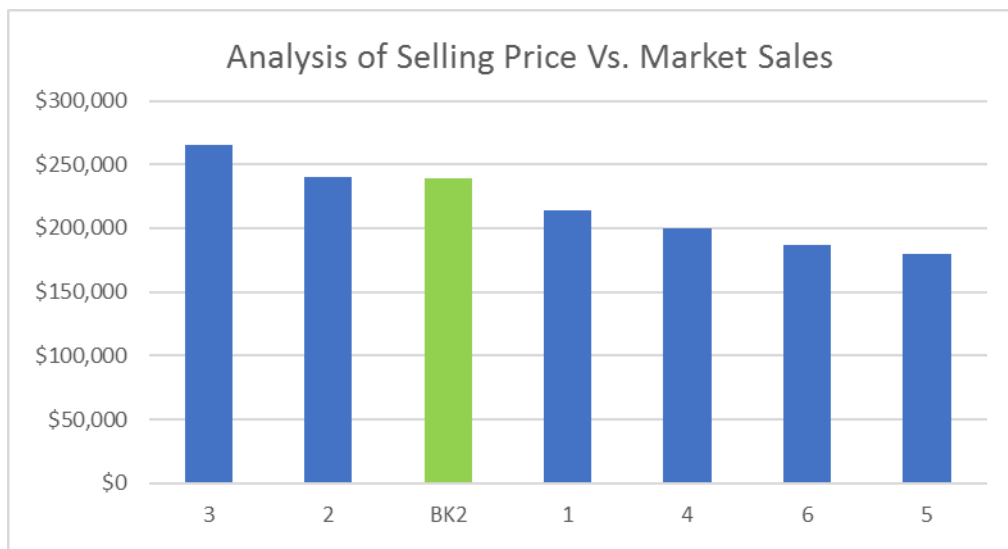
The home was purchased with the assistance of a real estate agent. Towers were in place at the time of purchase. Turbines surrounding the property didn't affect purchase decision or price paid; although they would prefer not to have them. Some flicker effect and noise. Haven't noticed any health effects. 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

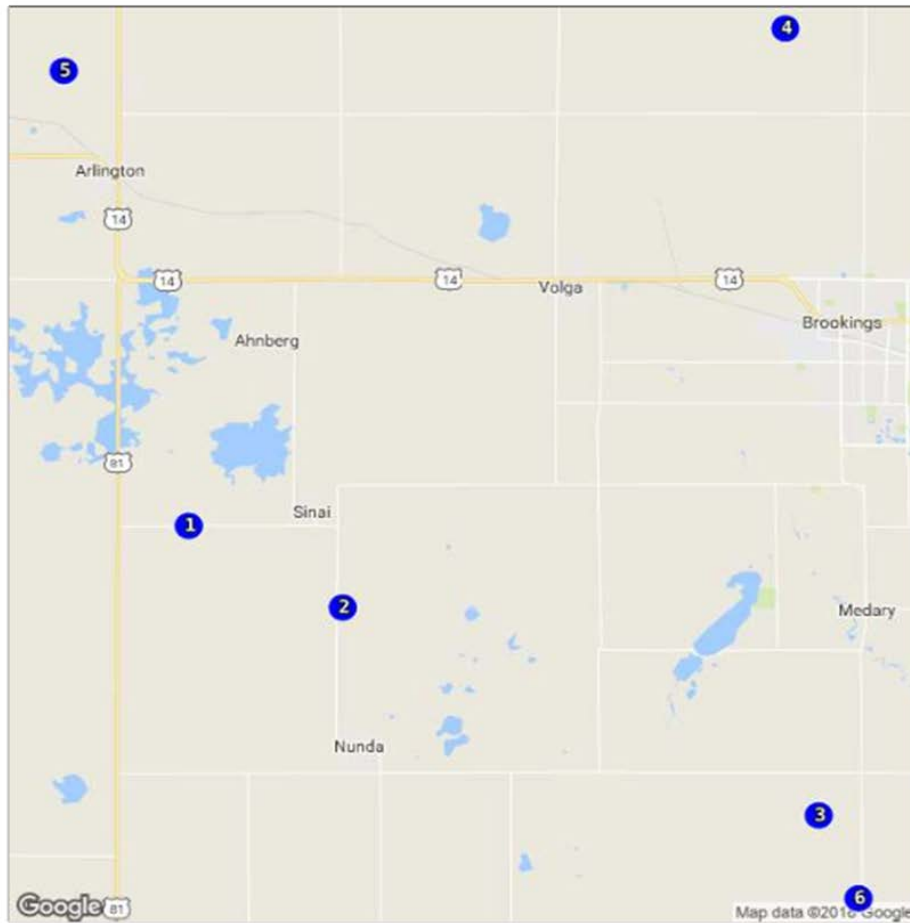
want any wind towers near the house and therefore had a condition of sale not to sign a wind lease. Seller stated it was difficult to find a buyer, but they were satisfied with the purchase price. Seller stated you could feel the vibrations in the air and towers create issues with the body. They are 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
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
2	Volga	2012	\$240,000	1983	1,784	4.5	Ranch	Shed/Pole	Comparable
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
3	Colman	2009	\$265,000	2006	1,500	9.88	Ranch	Barn/2Car/Shed	Superior
			<i>Adjustments:</i>	<i>Superior (-)</i>	<i>Inferior (+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	
4	Brookings	2011	\$200,000	1949	1,344	9.75	Story1/2	Barn/Shed	Inferior
			<i>Adjustments:</i>	<i>Inferior(+)</i>	<i>Inferior (+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
5	Arlington	2011	\$180,000	1917	1,510	11.79	Story1/2	2cGarage/Sheds	Inferior
			<i>Adjustments:</i>	<i>Inferior(+)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
6	Volga	2011	\$187,000	1954	1,491	5	Story1/2	Outbuildings	Inferior
			<i>Adjustments:</i>	<i>Inferior(+)</i>	<i>Inferior(+)</i>	<i>Inferior (+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	

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.	BK3
	STATE	South Dakota
	COUNTY	Brookings



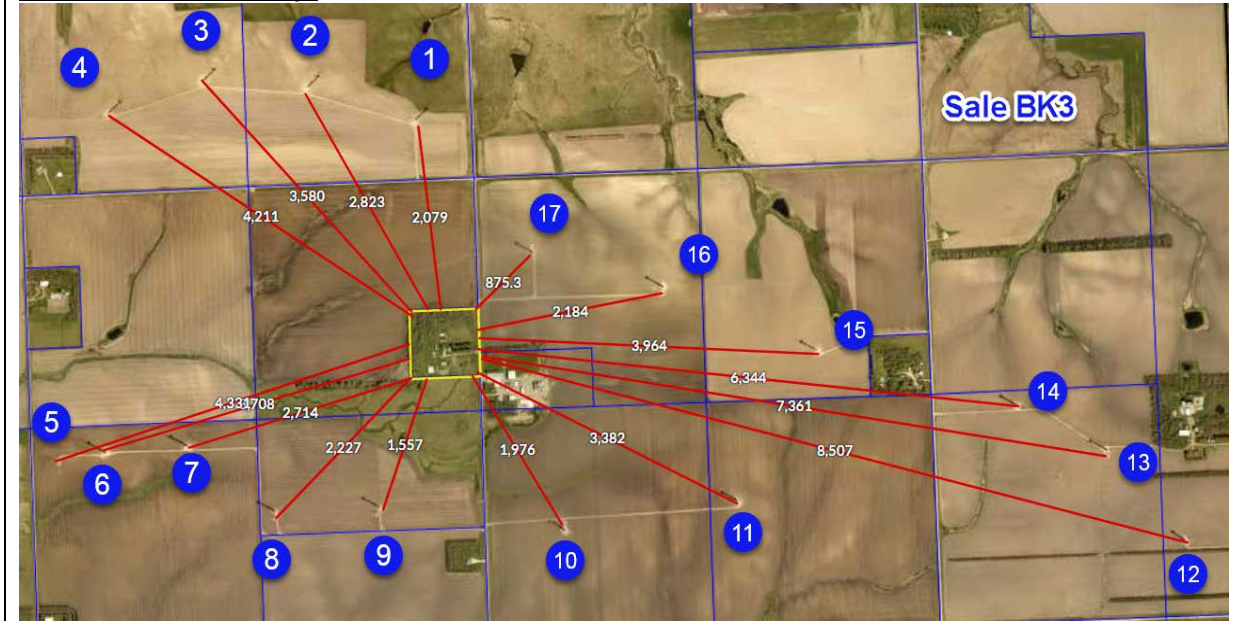
<u>Property Characteristics:</u>	
Highest & Best Use:	Rural Acreage
Land Size:	14.28 Acres
Improvements:	1918 Story 1/2 design
Finished Area:	2,208 S.F. GLA
Garage:	Attached 2-Stall
Features:	Treed shelter belt. Shed, storage building
Access:	Paved highway linkage

<u>Sales Analysis Data:</u>	
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

<u>Wind Project:</u>	
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 +/- 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)

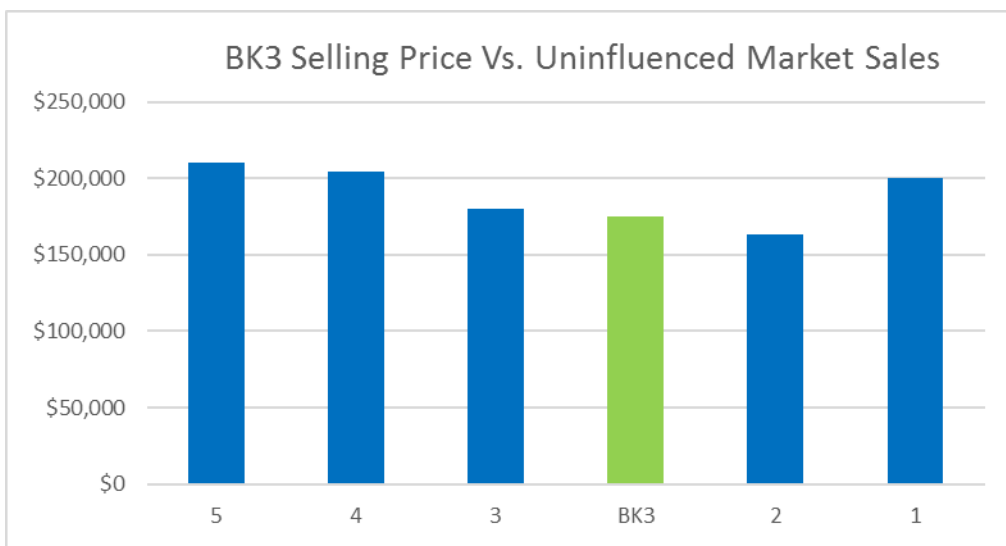
Interview Notes with Buyer:

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:

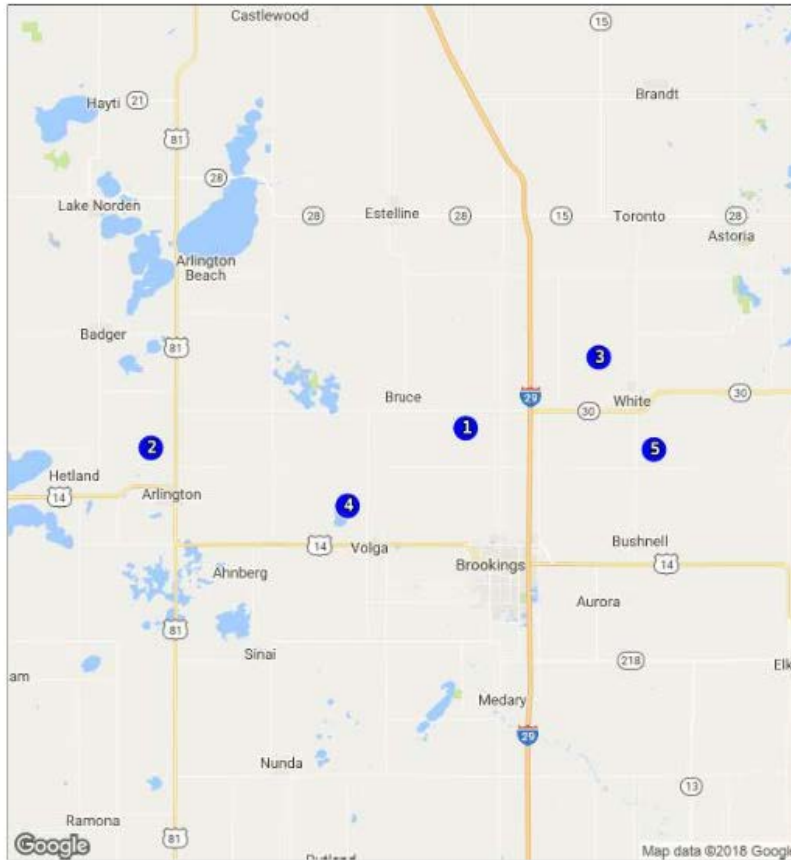
There is high demand for acreages in the Brookings market. Most buyers do not care about the wind towers. Buyers are looking for the features of an acreage. Although there have been potential buyers, some buyers refuse to look at a property near wind towers. The price seems unaffected by properties I've 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
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior (+)</i>	<i>Inferior(+)</i>	<i>Similar (=)</i>	<i>Similar(=)</i>	
2	White	2009	\$163,000	1910	1,762	3.84	Story 1/2	Barn/Shed	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior (+)</i>	<i>Inferior(+)</i>	<i>Similar (=)</i>	<i>Similar(=)</i>	
3	Arlington	2011	\$180,000	1917	1,510	11.79	Story1/2	2cGarage/Sheds	Comparable
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
4	Volga	2011	\$204,000	1910	2,294	12.65	Story1/2	Barn/Shed/2car	Comparable
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar (=)</i>	<i>Similar(=)</i>	
5	White	2012	\$210,500	1938	2,405	17.12	Story1/2	Shed/Pole	Superior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	

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

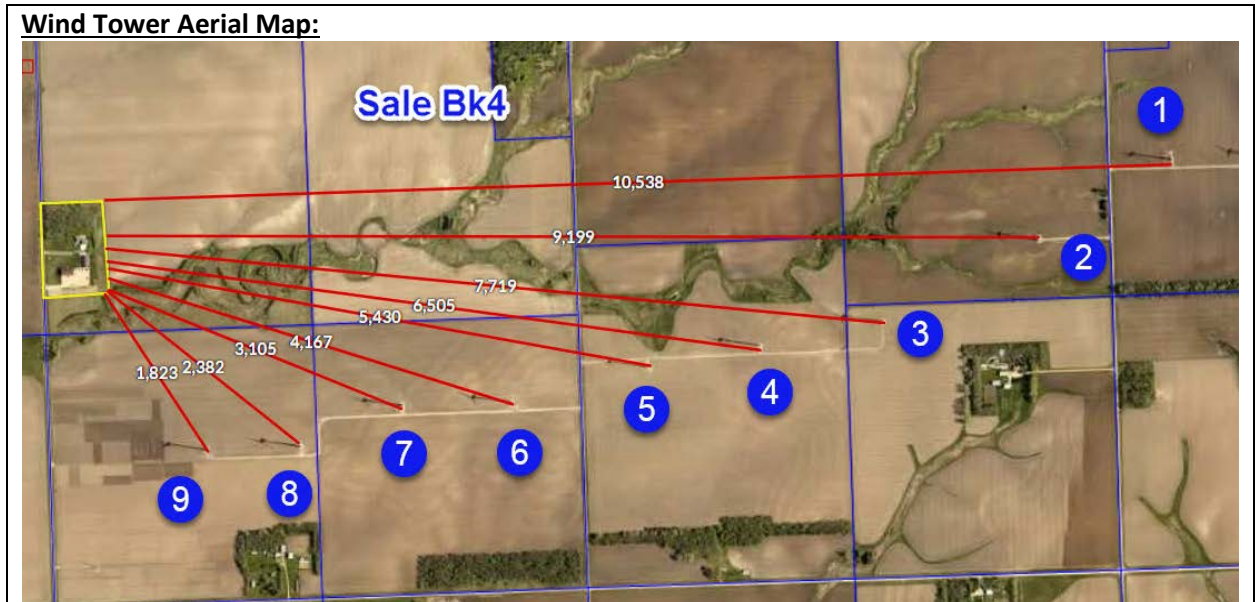


Property Characteristics:	
Highest & Best Use:	Rural Acreage
Land Size:	13 Acres
Improvements:	1989 Story ½
Finished Area:	2,728 SF GLA; 4500 SF Finished (Updated)
Garage:	Attached 3-Stall
Features:	Treed shelter belt. 50x112 & 160x120 Commercial Building
Access:	Gravel road linkage; paved driveway

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.



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:

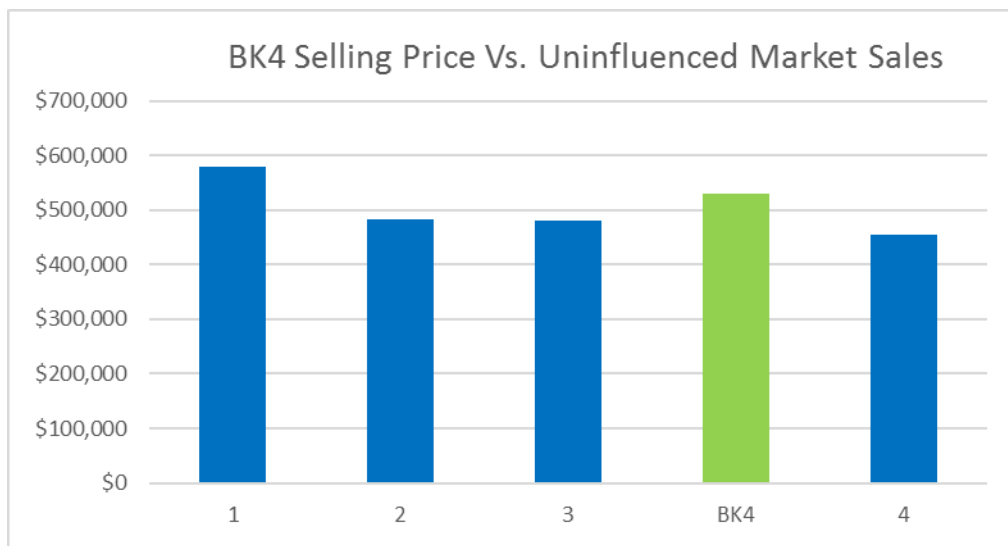
Proximity to wind turbines didn't make a difference in the purchase. Paid the same. Purchased property because it had a perfect setup with a remodeled house and two metal buildings. Towers are south of the house, so it doesn't affect the view from the house. The towers make noise and you can hear them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

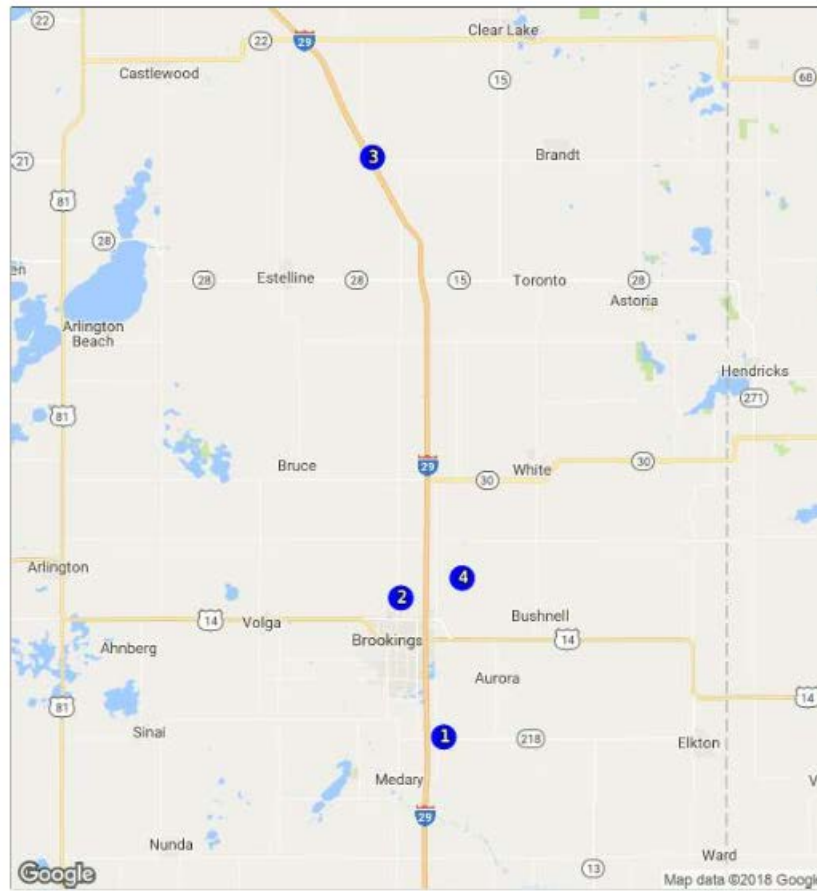
Interview Notes with Agent: Although the sellers initially expressed concerns about the turbines, and it took four months to sell the property, the agent does not think there was any real effect with potential buyers and she did not hear that from any other realtors regarding this property. The home 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
			<i>Adjustments:</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
2	Brookings	2015	\$482,500	2007	1,726	5	Ranch	Metal Building	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	
3	Esteline	2016	\$480,000	2003	2,651	4.99	Story1/2	Metal Buildings	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
4	Aurora	2010	\$455,000	1890	3,342	15	Story1/2	Barn/Shed/2car	Inferior
			<i>Adjustments:</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	

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.
Notes: 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:

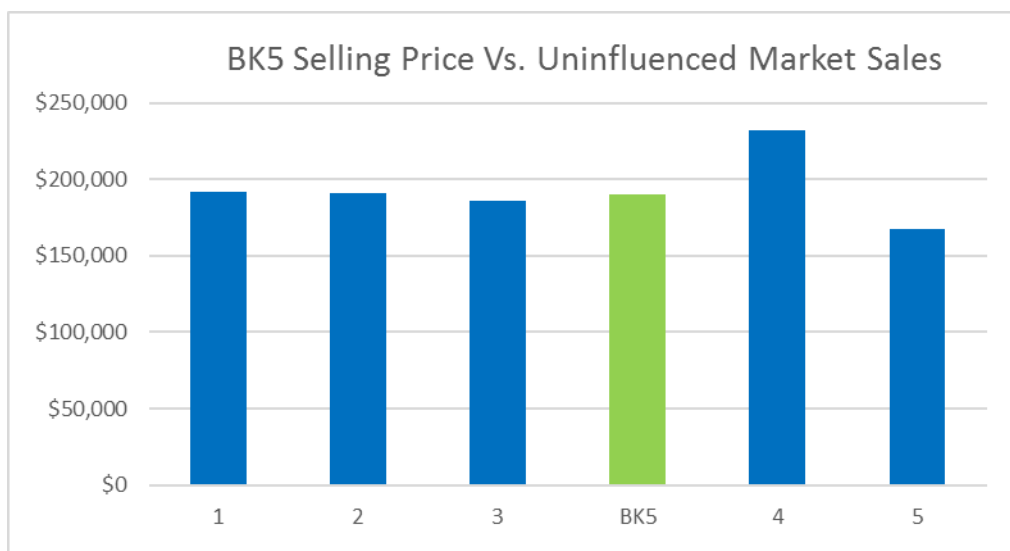
Property was listed for 3 years and seller had two previous offers fall through; seller was living alone and motivated to sell. Made a good deal. Wind towers can be noisy but didn't matter to us when we bought the home. Really no issues, besides the noise. Doesn't seem to bother wild life, deer come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

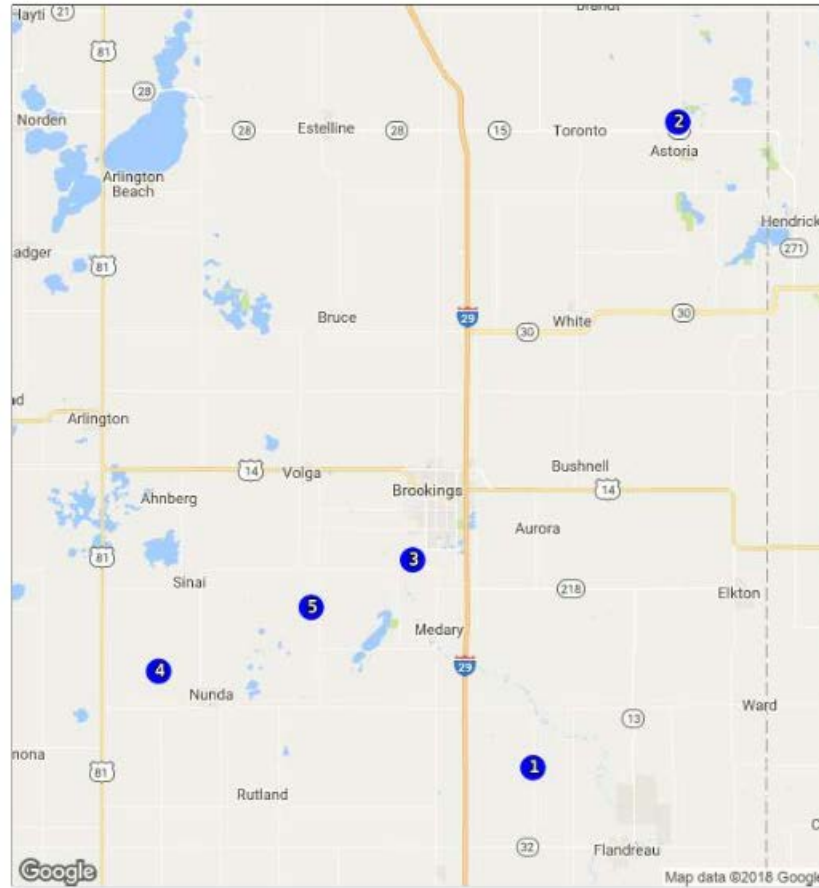
plan eliminated older buyers. Steep stairs. Old house and new house addition with weird layout. During the open house, buyers did not comment about the proximity of the wind towers, even though you can hear them in the yard. Distance from Brookings is what effects the price with acreages, not wind towers. 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									Overall Analysis
Sale No.	Location	Sale Date	Price	Year/E.A.	GLA	Acres	Style	Outbuildings	
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
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
2	Volga	2015	\$190,600	1918	1,680	15	Story 1/2	Barn/Shed	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Inferior(-)</i>	
3	Astoria	2014	\$186,000	1910	1,472	14	Story1/2	Outbuildings	Comparable
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
4	Brookings	2013	\$232,000	1912	2,075	30.59	Story1/2	Barn/Shed/2car	Superior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	
5	Nunda	2013	\$167,900	1922	1,198	14.63	Story1/2	Shed/Barn/Metal	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	

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 57006(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:

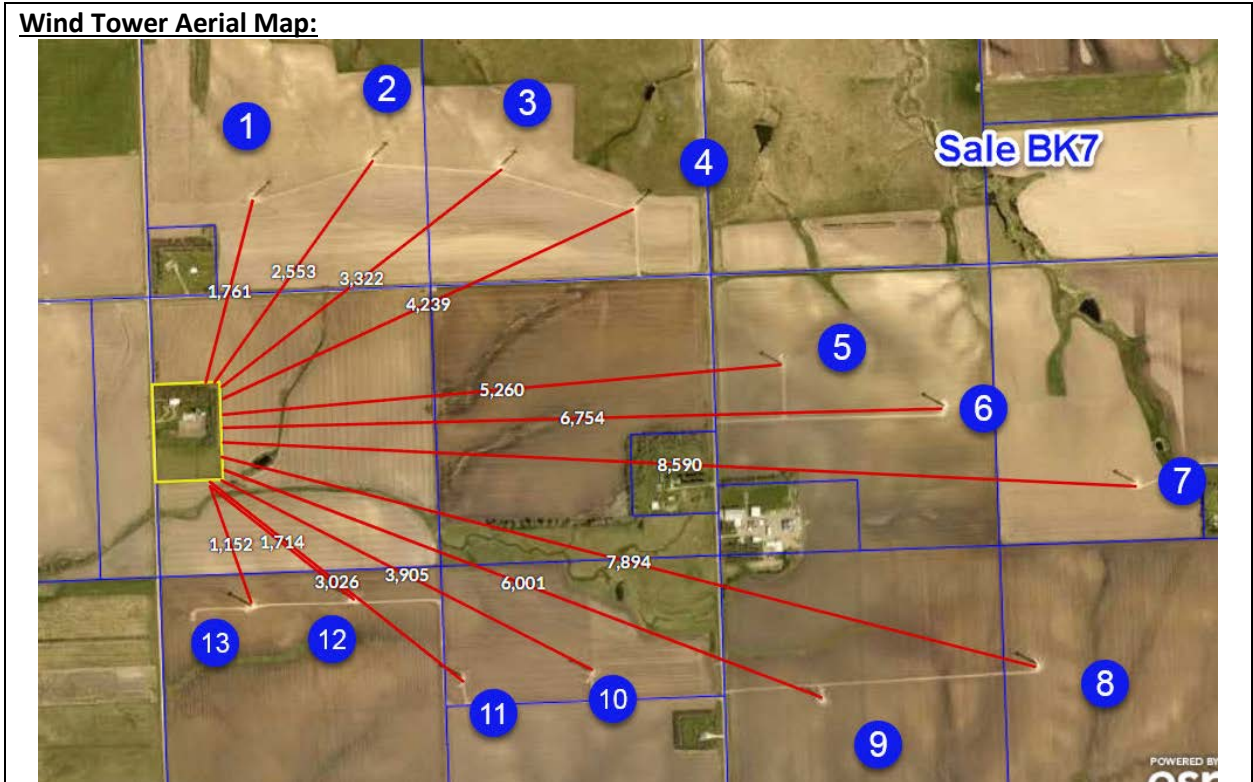
Highest & Best Use: Rural Acreage
Land Size: 13.35 Acres
Improvements: 1992 Ranch
Finished Area: 1680 SF GLA; 1680 L.L.
Garage: Attached 2-Stall
Features: Treed shelter belt. Metal outbuilding
Access: Gravel road linkage

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

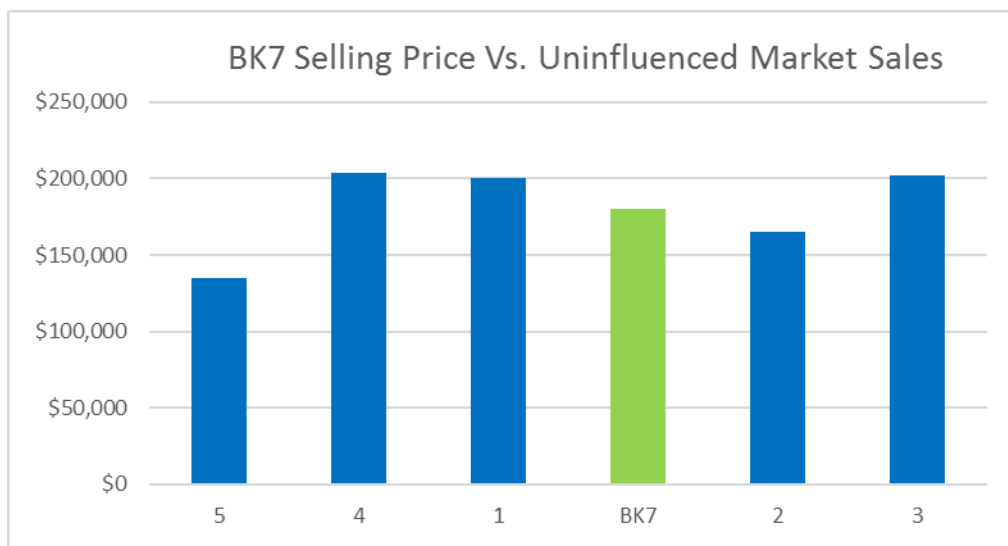


Site Analysis:
Site Visit Conducted by: David Lawrence
Site Visit Date: May 23, 2018
View Obstruction: Wind towers within view of residence
Noise Analysis: Operational & blade noise present during site visit.

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

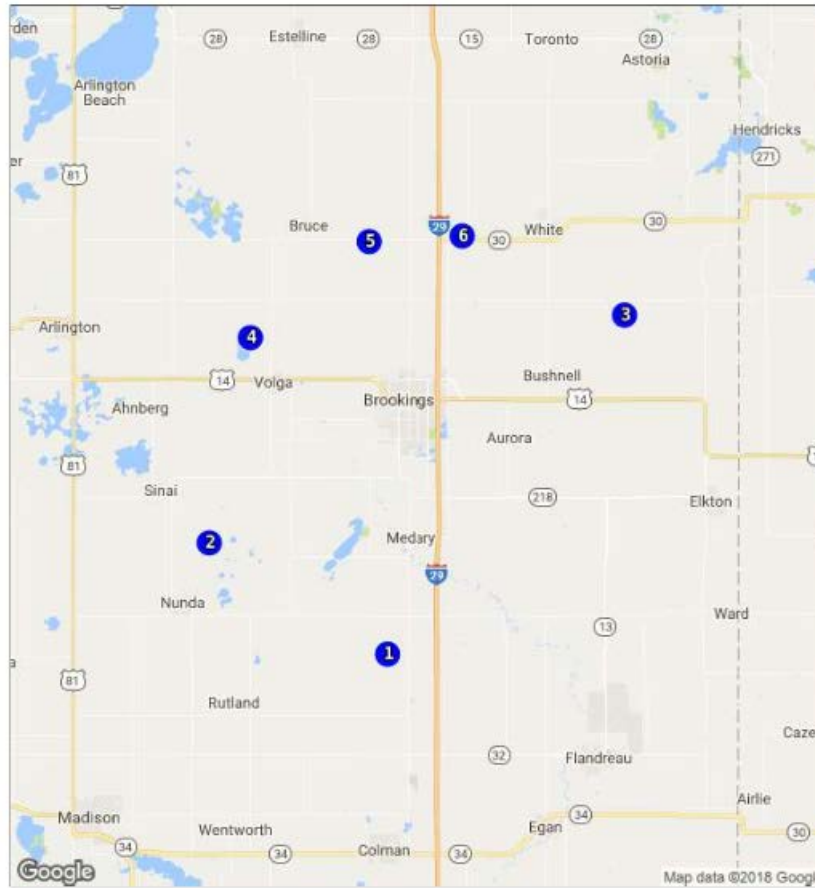
Interview Notes with Buyer: Property value has increased by at least \$75,000 since purchase. No issues or concerns with living near wind towers. There is no effect on the value. No effect to the animals. Can hear a faint "swoosh" noise. No big deal.

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
			<i>Adjustments:</i>	<i>Superior(-)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	
2	Colman	2009	\$165,000	2001	910	22.03	Ranch	None	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Inferior(-)</i>	
3	White	2010	\$202,000	1967	1,304	12.78	Ranch	Metal Building/Shed	Superior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	
4	Volga	2011	\$204,000	1910	2,294	12.65	Story1/2	Barn/Shed/2car	Superior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	<i>Similar(=)</i>	<i>Similar(=)</i>	<i>Superior(-)</i>	
5	Brookings	2010	\$135,000	1974	1,288	7.5	Ranch	Shed/2Car	Inferior
			<i>Adjustments:</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	<i>Inferior(+)</i>	<i>Similar(=)</i>	<i>Inferior(+)</i>	

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.