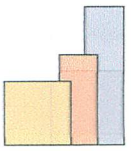
TAB 5



McCann Appraisal, LLC

February 16, 2011

State of Connecticut
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

Re: Petition No. 980 – BNE Energy, Inc.
Property Value Impact Evaluation
Proposed development of two (2) 1.6 MW wind turbines
Sited on a 67.5 acre tract located at 178 New Haven Road
Prospect, CT

Dear Chairman Caruso and Honorable Members of Siting Council:

As requested, I am submitting the following written testimony on behalf of my clients, Save Prospect, Inc. The following document contains a summary of my research, analysis, findings and professional opinions based upon property value impact evaluation criteria and appropriate appraisal methodology. This testimony is for your use in addressing the compliance of the proposed BNE facility with appropriate consideration of probable impacts on the surrounding area, inclusive of the surrounding environment, use, enjoyment and value of residential uses.

My written testimony is summarized as follows:

1: What Siting rules, regulations or laws did you consider as part of your evaluation?

I have drawn some guidance from the local land use regulations and general appraisal methodology for evaluating potential damages to neighboring property values. I have also examined the project location and the nature, character of surrounding land uses, in order to gauge compatibility of the BNE project with the surrounding area.

The zoning criteria I have specifically evaluated are codified under the Town of Prospect Zoning Regulations, as amended to December 1, 2008. Relevant excerpts are summarized as follows:

12.2 Standards for Granting a Special Permit
In considering applications the Commission shall require compliance with the following:

12.2.3 That the 1) basic design of the proposed use(s) or buildings; 2) relationship between the buildings and the land; and 3) overall physical appearance of the proposed use(s) or buildings ***will be in general harmony with the character of the surrounding neighborhood and will not serve to blight or detract from abutting residences or other property; (emphasis added)***

Section 12.8 Planning And Zoning Commission Responsibilities
Special Permits shall be granted only where the Planning and Zoning Commission finds that the proposed use or the proposed extension or alteration of an existing use is in accord with the public convenience and welfare. (See Section 12.10.)

In granting, any Special Permit the Planning and Zoning Commission shall attach such ***additional conditions and safeguards as are deemed necessary to protect the neighborhood***, such as but not limited to the following:

12.9.1 Requirement of ***setbacks greater than the minimum required by these Regulations.***

12.9.4 ***Limitation of size, number of occupants, methods or time of operation, or extent of facilities.***

Section 12.10 Special Findings
The applicant shall prove that the use or building proposed for a Special Permit meets the following criteria:

12.10.3 ***It will not adversely affect the character of, or property values in, the area.***

12.10.4 It will not otherwise ***impair public health, safety, morals, convenience, comfort, prosperity and other aspects of the general welfare of the town.***

2: Why is emphasis added to certain language from the Prospect Zoning Regulations?

For several reasons:

1. It is indicative of local regulation of land uses within the Town of Prospect. Since the State of Connecticut has not enacted regulations specifically for large-scale wind energy projects, the local code provides some specific guidance that is applicable to special use types of development in this municipality.

2. The Prospect Zoning has defined criteria for special use developments, under which any/all applications must comply.

3. The project must meet certain environmental criteria in order to be approved. With the human element and local, nearby residential use of property, I examine the environmental aspects from a real estate and land use perspective. The Prospect Zoning Regulations and criteria are consistent with the intent of protection of these real estate related environmental aspects.

4. The Prospect Code also helps define a reasonable framework for the State of Connecticut in evaluating this unprecedented land use in this state.

3: What time frame is your evaluation applicable to?

My professional opinions are effective as of the current date. My opinions are also relevant to post construction, assuming the BNE project was to be built and operated.

4: Are your opinions certified or otherwise in compliance with applicable laws and regulations?

My evaluation and this written testimony & Consulting Report have been prepared and submitted pursuant to applicable licensing laws that mandate compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), and my opinions are certified accordingly, per the Certificate attached to this report.

5: What are your professional opinions?

Professional Opinions

Briefly stated, based upon my review of the proposed BNE facility, location, the density, height, type and intensity of the proposed utility scale turbines, the proposed use does not comply with the guideline Prospect Zoning Regulations or the environmental aspects of real estate and surrounding residential uses, as it is not compatible with adjacent and nearby residential uses and, specifically, will have a significant averse effect on the marketability and market value of the neighboring residential property.

Further, the Applicant has failed to even attempt to mitigate the impact on values of residential properties, as could have been accomplished to some degree with the provision for an owner/developer Property Value Guarantee (PVG).

6: What qualifies you to render expert opinions on this application?

My specialized and unique experience with utility scale wind energy developments, as well as 30 years of real estate, land use evaluation and appraisal background has enabled and qualified me to evaluate whether the proposed BNE facility meets the criteria described in the Prospect Zoning Regulations or general real estate evaluation guidelines. My professional biography is attached to this written testimony, and a brief summary of my qualifications and experience follows:

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- 30 years appraisal & consulting experience.
- Appraised all types of property; commercial, industrial, residential & special use real estate.
- State Certified General Appraiser.
- Certified Review Appraiser (CRA).
- Member – Lambda Alpha International.
- Qualified & testified as expert witness in 21 states, circuit courts & federal court.
- Appraised variety of property value damage situations.
- Consultant to governmental bodies, developers, corporations, attorneys, investors and private owners.
- Appointed by Federal Court as a Condemnation Commissioner.
- Evaluated 12+ utility scale wind projects & consulted in 8 states since 2005.

7: What is the basis for your opinions, as previously stated?

1. My experience in evaluating property value impacts and damages from external causes;
2. Review of the BNE application documents;
3. Inspection of the subject location and the surrounding residential areas;
4. Research of local value trends;
5. Literature review of reports relied upon by the wind energy industry that attempt to measure property values near wind energy projects;
6. Research and review of market reactions to living in close proximity to utility scale wind turbines;
7. Review of publicly available documents that show substantial noise nuisance and/or health impacts from living in close proximity to utility scale wind turbines;
8. My own independent study of residential property values in proximity to utility scale wind turbines.

8: Is there an underlying principle or accepted real estate trend that generally supports your opinions?

Yes. The contrast of such man made towers with natural views and the highly valued amenity derived from views is analyzed herein, with focus on ratings of the view from, or "Vista" of residential properties.

It is important to understand that high quality or natural views are an asset to real estate market values and, in particular, residential property and land. Other types of "value" can be identified and described in non-real estate terminology, but my focus as an appraiser is on the market value of property.

Similarly, detraction from such premium views can and does have a measurable adverse effect on residential property values. This is well studied in the real estate appraisal profession.

Also, nuisances tend to detract from the desirability and value of residential property, and the stigma associated with adverse health reports, excessive noise, sleep disruption, shadow flicker and various combinations of these factors, all tend to indicate a lack of compatibility with residential uses.

9: What are typically reported or measured impact distances for large-scale turbines?

Impacts vary by category, roughly summarized as follows:

1. Visual – depending on the terrain and the vantage point, visual impacts and aesthetics can be impacted for approximately 5 miles, although the latest generation of turbines at 400 -500 feet can be seen for in excess of 20 miles, in some locations and conditions. Clearly, the nearer the vantage point, the more extreme the visual and aesthetic impact is likely to be to neighbors.

2. Noise – up to 9.5 miles when ridge mounted turbines (New Zealand report), although most audible noise does not exceed 3 miles. Low frequency noise and infra sound has been reported beyond audible ranges, and is often reported as the basis for sleep disturbance and other nuisance factors, which in turn are often related to health complaints.

3. Shadow Flicker – This impact is most prevalent in the less than ¾ mile range, and is often reported as an extreme nuisance. At 1,000 feet – 1,400 feet, the flicker or 'strobe" effect is an extreme nuisance to residential occupants, both inside and outside of their homes.

4. Health – Medical Doctors have conducted clinical studies of wind project neighbors, and impacts are reported from 2 km (1.25 miles) out to 2 and even 3 miles. A recent (February 2011) letter from an Australian Doctor has reported indicated impacts out to 10 km, or approximately 6.2 miles.(***McCann exhibit F***)

5. Blade/ice throw – Under certain conditions of mechanical breakdown and high speed disintegration, blade sections have been reported in excess of ¼ mile. I have personally heard of a turbine blade throw that approached 1 mile.

6. Property Values – Different study measurements range from 2 miles (McCann) to 3 nautical miles (Luxemburger), to 5 miles (LBNL – Hoen report), with a varying range of value loss measured.

7. I would add that the wind industry spokespeople are using the wrong metric when proposing setbacks. They seem to prefer to establish setbacks on the basis of feet and meters, while the project impacts are measurably and adversely broadcast for miles and kilometers.

10: What is the LBNL / Hoen report that industry cites on property value impacts? Please summarize your review of this report.

- ERNEST ORLANDO LAWRENCE BERKELEY NATIONAL LABORATORY The Impact of Wind Power Projects on Residential Property Values in the United States: Ben Hoen, Ryan Wiser, et al, Environmental Energy Technologies Division December 2009. (LBNL)

This USDOE funded study is often cited by wind energy developers to claim there is no value impact from such projects, even though the ***study acknowledges that nearby properties may experience losses*** and further recommends that more study in the immediate project areas is needed. This study is somewhat useful to understanding the probable impact from the BNE turbine project.

VISTA IMPAIRMENT

In the LBNL study, the authors attempt to analyze the impact of wind projects on residential property values. They also separately address the statistically measured impact on residential values from scenic vistas, or views based on ***regression analysis of over 4,700 sale transactions,*** for this component of the study.

A photographic representation of Vista ratings is contained in **McCann Exhibit A**, and value characteristics of the range of Vista quality is graphically depicted within the LBNL report (pg xiii) on Figure ES-2. The following observations are *prima facie* evidence that impairment of scenic views results in a measurable loss of property values, as follows:

- A premium Vista adds 13% of value over and above the value of an average vista.
- A poor vista results in values 21% below the base-line average vista.
- An above average vista adds 10% to the value of an average vista.
- A below average vista reflects values 8% lower than an average vista.

To illustrate examples of the LBNL findings as it applies to the impairment of vistas for residential property, it is first acknowledged that the vista of any given residential

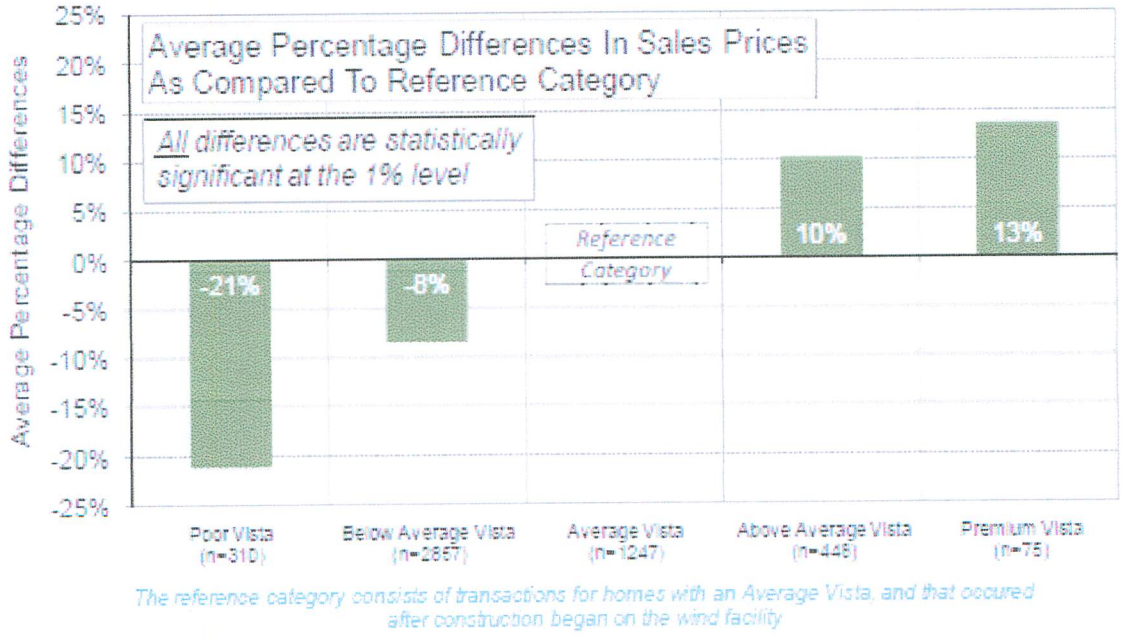
property is going to be rated differently before introduction of a utility scale wind energy facility which will later have a view of the facility, albeit at varied distances and intervening terrain features.

My personal viewing and review of photographic evidence of existing vistas in the immediate subject property location adjacent to the project area indicates similarity with premium, above average and average vistas, as defined and characterized in the LBNL report. On balance, the LBNL report provides examples of premium, above average, average, below average and poor vistas.

Less natural, industrialized vistas have inferior ratings, and the extremely close proximity of two 462-492 foot tall turbine is claimed to be represented by the close distances cited in BNE Petition Volume 3, Exhibit j, page 6 at distances within 1 mile and impact to the vista of the nearest residences. Further, a setback summary for residential homes has been prepared by my client and is contained in ***McCann Exhibit G.*** Many of the homes listed in ***McCann G*** would suffer an extreme impairment of the existing neighborhood vista for hundreds of homes are unarguably at risk of this aesthetic impairment, along with the residential character of the neighborhood that pre-exists the BNE project.

In my opinion, below average and poor vista ratings are consistent with the impairment of vistas that would be caused by the BNE facility itself. ***(see McCann Exhibit A)***

Figure ES-2: Base Model Results: Scenic Vista



Source: December 2009 LBNL report

Thus, in project area residential locations with a premium vista, a turbine facility downgrading the amenity to a poor or below average vista will result in a **value loss of 21% to 34%.** Similarly, residential property possessing a current average vista, if downgraded to poor or below average vista from the BNE facility will suffer **between 8% and 21% value diminution.**

At approximately 462 to 492 feet in height, the view of the BNE facility will be present at considerable distances that extend well beyond the nearest residential property, particularly if a blinking light is required at night for aviation safety purposes.

NUISANCE IMPAIRMENT

For many residents, the introduction of a utility scale turbine facility will constitute a visual nuisance, based on the unprecedented height and the impairment of aesthetics related thereto, the blinking aviation light in the night sky, if required by the FAA, etc.

Nuisances are also created by noise from wind generators, and have been well documented by the "market" as being highly disruptive to the peaceful use and enjoyment of residential homes at levels well below the 10 dBa above ambient standard cited in the Prospect Zoning Regulations. In short, compliance with noise codes does NOT insure against nuisances being created by actual noise levels.

The complaints, personal accounts and factual experiences described by hundreds of individual "neighbors" to turbines comport with the technical descriptions and medical studies of sub-audible noise, also referred to as ultra-sound, infra-sound, low frequency noise, and which is not audible to the typical human ear in the normally expressed manner.

These real-life (***not "modeled"***) nuisance descriptions are typically ignored, discounted or denied by wind developers, even though there are numerous examples of developers buying out or settling with nearby homeowners who have suffered from the same range of effects commonly known as "Wind Turbine Syndrome". These noise effects and nuisances related thereto have been documented in excess of 2 to 3 miles from the nearest turbines.

The LBNL study attempts to separately isolate the impact of nuisance on value, as depicted in the following Figure ES-1 from the LBNL study.

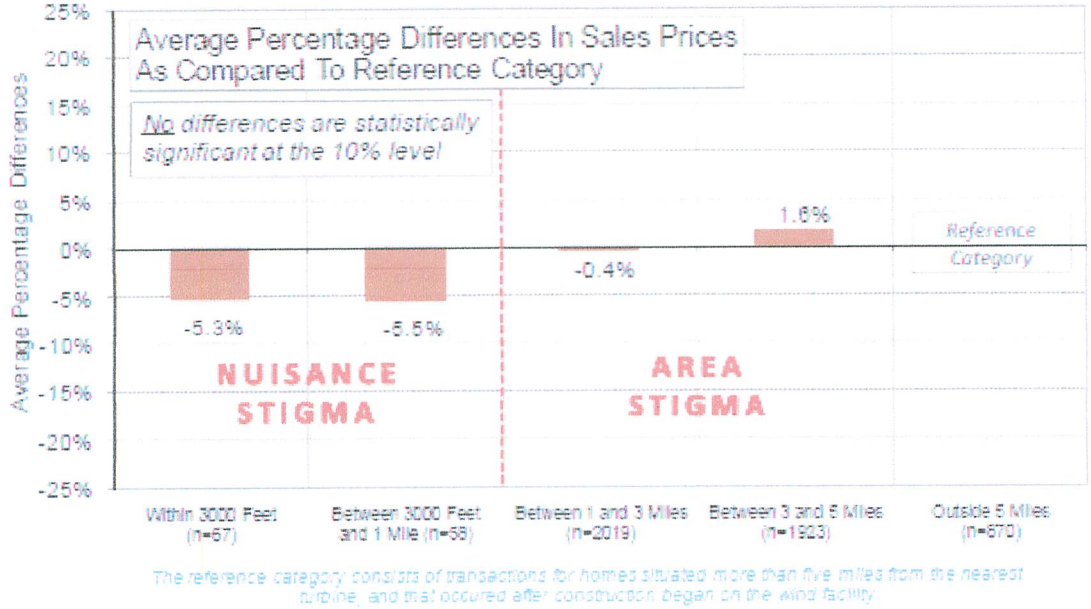
This figure separates the nuisance by distance from residential property, and clearly reveals that properties in the 3,000 feet and less, and 3,000 feet to 1-mile range **suffer value loss of 5.3% to 5.5%,** respectively.

While the LBNL report authors discount the statistical significance of their own findings, this dismissal of relevance must be understood in the context of the largely irrelevant data from greater distances having provided the baseline property characteristics in a disproportionately sized data pool or sample, and which "waters down" the statistical indications.

The LBNL report must also be understood as a study commissioned with the intent of furthering the government policy of expanding wind energy development in the United States.

Nevertheless, even exclusion of certain impacted property data, or the disproportionate inclusion of data from 5 to 10 miles distant, did not eliminate the downward indication of value resulting from proximity to a nuisance, as depicted in the following figure:

Figure ES-1: Base Model Results: Area and Nuisance Stigma

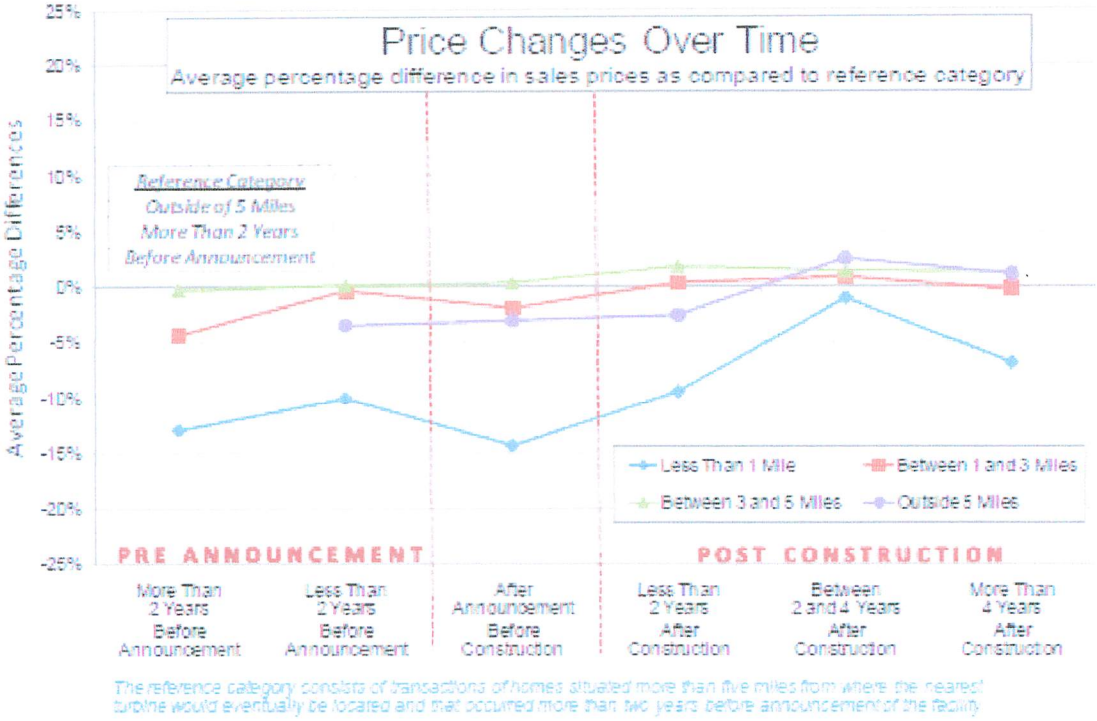


Source: December 2009 LBNL report

Pre-Construction "Constructive Notice" of Turbine Facilities

Further, the following LBNL study Figure ES-4 depicts value changes over time, at varied distance from wind turbines. The applicability of this focus of the LBNL study to the subject BNE facility can be understood in the post-announcement but pre-construction phase of turbine projects, at which point "constructive notice" has been served on surrounding neighbors and property owners. Properties within 1-mile of such projects reflect the largest decline in value, and **confirm that a utility scale wind energy facility has measurable negative impact on property values within 1-mile**. Even the 3 to 5 mile range shows that values did not increase post-construction, when the control or reference group of home sales outside 5 miles was increasing in value, and nothing located within 5 miles indicated comparable value increases.

Figure ES - 4: Temporal Aspects Model Results: Area and Nuisance Stigma



The reference category consists of transactions of homes situated more than five miles from where the nearest turbine would eventually be located and that occurred more than two years before announcement of the facility.

The LBNL study is not the only pro-wind study that refutes the claims of developers regarding property value loss, due to their utility scale wind energy projects. A recent study focuses more on the pre-construction or "constructive notice" phase of development, as characterized by the pending application for the BNE facilities.

A separate academic study was conducted by Jennifer L. Hinman, Illinois State University, entitled:

WIND FARM PROXIMITY AND PROPERTY VALUES: A POOLED HEDONIC REGRESSION ANALYSIS OF PROPERTY VALUES IN CENTRAL ILLINOIS

The background of this study author is a Master's Thesis, prepared by the author in partial fulfillment of degree requirements. ISU is heavily funded by wind energy developers, the American Wind Energy Association, the USDOE and other grant programs that are decidedly "pro-wind", and which often seek to refute the actual experience of many neighbors to such projects.

In fact, ISU newsletters disclose that "corporate partners" that include wind energy development companies have access to the renewable energy programs, include advising on research direction and the right to review any applied research developed by ISU.

An excerpt of the Hinman thesis report is presented as follows:

This study uses 3,851 residential property transactions from January 1, 2001 through December 1, 2009 from McLean and Ford Counties, Illinois. This is the first wind farm proximity and property value study to adopt pooled hedonic regression analysis with difference-in-differences estimators. This methodology significantly improves upon many of the previous methodologies found in the wind farm proximity and property value literature. ***The estimation results provide evidence that a "location effect" exists such that before the wind farm was even approved, properties located near the eventual wind farm area were devalued in comparison to other areas****. Additionally, the results show that property value impacts vary based on the different stages of wind farm development. These stages of wind farm development roughly correspond to the different levels of risk as perceived by local residents and potential homebuyers. Some of the estimation results support the existence of "wind farm anticipation stigma theory," meaning that* ***property values may have diminished in "anticipation" of the wind farm*** *after the wind farm project was approved by the McLean County Board. Wind farm anticipation stigma is likely due to the impact associated with a fear of the unknown, a general uncertainty surrounding a proposed wind farm project regarding the aesthetic impacts on the landscape, the actual noise impacts from the wind turbines, and just how disruptive the wind farm will be*

11: Given the significant distances that value losses have been measured by LBNL, is there any means of accommodating a wind energy project without nearby residents losing equity in their homes?

The best method I am aware of to avoid property value losses is to either locate projects over 5 miles from the nearest homes, buy them out if they are closer, or provide a

Property Value Guarantee. However, the most extreme losses are measured in the range up to 3 miles from homes. In a setting such as the subject site, there simply are too many homes for avoidance by > 5 miles or buy outs to be feasible, leaving only PVG's.

Property Value Guarantee (PVG)
Approval of wind energy facilities have served as constructive notice of future plans for development of wind turbine projects, and property values have been shown to decline based on pre-construction anticipation of wind projects. As such, there is ample evidence to either deny such related projects within 1 to 3 miles of homes or require a PVG.

I note the BNE application is devoid of any such guarantee for any home or property owner, much less the Town of Prospect residents who live within 1, 2 or 3 miles from the proposed turbines.

Despite all the industry claims to the contrary, significant value impacts have in fact occurred, and have even resulted in the abandonment of homes, as well as nuisances, health problems, etc. A sampling of nuisance and health testimonials from people living near turbines is included in **McCann Exhibit C,** which contains web page and news links.

As a personal observation, in 30 years of appraising and studying real estate values, damages claims, zoning and land use issues, I have never before observed such a widespread and consistent series of similar, negative reports coming from residents living by any other type of facility. It is an observable trend in the market, both for owner-occupants and the home-buying market.

Even the principal author of the LBNL study, Ben Hoen, now recommends implementation of Property Value Guarantees (PVG's) in the context of wind energy project mitigation of impacts.

(see page 32 of linked webinar)
http://www.windpoweringamerica.gov/newengland/pdfs/2010/webinar_neweep_property_values_hoen.pdf

Property Value Risks Will Persist Unless They Are Measured, Mitigated and Managed

Manage

Manage risks in the short term for homeowners through tenable/workable measures

- Offer some combination of neighbor agreements/incentives and/or property value guarantees (e.g., Dekalb County, IL) to nearby homeowners as are economically tenable and legally workable
- Conduct follow up studies (e.g., surveys, appraisals)
- Realize that cumulative impacts may exist
- Realize that real or perceived risks may increase/decrease as more/better information become available

32 Energy Markets and Policy Group • Energy Analysis Department

Nuisance can be manifest by close proximity of the BNE facility to homes of less than 2 miles, and for other reasons. Distance includes visual impacts, and while visual impacts are plainly obvious to would be buyers, that has more of an impact on marketing, and also leaves homeowners wishing to sell with the ethical dilemma of making full disclosure of known nuisances to potential buyers, or facing possible legal repercussions and financial liability for failing to make such a disclosure. Noise and health impacts require an overnight presence, at a minimum, or living in the home to fully realize the frequency or intensity of the impacts.

Despite the limited number of the (2) BNE turbine developments, they will have a negative impact or "nuisance" due to the circumstances that the project and use has a dominant presence, impairs aesthetics, negatively changes the character of the neighboring residential property settings or perception thereof (single or multiple properties).

Any number of potential variable impacts has a demonstrable adverse impact on the use, enjoyment, marketability or value of the subject property neighboring use and it creates a man-made detriment to neighboring property and results in a negative impact for any homes that "got in the way". This is exactly why adequate setbacks are important. To mitigate against adverse impacts on neighboring property.

12: In addition to the LBNL and Hinman thesis reports reviewed, you indicated independent study was completed?

McCann Value Impact Study

Additional sale data studied by McCann for home values in a rural Illinois location adjacent to the Mendota Hills wind turbine project in Lee County is included in **Exhibit B** of this report. Despite the booming market conditions represented by the 2003-early 2005 sale dates, the **homes within 2 miles of the nearest turbine reflect an average sale price per square foot that is 25% lower than homes located outside that 2-mile perimeter.** No manipulation or regression analysis was made of the data, as all homes in both the near and far locations were of similar market appeal, price range and character. The average price per square foot was reviewed as *prima facie* evidence of value impact within 2 miles of the Mendota turbines.

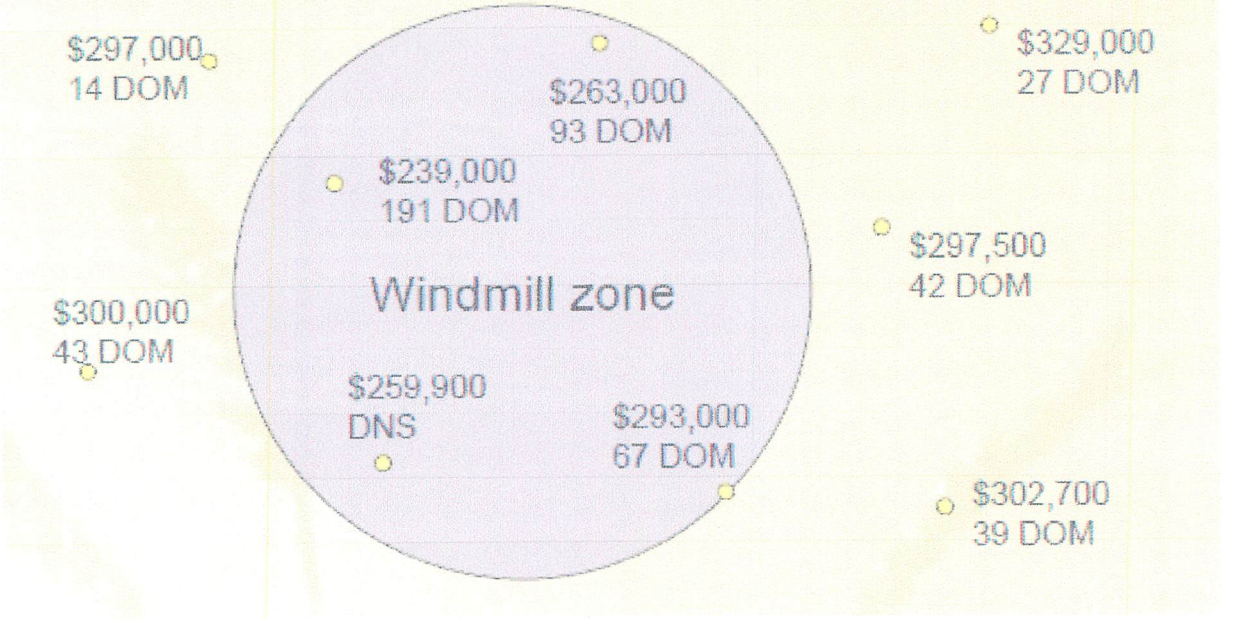
Luxemburger Study - excerpt

Properties inside Windmill Zones – Properties within 3nm of a windmill. 3nm was used as a basis since that is the distance one can see is a straight line due to the earth's curvature when on the same horizontal spectrum of the objects in the distance. Pilots use this as a basis for determining weather minima for the similar reason.

Properties outside Windmill Zones – These are properties a minimum of 3nm from existing windmills. If the object is not readily visible is the same horizontal plane, one can assume that there would be no impact in perceived value of the property due to the windmills.

- When this was done (based on a sample of 600 properties that sold in the windmill areas over a period of 3 years) the following was discovered.
  - The days on market was more than double for those properties inside the windmill zones
  - The sold price was on average $48,000 lower inside the windmill zones than those outside
  - The number of homes not absorbed (not sold) was 11% vs 3%

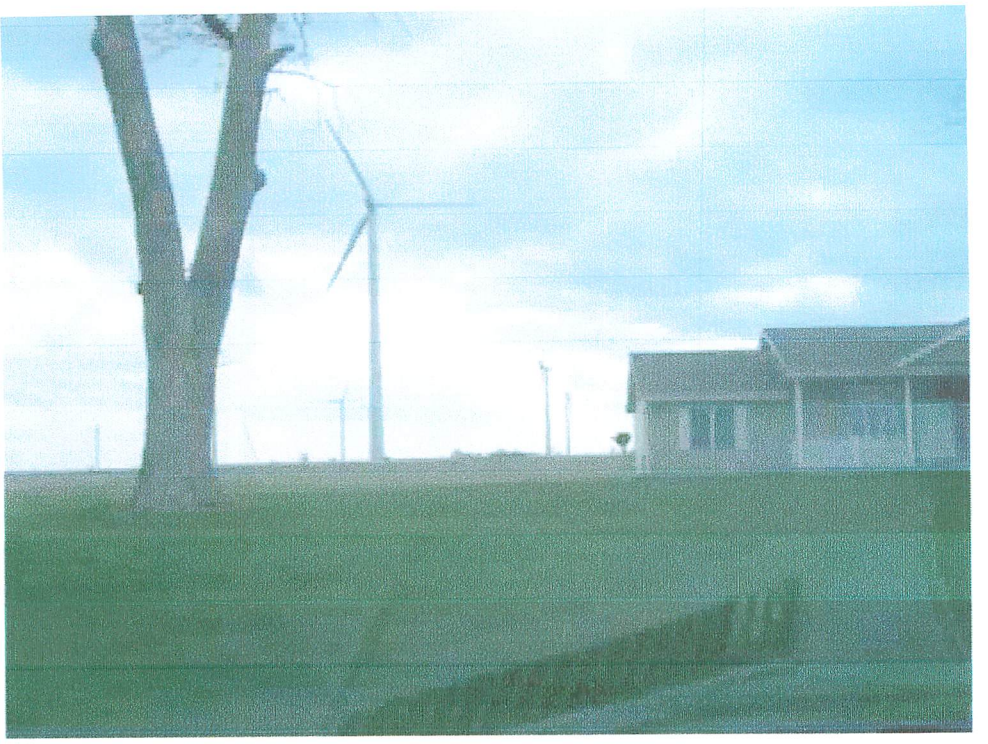
An illustration...



McCann – Case Studies

965 Bingham Road, Steward / Paw Paw, Illinois

- Original list date: Fall, 2005
- Original list price: $329,900
- Sale date: February, 2008
- Price: $265,000
- Time on market: 840 days
- Price reduction: $64,900 (19.7%)
- Typical reduction: 0% to 5%
- Proximity damages: $48,405 to $64,900
- Comparable new construction selling in 30 – 90 days, typically at 95-100% of list price 5+ miles from project



Control Comparable Sales

ADDRESS:	DAYS ON MKT.	SALE PRICE	SALE DATE
3588 HOUGHTBY RD., PAW PAW	LESS THAN 90 DYS.	$320,000.00	11-18-05
4468 N. IL. RT. 23, LELAND	LESS THAN 30 DYS.	$335,000.00	01-27-06
157 CHICAGO RD. PAW PAW	LESS THAN 45 DYS.	$370,000.00	12-15-05
1829 QUAIL HOLLOW RD., STEWARD	LESS THAN 60 DYS.	$304,500.00	01-30-06
1832 QUAIL HOLLOW RD., STEWARD	LESS THAN 60 DYS.	$360,000.00	06-20-07

In March of 2008 the 86 turbine Invenergy Forward Energy wind project went on line in Dodge and Fond du Lac Counties, Wisconsin. The setback from non-participating homes is 1000 feet. Two months later this home in the project went up for sale.

LISTED MAY 29, 2008: For Sale: Country home on five wooded acres. 1900 square feet, four bedrooms, 3.5 baths, central air, new roof, sky lights in kitchen, deck, family room with wood burning fireplace, vaulted ceilings, first floor laundry, exercise room, whirlpool tub in master bath, 3.5 car garage, your own nature trail through black walnut woods behind the house.

MAY 29, 2008: Asking $219,000 **($115/SF**). No buyers.
WINTER of 2009: Asking Price: $179,900. No buyers.
SPRING of 2010: Asking Price: $158,900. No buyers.
JUNE 4, 2010: After 740 days on the market, SOLD for $129,000 **($67.89/SF)**

Indicated Value diminution: $90,000 or 41%.

13: What does the combination of your studies and review of other value studies indicate to you as far as potential or probable value loss near the BNE project?

An impaired view, inadequate setback, and stigma associated with noise and health impacts and concerns, measured to project value loss from a property possessing a "premium" vista, indicates that a 13% premium could become a 21% reduction, or a net property value reduction of 34%. This is well supported by the range of property case studies of value loss for individual homes that range from 20% to 40%, and in some instances a complete loss of equity when homes are completely unmarketable, or are acquired by wind developers and re-sold for losses up to 80%, or even demolition of the otherwise livable homes.

This range of value loss for the nearest residential properties is fairly classified as significant, preventable and "undue". The probability of damages to the value of homes and other property is quantified with empirical data rather than speculation, and is clearly indicated to a high degree of professional certainty.

Further, the two property value studies often cited by the wind industry (Hoen & Hinman) were prepared by researchers who hold no appraisal licenses, designations, credentials or even any background in property sales or development. The industry-sponsored studies have also been selectively & partially quoted by the AWEA and other wind developers to the extent that it would tend to mislead the public as to the conclusions of the study authors. A brief interview with Ben Hoen, which is available on the web, is contained in **McCann Exhibit D**. This exhibit contains a printed version of the Hoen comments about his study, as well as a link to listen to the audio recording.

Conclusion

After completing my review of the subject location, it is clear that numerous homes in the Town of Prospect will be adversely impacted, and the best available evidence indicates that **value loss of 25% to 40% will occur to homes within approximately 2 miles of the turbines.** This impact is not expected to be uniform, and some losses may well be lower and others higher.

Per **Exhibit F**, there are approximately 924 homes located within 1.25 miles of the proposed BNE project. Using a conservative baseline value estimate of $225,000 per house, $207.9 million in housing value is likely to decline by **$52 to $83 million.**

The close proximity of the proposed turbines cannot meet any reasonable basis for avoiding adverse impact to the real estate value, and use and enjoyment of surrounding neighborhoods as follows:

- ***It will have an undue adverse impact on scenic views and residential property values.*** This is supported by both industry studies, post publication

author updates, and McCann independent study of property values. The LBNL study isolates and identifies value contribution to residential property when good or premium vistas are present, and the loss of such amenity is documented as the basis for lower values.

- ***The applicant has not agreed to implement any reasonable measures to mitigate the aesthetic impacts of the WET that result in value loss.*** Property Value Guarantees are effective tools, if carefully designed to leave property owners "whole", and even the LBNL author now recognizes the validity of a PVG.

- ***The two (2) turbine structures will NOT be in harmony with the visual character of the neighborhood, including views and vistas and, the character of the neighborhood.*** There is nothing built in Prospect that is the height of a 45+ story building, and the turbines will become the dominant presence within at least a mile of any other land use. Views and vistas create value for property, and impairment of vistas with non-compatible, immense, spinning machines simply can not blend in to any residential area or community. Night time noise levels can also be expected to be a nuisance to some neighbors, while daytime noise levels are not expected to be as severe. Despite the denial of wind industry spokespeople of low-frequency or sub-audible noise impacts, the fact remains that a significant number of people are highly disturbed by this type of turbine impact, which clearly demonstrates a lack of compatibility for turbines to be placed in close proximity to residential uses. The design of turbines cannot avoid the noise impacts, including sub-audible, amplitude modulation noise.

- ***The turbines architectural design will not be compatible with the character and scale of the adjacent and surrounding neighborhoods.*** Turbines are not architecturally designed but, rather, utilitarian by design. Large steel poles and the spinning (or still) blades are completely disproportionate in scale and contrary to the character of small towns and neighborhoods.

The BNE Facility, does not comply with the relevant criteria, as it fails to avoid or even to minimize impact on property value, impact on the character of the neighborhood, and is highly questionable as to safety of setbacks that do not even meet manufacturer guidelines for safety zone, or the requirement for distances safe from "ice throw". The proximity to some homes is several hundred feet closer to the turbine project than the 1,300 feet minimum to prevent ice throw hazards to the public.

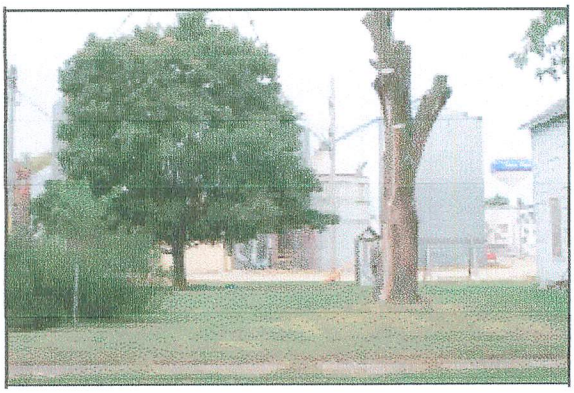
However, the preceding range of value and value damages is considered to be reasonably reliable for the purpose of determining whether the BNE Facility meets any reasonable requirements as to minimizing adverse impact on property values or on adverse impact to the character of the neighborhood.

I reserve the right to supplement my opinions at a later date, if the need arises and/or if additional information becomes available. Further, McCann's ongoing study of wind energy projects and their impacts may result in future disclosures and market information relevant to wind energy development issues.

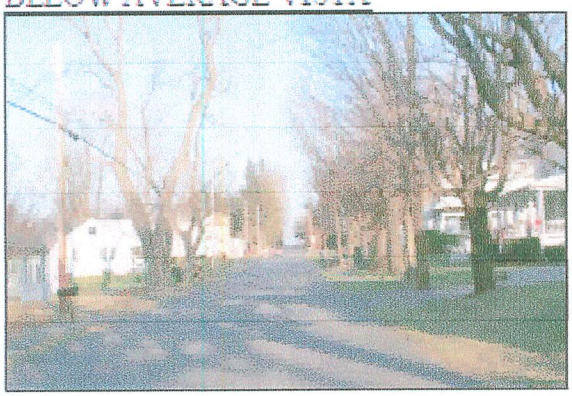
McCann Exhibit A

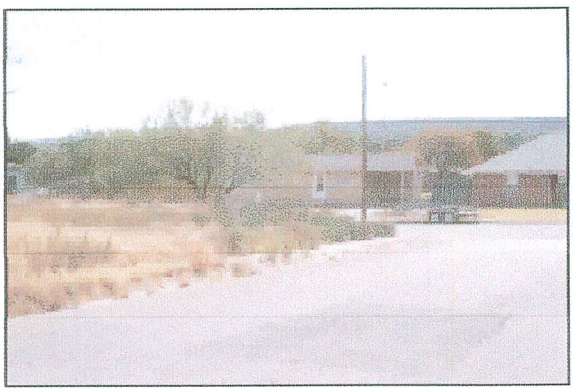
Appendix D: Vista Ratings with Photos

POOR VISTA



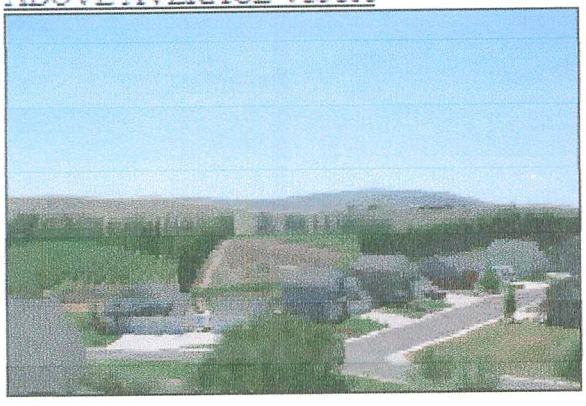
BELOW AVERAGE VISTA





AVERAGE VISTA

ABOVE AVERAGE VISTA



PREMIUM VISTA

Source: LBNL Appendix D, report page 120 & 121

McCann Exhibit B

Mendota Hills Wind Energy Project

Sale #	Address	Sale Date	Price	Grantor	Grantee	Style	Size SF	$/SF
1	629 W. Chestnut	Oct 2003	$37,000	Estes	Lipe	1.5	1,161	$31.87
2	323 W. Chestnut	Oct 2004	$40,000	Reed	Hovious	1.5	1,425	$28.07
3	1019 Steward Rd	May 2003	$40,000	Houle-Ward	Reyns	2	1,408	$28.41
4	91143 Paw Paw	Mar 2005	$187,000	Zaylik	Pachero	2	1,571	$119.03
5	1224 IL Rte 251	Jun 2003	$138,000	Gittleson	Kowalski	2	1,272	$108.49
6	339 Chestnut St	Jan 2003	$72,000	White	Flynn	2	1,684	$42.76
7	630 W. Chestnut	Sep 2003	$126,000	Eddy	Morath, Sr	1.5	1,728	$72.92
8	427 Chestnut St	Oct 2003	$87,000	Hesik	Rourke, Jr	1.5	1,380	$63.04
9	138 Cherry St	Sep 2004	$80,000	Hammond	Alexander	1.5	1,326	$60.33
10	536 W. Cherry	Oct 2004	$63,500	Johnson	Fitzpatrick	1.5	999	$63.56
11	885 Compton Rd	Oct 2004	$68,900	Boyson	Gellings	1	480	$143.54
12	518 W. Cherry St	Apr 2003	$87,500	Allen	Beckman	1	927	$94.39
13	222 Maple St	Dec 2004	$150,000	Clark	Cummings	1	1,852	$80.99
14	444 W. Main St	Mar 2005	$109,900	Miller	Michaels	1	1,402	$78.39
15	2974 Beemerville	Jul 2003	$367,000	Finkboner	DGNB TRT	1	2,201	$166.74
							Average sale price	$78.84
16	1310 Melugins Grove	Apr 2004	$179,000	Lyons	Overton	2	1,952	$91.70
17	2612 Shady Oaks Rd	Apr 2003	$131,000	Smith	Papiech	1.5	1,208	$108.44
18	3448 Cyclone Rd.	Mar 2003	$105,900	Munyon	Pippenger	2	1,456	$72.73
19	2524 Johnson St	Aug 2004	$61,800	Copeland	Lampson	1.5	948	$65.19
20	741 Third St	Feb 2004	$63,500	Eckhardt	Rosales	1.5	868	$73.16
21	613 Church Rd	May 2003	$115,000	Merkel	Parpart	1.5	1,458	$78.88
22	3435 Willow Creek	Jun 2003	$118,000	Swiatek	Brydun	2	884	$133.48
23	3021 Cottage Hill	Mar 2005	$182,000	Russ	Curtis	1.5	1,239	$146.89
24	3385 Willow Creek	Mar 2003	$180,000	McCoy	Carver	2	2,840	$63.38
25	745 Second St	Dec 2004	$59,000	Wilson	Calderon	1.5	1,161	$50.82
26	761 4th St	Mar 2003	$68,000	Stewart	Elsinger	1	724	$93.92
27	2774 Welland Rd	Apr 2003	$93,000	Batha	Crumpton	1.5	1,104	$84.24
28	558 Earlville Rd	Jan 2003	$145,000	Hodge	Ikeler	2	1,280	$113.28
29	2505 Wood St	Aug 2004	$105,000	Janiak	Bullock	2	1,812	$57.95
30	385 Earlville Rd	Aug 2004	$280,000	Rago	Diehl	2	2,142	$130.72
31	3095 Cyclone Rd	Dec 2004	$169,900	Summerhill	Rainbolt	2	2,048	$82.96
32	742 Second St	Jan 2003	$103,000	Delhotal	Stewart	2	1,876	$54.90
33	395 Angling Rd	Mar 2005	$119,000	BMV Prop	Herendeen	1	680	$175.00
34	2515 Wood St	Apr 2004	$80,000	Jones	Sarver	1	912	$87.72
35	1218 Locust Rd	Jan 2005	$169,000	Wachowski	Gembeck	1	1,040	$162.50
36	901 Melugens Grove	Aug 2003	$228,000	Kidd	Rajan	1	2,000	$114.00
37	1490 German Rd.	Aug 2004	$85,000	Firlit	Challand	2	2,144	$39.65
38	603 Ogee Rd.	Apr 2004	$285,000	Anderson	Miller	1	1,920	$148.44
39	546 Carnahan Rd	Jan 2005	$110,000	Coley	Sarabia	1	1,296	$84.88
40	1353 County Line	Nov 2003	$185,000	Vallejo	Bozaeth	1.5	1,338	$138.27
41	2512 Johnson St	Feb 2005	$123,000	Montavon	Sutton	2	2,232	$55.11
42	2509 Herman Rd	Apr 2004	$142,900	Bresson	Anes	1	1,404	$101.78
43	955 Woodlawn	Jul 2003	$265,000	Swan	LaRosa	1.5	1,918	$138.16
44	1279 Locust Rd	Mar 2003	$270,000	Witte	olin	1	2,156	$125.23
45	648 Ogee	Nov 2003	$225,000	Fickenscher	Rojas	1	1,768	$127.26
46	1339 Woodlawn Rd	Sep 2003	$230,000	Howell	Bamhill	1	1,701	$135.21
47	1349 Woodlawn Rd	May 2003	$207,500	Howell	Wiskan	1	1,809	$114.70
48	711 O'Gee Rd	Aug 2004	$185,000	Groevengoed	Carabal	1	1,352	$136.83
49	1295 Locust Rd	May 2004	$300,000	Hagan	Lowe	1	2,672	$112.28
50	860 Paw Paw Rd	May 2004	$185,000	Wiskur	Pogreba	1	1,148	$161.15
51	3011 Honeysuckle	Mar 2005	$355,000	Abbott	Brandt	2	3,655	$97.13
52	489 Earlville Rd	Nov 2004	$165,000	Schlafke	Fromhertz	2	1,400	$127.86
53	2512 Shaw Rd	Jun 2004	$153,500	Hlavin	Kapinski	2	1,638	$93.71
							Average sale price	$104.72

Sales 17 - 53 located > 2 miles from turbines	$104.72 sq ft
Sales 1 - 16 located within 2 miles of turbines	$78.84 sq ft
Difference in sale price per square foot	$25.89 sq ft
Average Value diminution within 2 miles of turbines	25%

McCann Exhibit C

Author: National Wind Watch

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McCann Exhibit D

posted: December 21, 2010 •

Ben Hoen on need for Property Value Guarantee

Author: Schneider, Clif

The following is an excerpt from a conversation I had in April 2010 with Ben Hoen, whose work with property value impacts associated with wind projects is widely referenced by developers, including those developers hoping to have wind projects approved here in Jefferson and St. Lawrence Counties. Hoen's comments below are very different from the spin suggested by Madden of BP Alternative Energy and Acciona's FEIS. Hoen indicates if developers believe turbines won't devalue neighboring property they should guarantee it, and he's right:

"You know we are very cautious about what happens close to the turbines. We really don't know what's going on there (e.g., 1,250 ft from turbines). I just spoke in Illinois about this. You might know about a Property Value Guarantee. It's a dicey situation and complicated, but I think homes that are very close, there is just too much unknown right now; that seems reasonable. I think **one of the things that often happens is that (wind) developers put our report forward and say look property values aren't affected, and that's not what we would say specifically.** On the other hand, they have little ground to stand on if they say we won't guarantee that. I think for homes that are close we have a lot more ambiguity and real issues. If we are talking about views that's one thing, if we are hearing it or shadow flicker that might be really regular, the kind of things that happen at night. …

"I'm not a lawyer and I'm not the developer, these (PVGs) are just options in the tool kit. I don't know whether it's reasonable to put together, I have looked at one, I don't know if there is a better way to write it or whether the one I read from Illinois is good or bad. They have to be thought about, they all probably have cost implications, so the developer is not going to give away the house if they were too generous; on the other hand if they are not generous enough they don't have any impact. That's just one of the tools available, there are neighbor agreements that may be more applicable whether folks nearby get compensation, if they are not a participating land owner. One of the things I've always hoped is somebody would offer one or the other and see what landowners would do."

Reported by:
Clif Schneider
April 12, 2010

Listen to the recording of Hoen's comment:

McCann Exhibit E

2/5/11

Dear Mr Carignan & Mr Putnam,

I am writing to you in my capacity as Medical Director of the Waubra Foundation, a national Australian Organisation which has been formed specifically to further independent acoustic, scientific and medical research into the adverse health effects of industrial wind turbines. I am a trained Rural Family Physician (known as General Practiioners in Australia), and became interested in this topic when turbines were proposed for the hills near my home. I am personally concerned about global warming/climate change, and strongly support renewable energy efforts, but not at the expense of one group's health, wealth and well being (rural residents).

As part of my work, I am collecting field observations from affected residents living in Australia. Preliminary data and information I have been collecting suggests that the ***health problems associated with operation of these turbines are much more widespread and severe than previously thought, both in terms of the numbers of people affected, and the distances over which they are experiencing symptoms (up to 10km in some parts of Australia, especially where the turbines are 80 metres or taller and are placed on ridges***). The existence of these health problems has now been well described by clinicians working in the UK (Dr Amanda Harry), the US (Dr Nina Pierpont, Dr Michael Nissenbaum) and Canada (Dr Robert McMurtry).

In my experience, the range of problems described by all these clinicians, and the descriptions which affected residents have given to often new symptoms of a new illness particularly as described by Dr Nina Pierpont in her meticulous, methodical landmark peer reviewed study, are exactly the same as those described by affected residents in Australia.

Notably, most of these affected residents in my experience were completely unfamiliar with her work when I interviewed them, as recently as two weeks ago. In Australia, as in Dr Pierpont's study, families lives have been severely affected: some are leaving their family homes because of ill health (if they can afford to) and in Australia the same practice of industry using confidentiality agreements is prevalent, in order to hide the unfolding public health disaster.

In addition, I am finding disturbing examples of markedly raised blood pressures ***in residents living within 5km of turbines,*** which appear to be directly related to the operation of the turbines. There is experimental peer reviewed published data which clearly shows that infrasound can induce physiological changes, including elevation of blood pressure and heart rate (paper by Qibai & Shi, available on line via the windturbinesyndrome.com website).

We now know from work done recently by Mr Rick James in Ontario that modern upwind turbines do emit infrasound, and at much higher sound pressure levels than previously thought (see his presentation from the international symposium posted on windvigilance.com for further particulars, especially the sound spectograms on the second last page).

I am very concerned about the long-term, chronic effect of exposure to wind turbines, as some residents with a history of long exposure who move away are not finding that all their symptoms completely resolve. I am particularly concerned about the long-term cumulative damage to children.

The Waubra Foundation is currently assisting independent researchers to further investigate and describe these health problems, and measure infrasound, but in the meantime we are strongly advocating taking a precautionary approach to any future development, and ***not building turbines closer than 10km to any housing, until further information is available which will help determine a safe setback distance of turbines from residences.***

I would urge you, in your respective positions, to protect your citizens' health in Falmouth from any further damage. Please do not hesitate to contact me for further information.

Yours Sincerely,

Sarah Laurie, MD
Medical Director
The Waubra Foundation

McCann Exhibit F

House Count within 1.25 miles

Street Name	<750'	<1,000'	<1,500'	<2,000'	<2,500'	<3,000'	<4,000'	<4,500'	1 Mile	1.25 Mile	Total
Amher Court							15				15
Barbara Avenue								25	17	0	42
Beach Drive										25	25
Boyd Drive								3	10		13
Brookwood Court										1	1
Cambridge Drive								3	11	23	37
Candee Road						3	11	2	2		18
Canfield Court							3				3
Christine Drive										3	3
Coachlight Circle							1	8	18	17	44
Cobblestone Court									5		5
Cook Road						33	6	4	9	19	71
Deerfield Drive							8	7			15
Dogwood Drive									17	3	20
Elaine Court							5	0	4		15
Englewood Avenue								2	14		16
Heidstone Drive							4	4			8
George Street			5	2							7
Giovanni Drive									3	11	14
Hemlock					13	6					19
Heritage Drive									5	20	25
Horizon View									11		11
Howard Avenue								3	15		18
Ivy Terrace										6	6
Kluge Road		1	2								3
Knollwood Place								5			5
Kyle Joseph Terr.										4	4
Lakeview Road										7	7
Lee Road			2	10	8						20
Lombard Drive										7	0
Meadow Lane					1	16					17
Mountain Road						3	11	3	3		18
New Haven Road		5	5	5	6	3		2	1	2	29
Nicole Court										1	1
Pine Drive								3	3		6
Pinno Court										1	1
Porter Hill Road										5	5
Putting Green Lane							1	9	34	22	66
Radio Tower Road				4	6						10
Roaring Brook Rd.										9	9
Robinmark Road						2	10	1			13
Roy Mountain Road								7	4		11
Saddle Court							4				4
Sills Avenue								12	15		27
Skyline Drive						1	5	14	6		26
Spruce Drive									1	23	24
Stephen Court							12	3			15
Stonefield Drive										14	14
Straitsville Road										32	32
Talmadge Hill Road							4	2	8	14	28
Valley Lane							12	12			24
Woodcrest Drive				13	32	4					49
Yale Farms Lane									4	1	5
TOTALS:	0	6	14	34	66	71	112	139	219	263	924
SETBACK DISTANCE	<750'	<1,000'	<1,500'	<2,000'	<2,500'	<3,000'	<4,000'	<4,500'	1 Mile	1.25 Mile	
CUMULATIVE # OF RESIDENCES	0	6	20	54	120	191	303	442	661	924	

Source: Save Prospect, Inc.

CERTIFICATION

The undersigned, representing McCANN APPRAISAL, LLC, do hereby certify to the best of our knowledge and belief that:

FIRST: The statements of fact contained in this consulting report are true and correct.

SECOND: The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and represents the personal, impartial and unbiased professional analyses, opinions, and conclusions of the undersigned.

THIRD: We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to any of the parties involved.

FOURTH: We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

FIFTH: Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

SIXTH: Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

SEVENTH: Our analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

EIGHTH: No physical inspection was made by McCann Appraisal, LLC of the property that is the subject of this report. The undersigned utilized photographs, maps and property record card data for characterizing and understanding the character of the subject property:

NINTH: No one other than the undersigned provided significant real property appraisal assistance to the person signing this certification.

TENTH: Neither the undersigned nor McCann Appraisal, LLC has previously appraised the subject property.

IN WITNESS WHEREOF, THE UNDERSIGNED has caused these statements to be signed and attested to.

Michael S. McCann, CRA
State Certified General Real Estate Appraiser
License No.553.001252 (Expires 9/30/2011)

PROFESSIONAL BIOGRAPHY
MICHAEL S. MCCANN, CRA

Michael S. McCann has been exclusively engaged in the real estate appraisal profession since 1980, and is the owner of McCann Appraisal, LLC.

EXPERIENCE

His appraisal experience has included market value appraisals of various types of commercial, office, residential, retail, industrial and vacant property, along with a wide variety of unique or special purpose real estate, such as limestone quarries, hotels, contaminated properties, etc. He has gained a wide variety of experience in real estate zoning evaluations and property value impact studies, including analysis of utility scale wind turbine generating facilities, gas-fired electric generating plants, shopping centers, industrial facilities, limestone quarries, sanitary landfills and transfer station waste disposal facilities. He has been retained as an independent consultant to municipalities, government agencies, corporations, attorneys, developers lending institutions and private owners, and has spoken at seminars for the Appraisal Institute, the Illinois State Bar Association and Lorman Education Services on topics including the vacation of public right of ways (1986), and Property Taxation in the New Millennium (2000), Zoning and Land Use in Illinois (2005, 2006).

In addition to evaluation of eminent domain real estate acquisitions for a wide variety of property owners & condemning authorities, Mr. McCann has served as a Condemnation Commissioner (2000-2002) appointed by the United States District Court - Northern District, for the purpose of determining just compensation to property owners, under a federal condemnation matter for a natural gas pipeline project in Will County, Illinois.

EXPERT TESTIMONY

Assignments include appraisals, studies and consultation regarding real estate located in 21 states. He has qualified and testified as an expert witness in Federal Court, and for condemnation, property tax appeal and zoning matters in the Counties of Cook, Will, Boone, Lake, Madison, St. Clair, Iroquois, Fulton, McHenry, Ogle & Kendall Circuit Courts, as well as the Chicago and Cook County Zoning Boards of Appeal, the Property Tax Appeal Board (PTAB) and tax court & Commissions of Illinois, Wisconsin, and Ohio, Circuit Courts in New Jersey and Indiana, as well as zoning, planning, and land use and County Boards in Texas, Missouri, Idaho, Michigan, New Mexico and various metropolitan Chicago area locales. He has also been certified as an expert on the Uniform Standards of Professional Appraisal Practice (USPAP) by the Cook County, Illinois Circuit Court. Mr. McCann has substantial experience in large-scale condemnation and acquisition projects and project coordination at the request of various governmental agencies and departments. These include appraisals for land acquisition projects such as the Chicago White Sox Stadium project, the Southwest Transit (Orange Line) CTA rail extension to Chicago's Midway Airport, the United Center Stadium for the Chicago Bulls and Blackhawks, the minor league baseball league, Silver Cross Field stadium in Joliet, Illinois , as well as many other urban renewal, acquisition and neighborhood revitalization projects.

REAL ESTATE EDUCATION

Specialized appraisal education includes successful completion of Real Estate Appraisal Principles, Appraisal Procedures, Residential Valuation, Capitalization Theory and Techniques Part A, Standards of Professional Practice Parts A, B and C, Case Studies in Real Estate Valuation, Highest and Best Use and Market Analysis, Advanced Income Capitalization, Subdivision Analysis and Special Purpose Properties, Eminent Domain and Condemnation, and Valuation of Detrimental Conditions in Real Estate offered by the Appraisal Institute. In addition, he has completed the Society of Real Estate Appraisers' Marketability and Market Analysis course, the Executive Enterprises - Environmental Regulation course, and a variety of continuing education real estate seminars.

DESIGNATIONS & PROFESSIONAL AFFILIATIONS

Mr. McCann is a State Certified Associate Member of the Appraisal Institute, and the National Association of Review Appraisers & Mortgage Underwriters designated him as a Certified Review Appraiser (CRA). He was elected in 2003 as a member of Lambda Alpha International, an honorary land economics society, and he served several years as a member of the Appraiser's Council of the Chicago Board of Realtors.

LICENSES

State Certified General Real Estate Appraiser in the State of Illinois (License No. 533.001252) and is current with all continuing education requirements.