

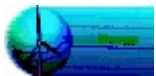
PROPERTY VALUE STUDY

THE RELATIONSHIP OF WINDMILL DEVELOPMENT AND MARKET PRICES

TOWNSHIP OF MELANCTHON,
TOWNSHIP OF EAST LUTHER GRAND VALLEY AND
COUNTY OF DUFFERIN



Prepared For:



WINDRUSH ENERGY

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September 2006

INTRODUCTION

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INTRODUCTION

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2. COMPANY PROFILE

Blake, Matlock and Marshal Ltd. endeavours to create and maintain both responsible and profitable management of real estate for which it was intended. Our focus is to bond a strong working relationship with corporations and investment bodies alike in both the public and private sector communities who strive to meet that same objective. Boldly stated, our commitment to real estate appraising and consulting excellence has set a new standard, which is quickly becoming a measurement in both reputation and in product. A large percentage of our work involves the preparation of assignments related to commercial, industrial, residential and agricultural uses for banking, investment and government needs alike. These projects are commonly required to accommodate wide scope initiatives which include financing, negotiation, expropriation, litigation, taxation appeal, investment yield calculation, ground rent arbitration, portfolio presentation and market study. Blake, Matlock and Marshal Ltd. also majors in comprehensive land development services that are spearheading our notability as leaders in the appraisal industry.

To fulfill its mandate, Blake, Matlock and Marshal Ltd. retains an assortment of specialized consultants headed by Peter Bobechko its Principal. Mr. Bobechko obtained his AACI designation in the financial core of the City of Toronto, under the direction of G.I.M. Young of Stewart, Young and Mason, one of Canada's premier real estate appraisal and consultancy firms. Prominent qualifications, combined with almost two decades of related experience, form an integral part of the company's direction and success. Blake, Matlock and Marshal Ltd. combines personal experience and expertise with integrity and dedication, backed by a sophisticated network of resources. These components formulate an unmatched ability to meet a wide spectrum of demands placed on us by a diversified client base. A large portion of our clients are adapting to meet evolutions in planning requirements and shifts in global economics. Blake, Matlock and Marshal Ltd. is proud to be an integral part of their future and remains confident that we can continue in our leadership, while fulfilling our agenda to retain a high level of excellence for all.

3. BACKGROUND

The Windrush Energy company has retained the services of Blake, Matlock and Marshal Ltd. to conduct an independent review of real estate values in the Township of Melancthon, the Township of East Luther Grand Valley and the County of Dufferin. The intention of this effort was to determine if the development of recent windmill energy in the Melancthon area has had any impact on the growth of property values when compared to East Luther Grand Valley where windmill development has not been implemented and to average prices found in Dufferin County which includes the said townships within its boundary. The Township of Melancthon and the Township of East Luther Grand Valley are similar in terms of geography, demographics, economics and land use distribution and are a natural comparison with each other and with the County of Dufferin. This multi-dimensional process involved capturing a snap shot of sales activity for the first two quarters of 2002 prior to the inception of windmill development and comparing the results to the first two quarters of 2006 when widespread knowledge and working windmills were in existence in Melancthon and the results to the growth level of resales within township lands for timelines in between.

This market study has been prepared at the request of the Windrush Energy company through the direction of Mr. John Pennie, its Chairman, who is publicly committed to discovering the facts relative to concerns residents may have regarding the impact of windmill energy on property values. This study is limited in scope with respect to presentation but is the subject of comprehensive research in the pursuit of serving its intended purpose and a commitment to confidentiality, truth and justice. The objective of this process is to ensure that the application of renewed energy projects co-exists with the responsible application of public interests while benefiting the environment. Windmill locations are presently in the Township of Melancthon and are primarily positioned in rural settings where property areas are greater than 1 acre and include both land and improvements that contain homes, hobby farms and large agricultural operations. Land owners are provided an opportunity to maximize, reclaim and better utilize unuseable or less desirable land to generate rental income for windmill construction with prospects of subsidizing energy costs by reason of their presence.

The information and data gathered in this document is designed to provide Windrush Energy with research that can be easily understood by all. The resulting study is the latest effort by the Windrush Energy company in its diligent quest for factual results related to alternative energy sources and the betterment of society. The parameters of this report are based on detailed investigations and examinations of property transfers from both private and public sources. The data uncovered is presented for the purposes of establishing historical property values and the impact of windmill development on market prices through a comparison of township and county results.

4. SCOPE

1. Data was extracted for the Township of Melancthon, the Township of East Luther Grand Valley and the County of Dufferin and was tempered in terms of time of sale to confine an examination of transfers that fell within the specified timeline of Q1 and Q2 of 2002 prior to any windmill development compared to Q1 and Q2 of 2006 after windmill development had commenced in Melancthon in 2003.
2. The examination focussed on a review of properties greater than 1 acre for township lands with reference to area categories and for detached properties as a whole in the examination of county prices.
3. Registered sales information was reproduced for township lands from Geowarehouse Services and statistical information for the County of Dufferin from the Toronto Real Estate Board (TREB) which separates Town of Orangeville figures through segregated coding procedures. Transfers used in this analysis are perceived to be arms-length in nature where presented and were discounted in instances of uncertainty and non-arms length conditions.
4. The sample size was limited to the time periods and components of study and was relied upon to smooth out differences in the manner presented for the purpose of understanding average values relative to different circumstances and conditions.
5. Analysis was effectively confined to a micro and macro review of posted prices paid for properties within the said analysis. Property values are considered to be the major constant for investment decision in the area and the greatest requirement of study.
6. Findings were largely presented as indicators of volume, price and growth and were reconciled for the relationship of windmill development to market value worths through a comparison of before and after windmill events and to turnover results within the time frame of price examination.
7. Conclusions were finalized through a review of overall property data together with a weighted examination of annualized growth figures based on the results of sales activity versus resale activity by reason of the greater sample size.

5. ASSUMPTIONS AND LIMITING CONDITIONS

1. It is not reasonable for any other person or corporation to rely upon the results of the aforementioned document without obtaining written authorization from the appraiser. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to that persons identity or intended use. This report is prepared on behalf of our client on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied. The results are presented as being factual and the appraiser assumes no liability for any dependency placed on the use of this report.
2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that;
 - a. title of the properties are accurately presented and marketable,
 - b. legal descriptions, land areas and building descriptions examined for this report are correct,
 - c. no responsibility is assumed by the appraiser for legal matters in nature, in particular those affecting title of the properties,
 - d. there are no encroachments, encumbrances, restrictions, leases, agreements or conveyances that would in any way affect the results, except as expressed in our report,
 - e. existing uses, are legal conforming uses which may be continued by any purchaser or the existing owner,
 - f. there are no unaccounted for rights of way, easements or encroachments over other real property and all rental agreements and other conveyances are legally enforceable,
 - g. there are no unaccounted for adverse conditions or property deficiencies past or present including but not limited to contaminants, pollutants or toxins.
3. As the foregoing assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.
4. Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.

5. ASSUMPTIONS AND LIMITING CONDITIONS

5. Based on the magnitude of this assignment the properties are assumed not to be contaminated. However, it must be pointed out, we are not environmental specialists and as an environmental assessment was not provided to our office and we were not requested to obtain an environmental assessment, for the purposes of our report we have assumed that the properties are not contaminated and there is no evidence of such.
6. Possession of this report, or a copy thereof, does not carry with it the right of publication. All copies are reserved to the author and are considered confidential between the author and the client. The report shall not be disclosed, quoted from or referred to in whole or part or published in any manner without obtaining the express written consent of the author and is subject only to confidential review by the Appraisal Institute of Canada.
7. In order to arrive at a supportable conclusion, the market data has been largely assumed for accuracy and relevance from the sources referenced in the report. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay or interpreted relevant evidence. A concerted effort has been made to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable, correct and complete has been gathered according to procedures which are recognized by the Appraisal Institute of Canada.
8. The distribution of values of this report between land and improvements if assigned, applies only under the program of utilization as identified in this report. Separate valuations if developed must not be used in conjunction with any other reports, and may be invalid if so used.
9. Because market conditions, including economic, social and political factors change rapidly and on occasion without warning, the market values expressed as of the effective dates of the report cannot be relied upon to estimate market value as of any other date, except with further advice of the appraiser.
10. The property rights appraised exclude mineral rights, if any.

5. ASSUMPTIONS AND LIMITING CONDITIONS

11. The agreed upon compensation for services rendered in preparing this report does not include any fee for court preparation or court appearance. Should either be required in connection with this report, additional fees will have to be agreed upon.
12. This report is only valid if it bears the original signature of the appraiser.
13. No mechanical check or UFFI inspection has been undertaken by the appraiser if improved, and the appraiser is not qualified to determine if UFFI has been installed in concealed areas on property types being the topic of study. Nevertheless, we assume no such substance is or has been present.
14. The author is further not qualified to give engineering advice. Accordingly, it is assumed that there are no patent or latent defects in the properties being examined for value.

6. CERTIFICATE

We certify that, to the best of our knowledge and belief:

1. Blake, Matlock and Marshal Ltd. is a privately owned company. We certify that we have no present or contemplated interest in the examined properties, or in the estates of the registered owner or with our client.
2. The statements of fact contained in this report are true and correct and we have considered all factors believed to affect the value of properties.
3. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are personally unbiased.
4. We have no present or prospective interest in the properties that are the subject of this report and we have no personal interest or bias with respect to the parties involved.
5. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
6. Our analyses, opinions and conclusions developed in this report have been prepared in conformity with the Canadian Standards of Professional Appraisal Practice.

INTRODUCTION

6. CERTIFICATE

7. Blake, Matlock and Marshal Ltd. researched the data, have strong knowledge of the area and are in receipt of documentation and records that provide a comprehensive understanding of circumstances which helped weigh our findings.
8. Elizabeth Bourne provided significant professional assistance to the person signing this report.
9. The Appraisal Institute of Canada has a recertification program for designated members. As of the date of this report we have fulfilled the requirements of the program.
10. This market study and real estate analysis has been prepared on the assumption that the property complies with all requirements of authorities having jurisdiction over environmental matters.
11. The reconciled findings presented in this report are prepared as of **September 2006** for the specified timeline of **Q1 & Q2 of 2002 and Q1 & Q2 of 2006** and for dates in between as referenced.

BLAKE, MATLOCK AND MARSHAL LTD.



September 26, 2006

Peter Bobechko *AACI, P. App.*

Date of Signature



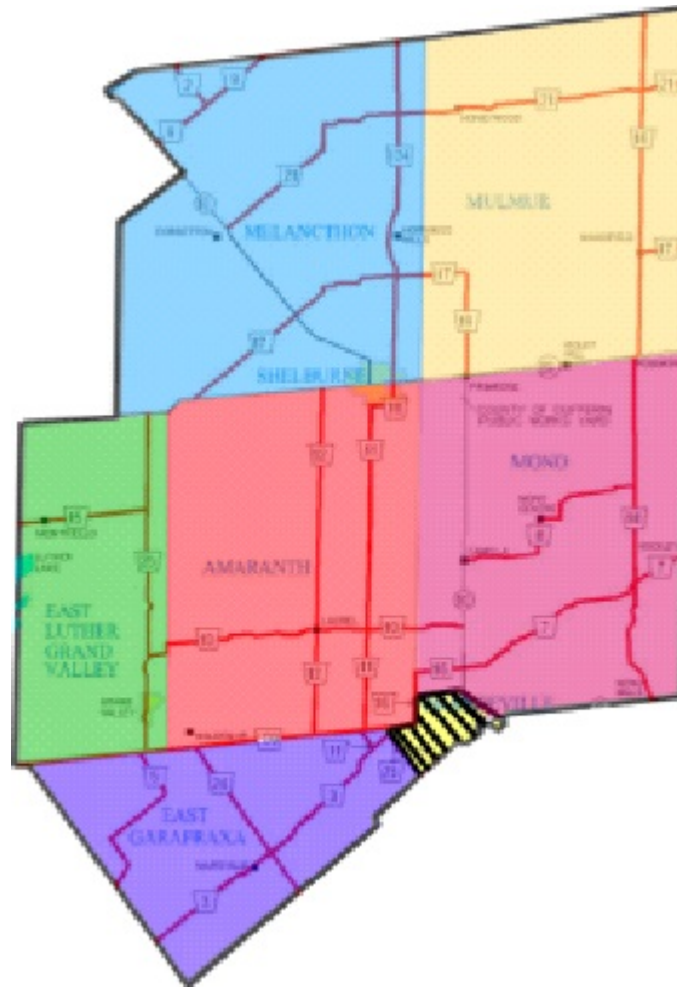
September 26, 2006

Elizabeth Bourne

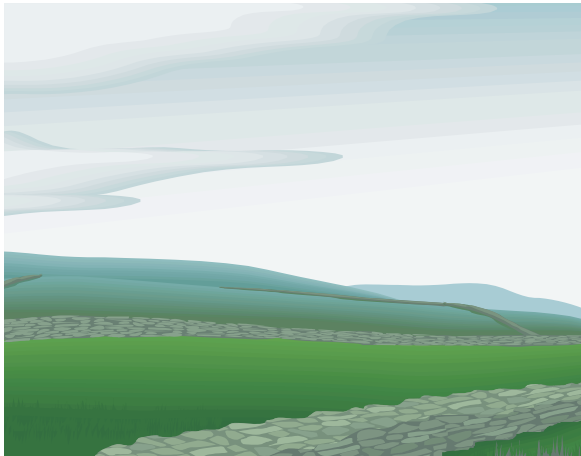
Date of Signature

INTRODUCTION

7. MAP OF TOWNSHIPS AND COUNTY



REGISTERED SALES ANALYSIS



**SOURCE: GEOWAREHOUSE SERVICES
TIMELINE; Q1 & Q2 / 2002 & 2006**

8. PART I

MELANCTHON AND EAST LUTHER GRAND VALLEY

FINDINGS

8. PART I - REGISTERED SALES ANALYSIS

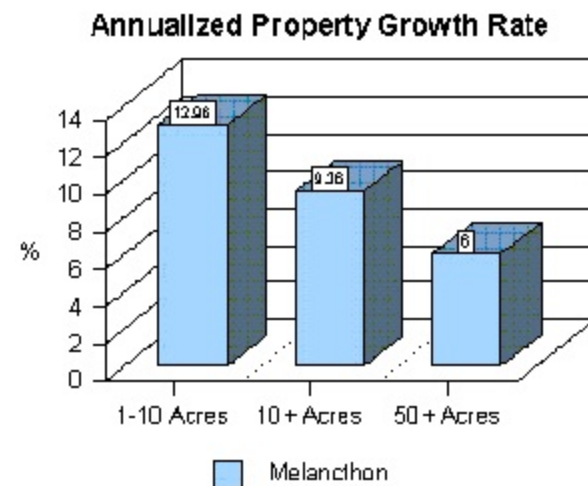
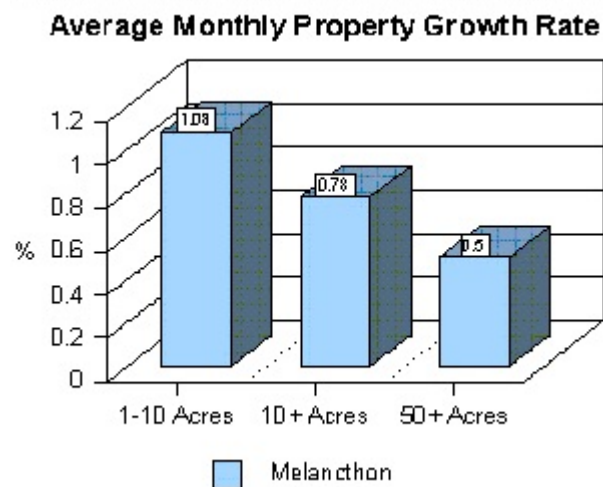
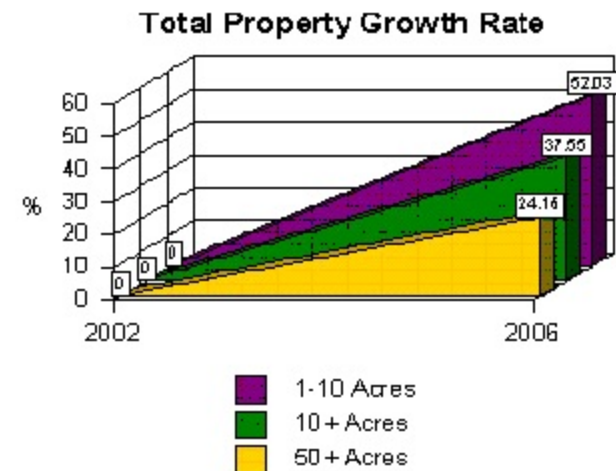
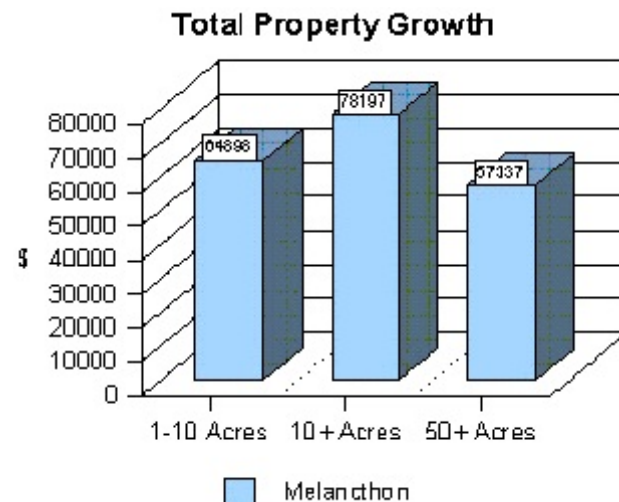
A) TOWNSHIP OF MELANCTHON

YEAR / Q1 & Q2	TOTAL CONSIDERATION	NUMBER OF TRANSFERS	TOTAL ACRES	MEAN PRICE PER PROPERTY	TOTAL PROPERTY GROWTH AMOUNT	TOTAL PROPERTY GROWTH RATE	AVERAGE MONTHLY PROPERTY GROWTH RATE	ANNUALIZED PROPERTY GROWTH RATE
1 - 10 ACRES								
2002	\$2,868,700	23	50	\$124,726	\$64,898	52.03%	1.08%	12.96%
2006	\$6,067,960	32	87	\$189,624				
10 ACRES PLUS								
2002	\$5,206,797	25	1,948	\$208,272	\$78,197	37.55%	0.78%	9.36%
2006	\$5,729,382	20	2,131	\$286,469				
50 ACRES PLUS								
2002	\$4,273,030	18	1,722	\$237,391	\$57,337	24.15%	0.50%	6.00%
2006	\$5,010,382	17	2,046	\$294,728				
COMBINED CATEGORY FIGURES - TOWNSHIP OF MELANCTHON								
1 - 10 Acres					\$66,811	37.91%	0.79%	9.44%
10 Plus Acres								
50 Plus Acres								

FINDINGS

8. PART I - REGISTERED SALES ANALYSIS

A) TOWNSHIP OF MELANCTHON



FINDINGS

8. PART I - REGISTERED SALES ANALYSIS

B) TOWNSHIP OF EAST LUTHER GRAND VALLEY

YEAR / Q1 & Q2	TOTAL CONSIDERATION	NUMBER OF TRANSFERS	TOTAL ACRES	MEAN PRICE PER PROPERTY	TOTAL PROPERTY GROWTH AMOUNT	TOTAL PROPERTY GROWTH RATE	AVERAGE MONTHLY PROPERTY GROWTH RATE	ANNUALIZED PROPERTY GROWTH RATE
1 - 10 ACRES								
2002	\$335,900	2	4	\$167,950	\$22,768	13.56%	0.28%	3.36%
2006	\$2,860,775	15	57	\$190,718				
10 ACRES PLUS								
2002	\$1,644,500	5	493	\$328,900	\$135,267	41.13%	0.86%	10.32%
2006	\$2,785,000	6	741	\$464,167				
50 ACRES PLUS								
2002	\$1,399,500	4	446	\$349,875	\$114,292	32.67%	0.68%	8.16%
2006	\$2,785,000	6	741	\$464,167				

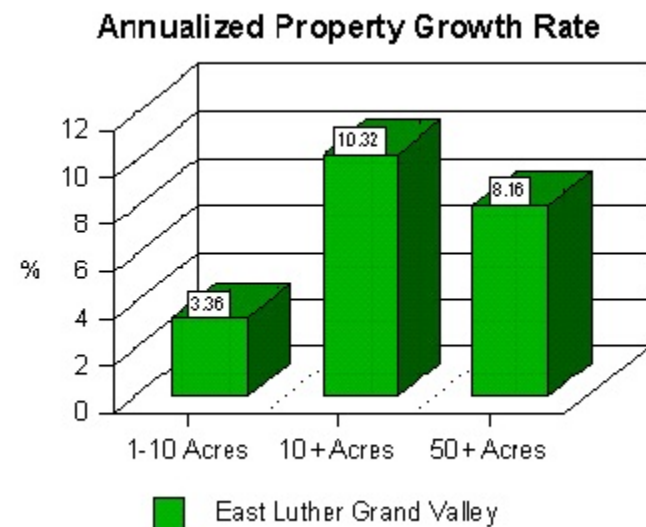
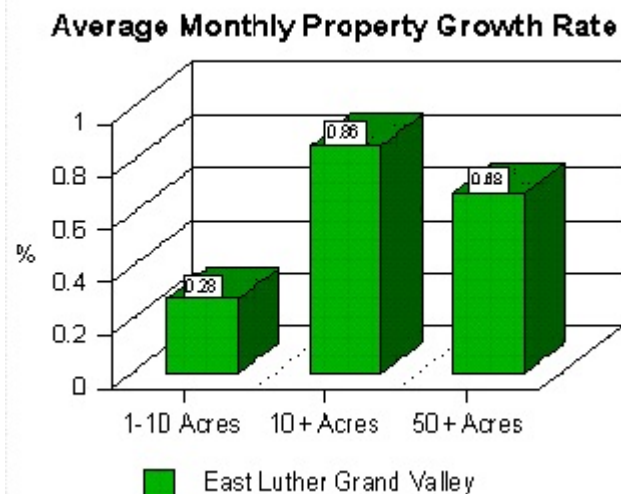
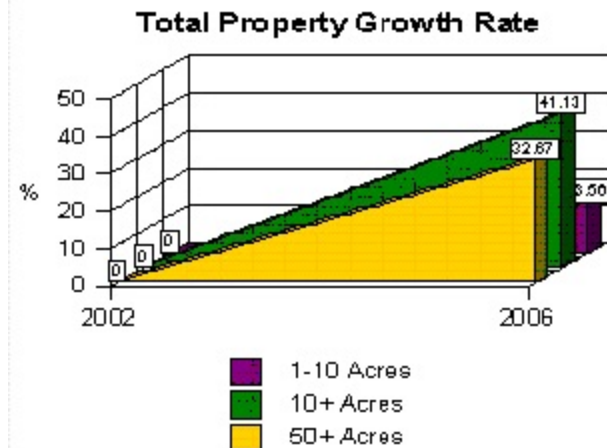
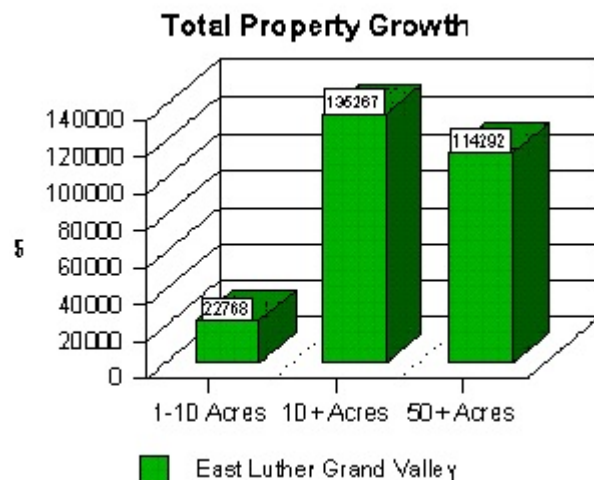
COMBINED CATEGORY FIGURES - TOWNSHIP OF EAST LUTHER GRAND VALLEY

1 - 10 Acres	\$90,776	29.12%	0.61%	7.28%
10 Plus Acres				
50 Plus Acres				

FINDINGS

8. PART I - REGISTERED SALES ANALYSIS

B) TOWNSHIP OF EAST LUTHER GRAND VALLEY



REGISTERED RESALE ANALYSIS



SOURCE: GEOWAREHOUSE SERVICES

TIMELINE: Q1 & Q2 / BETWEEN 2002 & 2006

8. PART II

MELANCTHON AND EAST LUTHER GRAND VALLEY

FINDINGS

8. PART II - REGISTERED RESALE ANALYSIS

TOWNSHIP OF MELANCTHON							
Instrument Number	Date of Registry	Time Differential	Price	Increase	Growth	Monthly Average	Annualized Rate
DC11529	May 22, 2002	47 Months	\$247,000	\$28,000	11.34% Overall	0.88%	10.56%
DC59633	April 20, 2006		\$275,000		0.24% / Month		
DC15797	October 1, 2002	39 Months	\$136,950	\$37,050	27.05% Overall		
DC56033	January 3, 2006		\$174,000		0.69% / Month		
DC10747	April 25, 2002	48 Months	\$198,000	\$77,000	38.89% Overall		
DC59634	April 20, 2006		\$275,000		0.81% / Month		
DC13905	July 31, 2002	46 Months	\$28,000	\$24,000	85.71% Overall		
DC60716	May 19, 2006		\$52,000		1.86% / Month		
DC13855	July 31, 2002	47 Months	\$93,000	\$107,000	115.05% Overall		
DC62494	July 4, 2006		\$200,000		2.45% / Month		
DC26016	September 2, 2003	34 Months	\$225,000	\$16,000	7.11% Overall		
DC63025	July 14, 2006		\$241,000		0.21% / Month		
DC57658	October 3, 2003	28 Months	\$360,000	\$24,000	6.67% Overall		
DC57658	February 17, 2006		\$384,000		0.24% / Month		
DC29983	December 22, 2003	28 Months	\$249,081	\$83,919	33.69% Overall		
DC59952	April 28, 2006		\$333,000		1.20% / Month		
DC30032	December 23, 2003	28 Months	\$260,000	\$15,000	5.77% Overall		
DC59633	April 20, 2006		\$275,000		0.21% / Month		

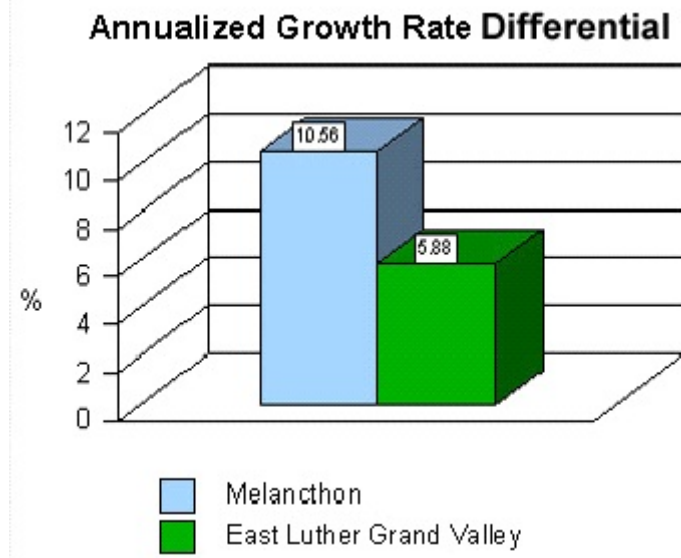
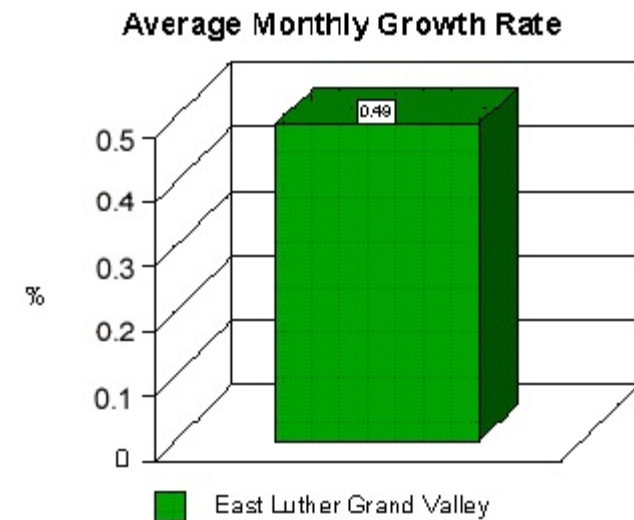
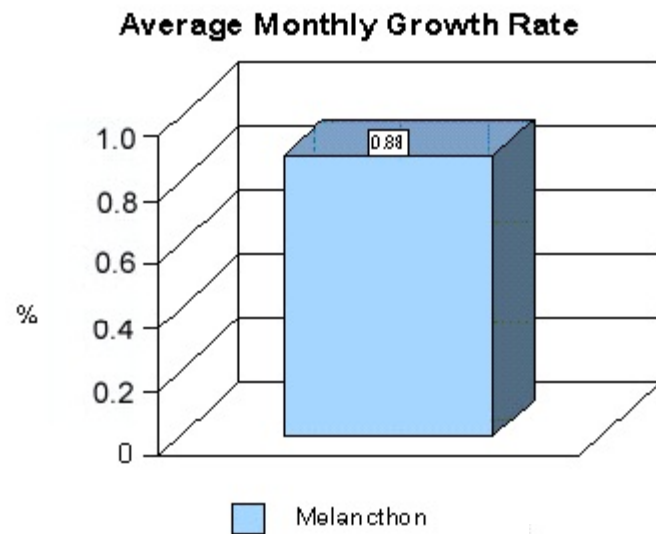
FINDINGS

8. PART II - REGISTERED RESALE ANALYSIS

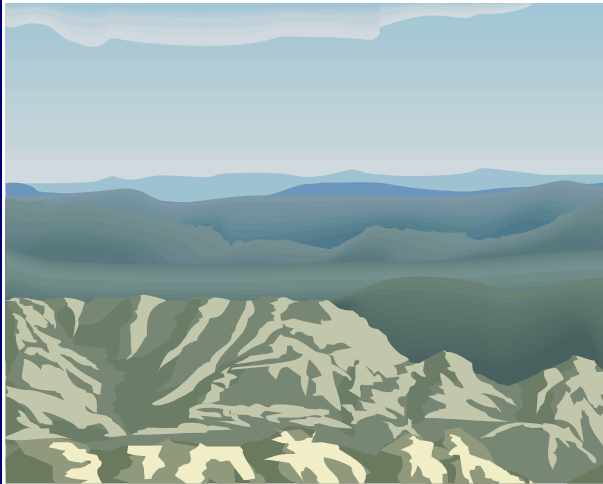
TOWNSHIP OF EAST LUTHER GRAND VALLEY							
Instrument Number	Date of Registry	Time Differential	Price	Increase	Growth	Monthly Average	Annualized Rate
DC15345	September 13, 2002	42 Months	\$185,000	\$38,000	20.54% Overall	0.49%	5.88%
DC59036	March 31, 2006		\$223,000		0.49% / Month		

FINDINGS

8. PART II - REGISTERED RESALE ANALYSIS



MLS STATISTICAL ANALYSIS



SOURCE: TORONTO REAL ESTATE BOARD
TIMELINE: Q1 & Q2 / 2002 & 2006

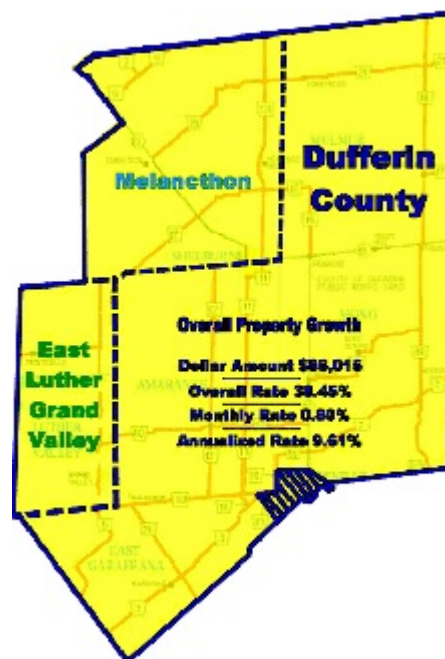
8. PART III

DUFFERIN COUNTY

FINDINGS

8. PART III - MLS STATISTICAL ANALYSIS

DUFFERIN COUNTY						
YEAR	NUMBER OF SALES	AVERAGE SALE PRICE	AVERAGE GROWTH (QUARTERS 1 & 2 OF 2002 vs QUARTERS 1 & 2 OF 2006)			
	DETACHED PROPERTY STATISTICS (QUARTERS 1 & 2)	DETACHED PROPERTY STATISTICS (QUARTERS 1 & 2)	DOLLAR AMOUNT	OVERALL RATE	MONTHLY RATE	ANNUALIZED RATE
2002	200	\$223,726	\$86,015	38.45%	0.80%	9.61%
2006	210	\$309,741				



EXECUTIVE SUMMARY



SOURCE: GEOWAREHOUSE SERVICE & TREB

TIMELINE: Q1 & Q2 / 2002 vs 2006

8. PART IV

MELANCTHON AND EAST LUTHER GRAND VALLEY AND DUFFERIN COUNTY

8. PART IV - EXECUTIVE SUMMARY

VOLUMES

- ▶ Prior to the windmill project (Q1 & Q2 - 2002) volume levels were significantly high in Melancthon and greater than in East Luther Grand Valley at a ratio of approximately 6 to 1.
- ▶ After the windmill project (Q1 & Q2 - 2006) volume levels remained high in Melancthon and were marginally greater than before the windmill project at a rate of about 4.6 %. This increase continued to be greater than in East Luther Grand Valley at a reduced ratio of 2.5 to 1.
- ▶ Between the dates of study (Q1 & Q2 - 2002 to 2006) resale activity was measurably higher in Melancthon than in East Luther Grand Valley producing an activity ratio of about 9 to 1.
- ▶ Prior to the windmill project (Q1 & Q2 - 2002) volume levels were significantly high in Dufferin County and were proportionate to levels of other rural communities distantly north of the GTA.
- ▶ After the windmill project (Q1 & Q2 - 2006) volume levels remained high in Dufferin County and were marginally greater than before the windmill project (Q1 & Q2 - 2002) at an average rate of about 5.0 %.

8. PART IV - EXECUTIVE SUMMARY

PRICES

- ▶ Prior to the windmill project (Q1 & Q2 - 2002) price levels were significantly lower in Melancthon than in East Luther Grand Valley at a variance of approximately 48.5%.
- ▶ After the windmill project (Q1 & Q2 - 2006) prices increased in Melancthon and in East Luther Grand Valley at a reduced variance before the windmill project of 45.2%.
- ▶ Between the dates of study (Q1 & Q2 - 2002 to 2006) resale prices were measurably higher in Melancthon than in East Luther Grand Valley producing a price ratio of about 10.1%.
- ▶ Prior to the windmill project (Q1 & Q2 - 2002) price levels were significantly high in Dufferin County and were proportionate to levels of other rural communities distantly north of the GTA.
- ▶ After the windmill project (Q1 & Q2 - 2006) price levels remained high in Dufferin County and were marginally greater than before the windmill project (Q1 & Q2 - 2002) at an average variance of about \$86,015.

8. PART IV - EXECUTIVE SUMMARY

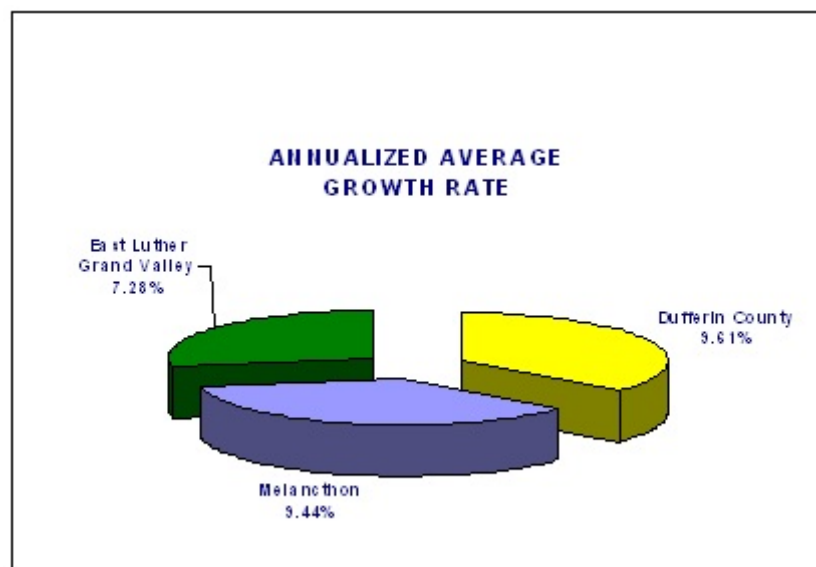
GROWTH

- ▶ Growth levels were significantly higher for registered sales in Melancthon subject to windmill development over those in East Luther Grand Valley undeveloped with windmill energy producing average growth rate superiority between Q1 & Q2 of 2002 and Q1 & Q2 of 2006 of 8.79 % per period, 0.18% per month and 2.16% per annum, respectively.
- ▶ Growth levels were significantly higher for resales in Melancthon prior to and within the timeline of windmill development compared to those in East Luther Grand Valley without windmill development all together. These sales produced average growth rate superiority for Melancthon between Q1 & Q2 of 2002 and Q1 & Q2 of 2006 of 0.39% per month and 4.68% per annum, respectively.
- ▶ Growth levels were significantly high for MLS detached sales in Dufferin County which included Melancthon and East Luther Grand Valley in its average price calculations and were consistent with registered sale indexes measured standing alone for Melancthon which was subject to windmill development. County figures produced similar growth statistics to Melancthon at a variance rate of less than 0.54% per period, 0.01% per month, and 0.17% per annum despite the presence of windmill development. County growth was much greater than in East Luther Grand Valley standing alone which was without windmill development yielding a measurable shortfall of about 9.33% per period, 0.19% per month and 2.33% per annum, respectively.

8. PART IV - EXECUTIVE SUMMARY

CONCLUSION

- ▶ The Township of Melancthon and the Township of East Luther Grand Valley are neighbouring communities located in Dufferin County which are noticeably similar in many ways. The most notable difference between these communities is the existence of windmill development. The Township of Melancthon has demonstrated consistent patterns of growth on most accounts despite being the topic of windmill development and similar growth to Dufferin County as a whole which included communities absent of this energy characteristic. The Township of Melancthon has further demonstrated superior growth to the Township of East Luther Grand Valley which is devoid of windmill development and which produced inferior growth to Dufferin County statistics. The economics and environmental circumstances surrounding this large scale energy initiative therefore are not seen to have diminished property value but rather to have arguably nourished property value by its presence. Annualized growth figures provide concise and self-evident findings as added testimony to the positive conclusions drawn regarding the relationship of windmill development on property values.



KEY

[Q1 & Q2 - 2002 to Q1 & Q2 - 2006]

Melancthon - Registered Sales Analysis - Part I

East Luther Grand Valley - Registered Sales Analysis - Part I

Dufferin County - MLS Statistical Analysis - Part III