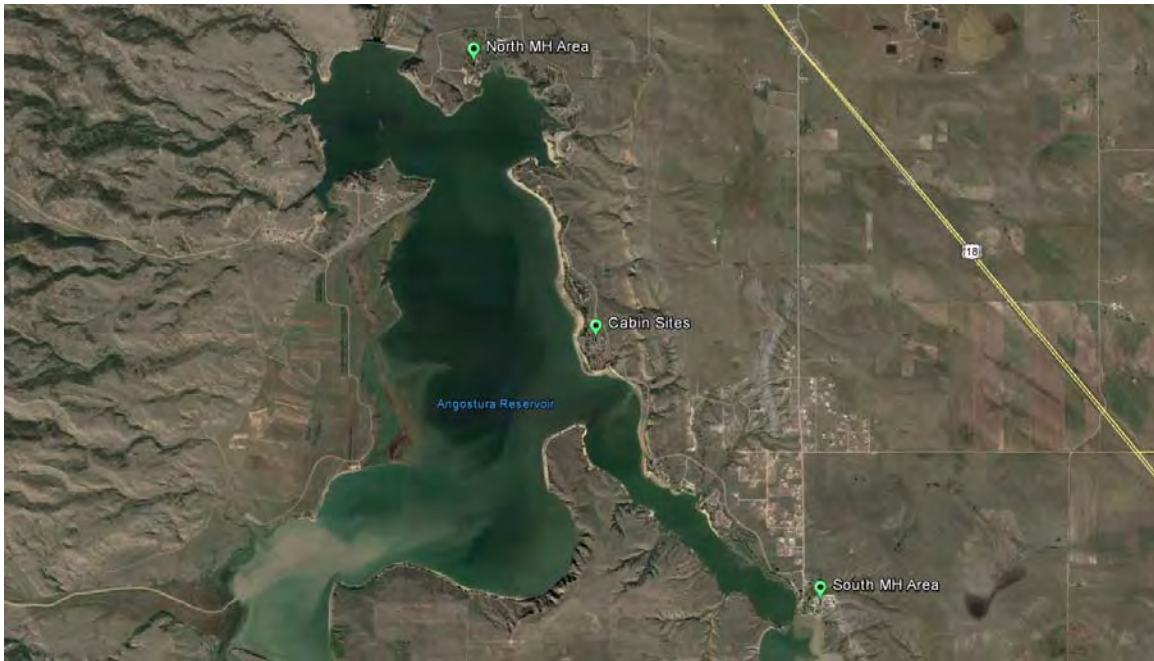


MARKET RENT SURVEY



Angostura Reservoir Cabin and Trailer Sites Fall River County, South Dakota

SUBMITTED TO

Steve Murphy, Review Appraiser
Office of Valuation Services
1340 Financial Blvd., Reno, NV 89502

IVIS: PROJECT / CASE NUMBERS

R14026 / 00065191

EFFECTIVE DATE OF SURVEY

October 1, 2015

DATE OF REPORT

October 8, 2015

SUBMITTED BY

Charles W. Laflamme, MAI
Adam Bradshaw
Office of Valuation Services
2180 Harvard Street, Suite 380
Sacramento, CA 95815



United States Department of the Interior
Office of Valuation Services

2180 Harvard, Suite 380
Sacramento, CA 95815

October 8, 2015

Steve Murphy, Review Appraiser
Office of Valuation Services
1340 Financial Boulevard
Reno, NV 89502

Re: Market Rent Survey
Angostura Reservoir Cabin and Trailer Sites
Fall River County, SD

Dear Mr. Murphy:

Per the request of the Bureau of Reclamation (Reclamation) via the Office of Valuation Services, we have prepared this **market rent survey**.

The **purpose** of this survey was to gather sufficient information to opine a base market rent conclusion (rental valuation) for Reclamation's cabin/trailer sites as identified and located along Angostura Reservoir in Fall River County, South Dakota. The **intended use** is to assist Reclamation in establishing cabin/trailer site rents for use in issuing new permits for the cabin/trailer sites. Cabin sites are rented for terms of five years and paid annually while mobile home sites are rented for a term of one year and paid annually. Both trailer and cabin sites are limited to seasonal use; full time occupancy is allowed from May 1 to November 1, six months. Permanent residence is prohibited on both the cabin sites and the trailer sites along Angostura Reservoir.

The **client** is the Office of Valuation Services and the **intended users** are the Office of Valuation Services and the Bureau of Reclamation. There are no other authorized users of this report.

This report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as well as the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The analyses and conclusions are subject to the assumptions and limiting conditions described in this report. Adam Bradshaw inspected the subject property on December 4, 2014, Charles LaFlamme did not inspect the property. The effective date of value is October 1, 2015.

We have concluded that the current annual market rent for sites surrounding Angostura Reservoir and better, described herein, is **\$2,400 per cabin site (inclusive of water service) and \$2,700 per trailer site (inclusive of water, sewer, and garbage service).**

Respectfully submitted,

Adam Bradshaw

Charles W. Laflamme, MAI

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SUMMARY OF SALIENT FACTS & CONCLUSION

IVIS Number	R14026
Agency Case ID	00065191
Property Address	T 8 S, R 6 E, SEC 20, & T 9 S, R 6 E, SEC 11 & 33, BHM
County	Fall River County, SD
Assessor's Parcel No.	No APN assigned
Property Owner	USA, administrated by the BOR
Property Description	<p>The Angostura Reservoir Market Survey focuses on 32 cabin and 86 trailer sites located on Reclamation land surrounding Angostura Reservoir. Cabin sites differ from trailer sites in their terms of lease; cabin sites are leased on terms not to exceed 5 years while trailer site permits must be renewed annually. Permittees of cabin sites and trailer sites must pay their respective use fees annually.</p> <p>There are three distinct geographical areas in which cabin and trailer sites are located: There are 35 trailer sites grouped along the northeastern edge of the reservoir; 51 trailer sites are grouped along the southeast edge, and 32 cabin sites are grouped along the central east edge.</p>
Purpose of the Appraisal	The purpose of this survey was to gather market information as to rental amounts in RV parks and/or other housing options similar to the trailer/cabin sites at Angostura Reservoir in order to estimate an annual rental for the typical cabin/trailer sites.
Client	The client is the U.S. Department of the Interior, Office of Valuation Services.
Intended User	The intended users are the Office of Valuation Services and the Bureau of Reclamation on behalf of the United States of America.
Intended Use	The intended use is to assist Reclamation in establishing a new annual rental rate for renewing the permits of each of the 118 sites surrounding the reservoir.
Effective Date of Report	October 1, 2015
Date of Report	October 8, 2015
Extraordinary Assumptions	None
Hypothetical Conditions	None
Base Annual Market Permit Fee	\$2,400 per cabin site (inclusive of water service); \$2,700 per trailer site (inclusive of water, sewer, and garbage service)

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The 118 cabin/trailer sites that surround Angostura Reservoir, located in Fall River County, South Dakota, comprise the subject of this report. There are 86 trailer sites and 32 cabin sites around Angostura Reservoir; the cabin and trailer areas are respectively grouped into two separate trailer areas and a cabin area. The cabin sites are currently available for seasonal occupancy via 5 year permits issued by South Dakota Game, Fish and Parks (SD GFP). SD GFP administrates the development, management, operation, and maintenance of lands and recreation facilities at Angostura Reservoir—including the cabin sites. The trailer sites, also available for seasonal occupancy, are issued on an annual basis. Trailer site use permits are issued and administrated by the privately held Angostura Resort Management, Inc. under the authority of SD GFP. Both cabin and trailer site permits call for an annual fee to be paid for use of the individual sites.

PURPOSE OF THE APPRAISAL

The purpose of this survey was to collect sufficient information to estimate an annual market rent for the typical cabin and typical trailer site located along Angostura Reservoir as of the effective date of our analysis and under the terms of permit given to us by Reclamation.

INTENDED USE OF THE APPRAISAL

The opinion of the typical annual market rent is meant for use by Reclamation as a basis for their determination of permit fees for the 118 individual cabin/trailer sites.

CLIENT IDENTIFICATION

The client is the Office of Valuation Services.

INTENDED USER(s)

The intended user is the Office of Valuation Services and the Bureau of Reclamation on behalf of the United States of America.

EFFECTIVE DATE OF VALUE

The Angostura Reservoir was physically inspected by Adam Bradshaw in December 2014. The effective date of the opinion is October 1, 2015, which was the date when the analysis was completed. The date of the report is October 8, 2015, the date that the report was published.

LEGAL DESCRIPTION

Not Applicable

INTEREST APPRAISED

Possessor interest by virtue of an annual use permit

OWNER OF RECORD

The owner of record is the United States of America; the fee simple interest is administrated by the Bureau of Reclamation. The 118 permitted trailer/cabin site occupants hold permittee owner interests in their respective sites.

DEFINITIONS

Market Rent

The Office of Valuation Services (OVS) has opined that the appropriate definition for use in market rental determinations for rights-of-way (ROWs) is the definition of market rent as found in the Dictionary of Real Estate Appraisal as follows:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgably, and assuming consummation of the lease contract as of a specified date.

EXTRAORDINARY ASSUMPTIONS

None

HYPOTHETICAL CONDITIONS

None

JURISDICTIONAL EXCEPTIONS

None

CERTIFICATION

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

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- we have no present or prospective interest in the appraised property and no personal interest with respect to the parties involved;
- we have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- our compensation or status with the Department of the Interior is not contingent on an action or event resulting from the analyses, opinions, or conclusions in the report or from its use;
- our compensation or status with the Department of the Interior for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the Department of the Interior or any other governmental agency, the attainment of a stipulated result, or this occurrence of a subsequent event directly related to the intended use of this report;
- our analyses, opinions and conclusions were developed, and the report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP);
- Adam Bradshaw personally inspected the subject property on October 9, 2014; Charles LaFlamme did not inspect the property;
- no one provided significant appraisal assistance to us in the completion of this assignment;
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives (Charles Laflamme);
- as of the date of this review report, I (Charles Laflamme) have completed the continuing education program for designated members of the Appraisal Institute;
- the report analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute (Charles Laflamme);
- Charles Laflamme is a State Certified General Real Estate Appraiser licensed by the State of California (License No. AG002325)
- Adam Bradshaw is a State of Georgia Licensed Real Estate Appraiser (License No. 355805)

Charles W. Laflamme, MAI

Adam Bradshaw

PERMIT SYNOPSIS

This report involves the estimation of an appropriate fee to be paid on an annual basis for individual cabin/trailer sites at Angostura Reservoir. The cabin fees are subject to the terms of permits issued by the South Dakota Game, Fish and Parks (SD GFP), which administrate the cabin sites for Reclamation. Trailer site fees are subject to the terms of permits issued by Angostura Resort Management, Inc., a privately held company that administrates the trailer sites under the authority of SD GFP.

Two permits—one representative of those issued for cabin sites and one representative of those issued for trailer sites—were provided to the appraisers by a Reclamation representative. The cabin site use permit provided was dated March 23, 2011 but had an effective date beginning January 1st of that year. The cabin site use fee for 2011 was \$765 but there is a provision in both trailer and cabin site use permits that allows fees to be adjusted by their respective issuers at the beginning of each calendar year. The provided trailer site permit was redacted but a Reclamation representative indicated that the annual fee for a trailer site permit, as of 2015, was \$960.

The basic terms/conditions of a permit upon which our analysis is based is as follows:

Issuer – Cabin site permits are issued by South Dakota, Game Fish and Parks (under Management Agreement No. R12MU60085, entered into by Reclamation and SD GFP in 2012, SD GFP administers the site program—among other responsibilities—for Reclamation. Angostura Resort Management, Inc. issues the use permits for the trailer sites under the administration privileges conveyed to them by SD GFP in a concession agreement entered into on January 1, 2013.

Permittee – To be identified

Term of Permit – Per the permits provided to the appraisers, permit terms differ for cabin and trailer sites: **Cabin site permits** are issued on terms not to exceed 5 years beginning from the date indicated on the permit. **Permit terms for trailers**, as indicated by the redacted permit provided to the appraisers, are issued for a period of only one year.

Purpose of Permit – Maintaining a seasonal cabin/trailer for personal use. This permit is not for permanent residence, and is not intended in any way to cause development that will increase local government or state expenditures.

General - The Permittee's rights under the permit are limited, are not guaranteed in perpetuity, and may be canceled at any time to meet the needs of Reclamation or SD GFP. Permits do not convey title to the land being used by individual permittees. Cabins/trailers and other private improvements at Angostura Reservoir are permitted on public lands in designated areas. Permittees assume all risks associated with their use of Federal land at Angostura Reservoir. The cabin/trailer site permit program may be wholly or partially discontinued if SD GFP or Reclamation determines that the public need for the area has grown to a point where continued cabin/trailer use is no longer in the public interest, for health and safety purposes, to prevent resource damage, or for project purposes or emergencies. In such an event, the permittee agrees to vacate their cabin/trailer site and remove their cabin or other improvements at no cost to Reclamation or SD GFP.

Description of Authorized Use of Land Permitted - The trailer/cabin sites may be occupied continuously from May 1 to November 1 each year. Off-season use of trailer/cabin sites by their respective tenants is limited to a stay of no more than 10 days per month although conditional use may be granted for construction or maintenance on the sites.

Permit Rates and Administrative Fees – In consideration for use of a trailer site, the permittee currently pays the concessionaire an annual permit fee of \$960. Trailer site permittees currently pay lot rent only; water, sewer, and garbage services are included in the annual permit fee— however, per the concession agreement between SD GFP and Angostura Resort Management Inc., fees may be assessed to permittees for the amortization of a central sewer system bonding package being sponsored by SD GFP at the time the agreement was executed. Again, as of December 2014, the fee had yet to be assessed to permittees.

Cabin site permittees also pay an annual fee. In 2011, the fee was \$765 but the permit indicated that the amount was subject to adjustment each year. Water is included with the annual fee but neither sewer nor garbage expenses are included. Cabin site tenants contribute

towards the use of a shared dumpster. Cabin sites are on septic and individual permittees must maintain their own systems.

Transfer of Permit, Assignments and Subleases – The permit(s) and the rights and privileges granted therein may not be sold, bartered, assigned, or transferred or used as collateral by the permittee. The site and improvements may not be sublet to 3rd parties. The permittee may not hold an interest in any other site locations managed by SD GFP or on Reclamation lands within the Great Plains Region of the Bureau of Reclamation. Individual permits may not include more than one site and no more than one cabin/trailer is allowed per permit. No other improvements, such as a shed or garage, may be developed to provide additional living space. The permit may not be held in the name of a corporation or trust.

AREA, CITY & NEIGHBORHOOD DATA

Angostura Reservoir and South Dakota Game, Fish and Parks' Angostura Recreation Area are located at the south edge of the Black Hills, 10 miles southeast of Hot Springs, South Dakota. Population centers of the southern Black Hills are typically small and often tourist-oriented. The southern Black Hills offer tourist attractions such as natural mineral springs, Wind Cave National Park, Jewel Cave National Monument, Custer State Park, and the Crazy Horse Memorial. The Mount Rushmore National Memorial is also nearby.

FALL RIVER COUNTY

Angostura Reservoir is more specifically located within Fall River County. A large portion of Fall River County is encompassed by the southern foothills of the Black Hills, part of the Black Hills National Forest. The entire county is called home by less than 7,000 people but receives a seasonal influx of tourists every year. Although tourism is a main component of Fall River's economy, tourist activity is not nearly as prolific in Fall River County as it is in neighboring Custer County, to the north. Custer County takes in the heart of the southern Black Hills and is home to its most popular attraction, the Rushmore National Memorial. Fall River County likely sees some benefit from the tourist attractions to the north but also hosts its own attractions, namely the natural mineral springs for which its most populace town, Hot Springs, is named after.

Despite the consistent stream of tourists that it receives every year, the county has historically not been able to draw new residents very successfully: U.S. census estimates the county's population has declined over 10% in the past 40-plus years; a 3.5% drop in population was witnessed in the 4 years prior to July 2014.

In 2013, about 20% of the jobs within Fall River County came from industries that included travel and tourism (versus 30% in northerly Custer County).¹ Among local industries, only

¹ "A Summary Profile" [of Fall River and Custer County, SD]. *Economic Profile System-Human Dimensions Toolkit*. Headwater Economics. Web. 2 April 2015.

government, employing almost 30% of the workforce, employed more than travel and tourism.² Agriculture is also a player in the local economy, employing 9.1% of the workforce.³

AREA CONCLUSION

The subject region is sparsely populated with an economic base that leans on tourism and government employ. The area dynamic is one of stability without significant gains or losses in population or overall economic base expected in the moderate to long term.

² "A Profile of Industries that Include Travel & Tourism" [for Fall River and Custer County, SD]. *Economic Profile System-Human Dimensions Toolkit*. Headwater Economics. Web. 2 April 2015.

³ "A Summary Profile" [of Fall River and Custer County, SD]. *Economic Profile System-Human Dimensions Toolkit*. Headwater Economics. Web. 2 April 2015.

PROPERTY DESCRIPTION

The market survey focuses on 32 cabin and 86 trailer sites located on three distinct areas of federal land along the Angostura Reservoir. Most of the cabin sites encompass from 0.3 to 0.4 acres, with a couple exceeding half an acre. Trailer sites are smaller, many as small as 0.1 acre.

Besides typical size and respective type of use that cabin sites and trailer sites facilitate, cabin sites and trailer sites are differentiated in the terms of their permits. Cabin site permittees pay annually with 5 year terms while trailer site permittees pay must obtain and pay for a new permit every year.

Full time occupancy is only allowed seasonally between May 1st and October 31st for both cabin and trailer sites. Resort facilities and services that are maintained by the concessionaire are required to be open only until the Tuesday following Labor Day; in other words, it is possible that some services—e.g. restaurant, convenience store—may not be available during the last few weeks of each season’s allowable occupancy period.

Electricity to the sites is fed through Black Hills Electric Co-op and each user is responsible for paying his or her own bill. Water, sewer, and garbage service to the trailer sites is maintained by the concessionaire and is included in rent for trailer site permittees; however, Article C of Section 10 in the January 22, 2013 contract between the concessionaire and SD GFP, allows for the assessment of an additional sewer system fee from permittees. This fee, if and when enacted, is for the “amortization of a central sewer system bonding package sponsored by the Department.” The fees had yet to be determined or assessed upon the issuance of 2015 trailer site permits.

Cabin site permittees do not pay for water but do assume sewer and garbage costs. The cabin sites are on septic systems and each permittee is responsible for the maintenance of the respective systems serving their permitted sites. Each cabin site permittee contributes toward the cost of a dumpster which they all share.

The 118 sites are dispersed among three separate areas surrounding the reservoir. Along the northeastern edge, there is an area with 35 trailer sites known as the “Summersun Trailer Area”. Along the southeast edge of the reservoir there is another area where 51 more trailer

sites sit; this area is commonly referred to as the “Horsehead Trailer Area”. The 32 cabin sites sit in an area along the central east edge of the reservoir. The maps and aerial photographs that follow show how the cabin/trailer sites are laid out around Angostura Reservoir.





Summersun Trailer Area



Horsehead Trailer Area



Cabin Site Area

SCOPE OF THE ASSIGNMENT

This assignment involves a survey and analysis of recreational housing options in the area of Angostura Reservoir. The valuation problem is to solve for current market rent for the typical cabin/trailer site as previously identified under the conditions set forth in the permit.

The methodology normally used to solve this problem would be to undertake a survey of sites along other lakes/reservoirs within the region in order to ascertain rents/leases charged and their associated terms of rent/lease. This methodology was not employed inasmuch as few reservoirs/lakes were identified, other than Reclamation facilities, which had trailer sites available for lease; none had cabin sites available for lease. With absence of data for this methodology, the valuers necessarily depended upon alternate methodologies which, although less than desirable, were necessary to achieve some form of opinion. The alternate methodologies identified were a survey of RV Parks, a survey of mobile home parks and a lot/rate of return analysis that depended upon market lease data relative to private lots.

RV Parks are similar to the subject, particularly to the trailer sites, in that they are occupied by trailers or motor homes (both allowed on the subject sites), they are often resort oriented, and they are rented on a daily, weekly or monthly basis. Some parks are rented by the season but it is not typical within the region; one park of this type—Sheps Canyon Cove—sits near Angostura Reservoir and was subsequently used for analyses.

Mobile home parks (trailer courts) were thought to be somewhat similar in that their sites allow homes similar to the trailers and some of the cabins found along Angostura Reservoir; additionally, the sites are typically leased on a monthly, annual or fixed term basis. The parks, however, are more often than not found in urban/suburban environments and are not destination oriented like the subject. Sheps Canyon Cove, the hybrid RV/mobile home park mentioned earlier, allows manufactured and mobile homes/trailers but leases seasonally. Since the park designates its sites for seasonal, recreational use and allows RVs to rent its sites, the park is more comparable to RV parks than it is to trailer courts.

Leased lots are a third alternative (the term is somewhat of a misnomer in that lots are typically not leased); a market lease rate can be solved for by estimating the market value of a lot and

applying an annual rate of return (found in the market place), which then results in an estimate of annual rent. This methodology would be appropriate and helpful if land lease rates for recreational use and lot sales in the vicinity of a lake/reservoir could be found.

Ultimately, of the methodologies considered, only the RV Park comparison was deemed suitable for sites along Angostura Reservoir.

We have inspected Angostura Reservoir to the extent necessary to understand the cabin/trailer sites but also have relied on the Bureau of Reclamation and its managing agency and/or concessionaire for certain property information, tenancy information, expenses—if available, and other pertinent information. Rental information was gleaned from a number of RV parks that spanned a large geographic area inclusive of other Reclamation administrated reservoirs. Rental rates and other pertinent information were either obtained from or confirmed by a managing party or other office staff at each of the RV Parks.

RV PARK – MARKET OVERVIEW

The comprehensive RV Park Rent Survey (covering North and South Dakota, Eastern Montana, and Eastern Wyoming) shows decipherable market trends as they pertain to location. Where the subject sits in relation to these geographic trends remains for analysis further on in the report. In general, RV parks situated within close proximity to areas traditionally patronized by tourists can charge more for site rent. The limited demand in more remote locations typically renders low rents.

RV PARK – MARKET DATA SURVEY

A large geographical area was surveyed for RV parks to be used in our analysis. The rental survey conducted covered North and South Dakota, Southeastern Montana, and Eastern Wyoming. The survey included parks that bordered well known tourist destinations. The initial survey was intended to be fairly comprehensive; Google, the 2014 Woodall's Campground Guide, and the 2014 Good Sam RV & Travel Guide were all scoured for any privately-operated RV Parks located within the geographical breadth of the rental survey. In all, 82 RV parks were surveyed for rental information. Most parks were found along arterial highways but others were destination oriented. We selected four parks from the overall survey to compare to Angostura Reservoir sites. The individual parks were selected because of either proximity to the subject or location near another lake/reservoir.

Each RV Park included in the survey was contacted in order to determine or, as the case may have been, confirm rates. When reported, seasonal and monthly rates were used for our analysis. These rates included hookups for water, sewer, and electrical service. When rates differed between sites offering a 30 amp electrical service and a 50 amp electrical service, the 50 amp rate was used (although 30 amp service has been typical for RV parks in the past, 50 amp service is becoming more commonly available as parks compete for new more electricity intense RVs).

We inquired and used seasonal rates (summer) as this is most applicable to Angostura's cabin/trailer sites' seasonal use. In general, parks located within a reasonable proximity to popular tourist destinations were more likely to have intra-season rate changes; among parks

with variable summer rates, those near popular destinations were also found to introduce more frequent changes in rates. The busiest—and thus, most expensive—weeks or months centered around popular travel dates sometimes precipitated by specific events, e.g. South Dakota’s Sturgis Motorcycle Rally, Fourth of July weekend, Labor Day weekend. These increased rates for “peak” times were excluded from the survey, even though a spike in demand and rate for certain weeks or weekends sometimes effected rate changes for the entirety of the associated month(s). The comprehensive survey of RV Parks yielded only one RV Park within the subject’s market area; the RV Park will be referenced but not relied on solely to establish an indication of rental value.

RV PARK – ELEMENTS OF COMPARISON

Market area, tenant draw, distance to tourist attraction, distance to regional population center, the inclusion or exclusion of electricity, the presence or lack of varying amenities including stores and restaurants, Good Sam⁴ ratings, land/water features which might render a given park more or less appealing, and reputation were all considered for their importance to value. Not all potential elements of comparison shared equal importance. Some elements interacted with each other or encroached on what other elements took into account; in some cases, assigning adjustments to multiple sets of elements—say, Good Sam ratings and amenities—would be outright redundant. It follows that separating and quantifying each individual element of comparison would prove impossible. Ultimately, those elements deemed to hold the most importance to value were used for the selection of rental properties that could be compared to the subject.

Elements of comparison thought to be of some importance, but for which no adjustments could reasonably be inferred, are merely represented in the included adjustment analysis charts. The inclusion or exclusion of electricity in the park rents is accounted for quantitatively, as is water,

⁴ Good Sam is an organization of recreational vehicle owners. Once a year, the organization releases a directory of RV parks that are located within North America. The directory publishes ratings for individual parks. Specific details of the ratings are proprietary but based on cleanliness, amenities, landscape, privacy offered, etc.

sewer, and garbage service. Elements which obviously have some bearing on rent value, but for which no adjustment can be quantified, are accounted for qualitatively. Characteristics of private RV parks that compare favorably to the corresponding element of the subject are noted as superior with a minus symbol (-). Characteristics of private RV parks or mobile home courts that are inferior are denoted with a plus symbol (+).

Location

In the comprehensive survey of the greater region, rent for RV sites and mobile home sites generally correlated positively with desirability of location. RV parks in locations central to tourism benefited from high demand and generally charged higher rents than their more remotely located peers.

Only two parks offering RV sites were found within proximity to Angostura Reservoir, rendering the quantification of derived adjustments somewhat dubious. Two parks—one of them appearing to charge far less than market value based upon rents observed within the greater region—did not constitute sufficient data with which to reliably gauge rent so parks located next to similar reservoirs were considered. The reservoirs at which the parks were located are similar in their remoteness and their hosted activities but draw from different sized population bases.

“Distance decay” is an effect on travel and tourism frequently studied by researchers in those fields. Distance decay is premised on the observation that the percentage of population drawn as visitors to a destination tends to decline as the distance from population to destination grows; in other words, those living close to a given destination are more apt to visit it than those living further away. Distance decay is not a linear correlation and is affected by variables such as type and desirability of destination and the socioeconomic status’ of the populations from which potential visitors are attracted. The three reservoirs at which the comparable RV parks and the subject sites are located share similar characteristics which, in turn, should draw similar types of visitors; Lake Sakakawea, the Glendo, and Shadehill reservoirs all offer camping, fishing, swimming, and motorized boating.

Using 2010 U.S. Census data, the Missouri Census Data Center offers tools for estimating population based upon geographic constraints⁵; the number of people residing within radii of 30, 50, and 100 miles from the respective reservoirs is shown in the following table.

Number of residents living within:	Angostura Reservoir	Shadehill Reservoir	Glendo Reservoir	Lake Sakakawea
30 miles	12,039	4,187	14,154	14,692
50 miles	48,927	8,992	28,620	28,890
100 miles	193,072	129,027	296,654	279,927

Research suggests that the majority of visitors to such outdoor recreation areas live within a 100 mile radius⁶; the majority of those visitors drawn by “non-viewing” recreational activities such as those hosted by each of the reservoirs (camping, fishing, swimming, and boating). The larger numbers from which both Glendo Reservoir and Lake Sakakawea likely draw their visitors is apparent in the preceding table. The effect of the numbers can’t be quantified because there may be other variables in play; however, the substantial numerical differences between the subject and each of the other destinations suggest that an adjustment is in order. Subsequently, the locational advantage or disadvantage of parks located on reservoirs other than Angostura Reservoir will be recognized with a qualitative adjustment on the rent chart.

Dates of Operation

Dates of operation are for informational purposes. Since the rates obtained for the survey were non-peak monthly rates for the recreational season, an RV park’s dates of operation should have no bearing on rent charged.

⁵ “Circular Area Profiles (CAPS) – Version 10C”. **Missouri Census Data Center**. 20 August 2014. Web. <http://mcdc.missouri.edu/websas/caps10c.html>. 5 June 2015.

⁶ Burns, Graefe, & Nyaupane. “Does Distance Matter? Differences in Characteristics, Behaviors, and Attitudes of Visitors Based on Travel Distance”. Murdy, James, comp., ed. 2004. **Proceedings of the 2003 Northeastern Recreation Research Symposium**. Gen. Tech. Rep. NE-317. Newton Square, PA: U.S. Dept. of Agriculture, Forest Service, Northeastern Research Station. 459 p.

Utilities

In most instances, the monthly rate charged by an RV park included electricity and access to any of the complementary on-site amenities which the daily and weekly tenants enjoyed. It was the policy of a minority of RV Parks, however, that tenants renting on a monthly basis be responsible for their own power consumption.

Different locations were served by different utility companies so the rates paid for power naturally varied. In order to account for the fact that Angostura Reservoir's sites do not include electricity in their annual permit fees, a quantitative adjustment was made in order to yield the effective monthly rate (different electricity rates prevailed among the respective locales so adjustments differed by location and were based upon tenants' plausible power consumption). Park managers indicated that, for two inhabitants of one recreational vehicle, the consumption of about 600 kWh of electricity over the course of a summer month was reasonable. The presumed use of 600 kWh yielded adjustments from \$50 to around \$90, depending upon which of the utility companies served the respective parks. 600kWh of electricity, an estimated month's use, within the subject's power district costs \$66.00. This consumption of power is only assumed for the six months in which the permittee is allowed to occupy his or her site. Maintaining service for the remaining months, assuming no consumption of power (although there may be a marginal amount used to prevent freezing), costs only \$24.00 per month. Since tenants of the privately operated RV parks, unlike those of Angostura Reservoir, assume no power costs in their absence, their respective rates are assigned a downwards adjustment which divides the sum utility cost of all occupied and unoccupied months in a calendar year by the total number of months in a year ($\frac{\$66 \times 6 + \$24 \times 6}{12}$). The result is an adjustment of (\$90.00).

Other Utilities

In most cases, water, sewer, and garbage were included in a tenant's rent at RV parks. Water, sewer, and garbage are likewise included in the annual permit fee which Angostura Reservoir's trailer site occupants pay. Cabin site permittees must maintain their own sewer system and must pay for their own garbage service.

Garbage is considered to be a nominal cost in an RV park but Angostura Reservoir's cabin site permittees may glean lower than typical charges because of the number of permittees splitting an overall cost (garbage is not collected in individual containers at each of the cabin sites but from a large dumpster in which all cabin site permittees deposit their trash). Typical residential services vary from \$35 to \$55 per month but RV parks and trailer parks within the region may average as low as \$9 per site when trash is consolidated and paid for collectively. Residents at Heart Butte Reservoir, one of Reclamation's administrated sites in North Dakota, pay about \$80 per year. Dividing the annual rate by the cabin sites' six months of allowed occupancy yields a potential adjustment of \$13.33—say, \$14—per month.

The cabin sites at Angostura Reservoir are on septic systems; sewer systems are maintained at the cost of the individual permittees. The average cost of a small septic system with leach field is estimated by Septichog.org to run \$4,500.00. The systems have a life of 30 year to 40 years; if amortized at 3% (mortgage rate higher than reinvestment rate) for 30 years the monthly cost would be \$18.97. Spreading the annual cost out over six months results in a \$38 adjustment (rounded).

Included Amenities

RV Parks include a number of amenities for the comfort and enticement of potential guests. Among the most common were Wi-Fi, cable television, and swimming pools/hot tubs. Wi-Fi was offered free of charge almost universally among RV Parks in the greater regional survey. The presence of any or all of these amenities likely proves of importance in the selection of an RV park by some guests so the amenities are accounted for qualitatively. The importance of such amenities is likely dwarfed by the setting of the campground sites themselves however. Subsequently, qualitative adjustments to included amenities are not weighed heavily in the comparison of market rents.

Site Amenities

The layout and setting of the sites within the respective RV park(s) were compared to the layout and setting of the sites located near Angostura Reservoir. Settings considered desirable for recreational purposes, like nearness to a body of water or commonly used recreation site,

compared favorably to sites lacking such a setting. Larger sites and sites with privacy were also considered superior to smaller sites or sites which lacked privacy.

RV PARK MARKET ANALYSIS

The quantitative and qualitative analyses of the four RV parks selected for comparison to Angostura Reservoir's trailer and cabin sites are represented in the summary adjustment chart shown on the following page.

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5						
RV Park		Shadehill Grove RV Park	Sheps Canyon Cove	Glendo Lakeside RV Park	Indian Hills Resort	Hot Springs KOA						
Location	Fall River County, SD	Shadehill, SD	Fall River County, SD	Glendo, WY	Garrison, ND	Fall River County, SD						
Tenant Draw	Angostura Reservoir	Grand River/ Shadehill Reservoir	Next to Angostura Reservoir	Next to Glendo Lake	Next to Lake Sakakawea	Next to Angostura Reservoir						
Dates of Operation	Apr 1 – Oct 31	May - November	May 1 - Oct 1	Apr 1 - Nov 15	May 1 - Nov 16	Apr 15 – Oct 1						
Monthly Rate		\$395.00	\$220.00	\$500.00	\$575.00	\$525.00						
Quantitative Adjustments												
	Cabins	Trailers	Vs. Cabins	Vs. Trailers	Vs. Cabins	Vs. Trailers	Vs. Cabins	Vs. Trailers	Vs. Cabins	Vs. Trailers	Vs. Cabins	Vs. Trailers
Electricity Included	No	No	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes
Elec. Adjustment	90.00	90.00	\$(90.00)	\$(90.00)					\$(90.00)	\$(90.00)	\$(90.00)	\$(90.00)
Garbage Included	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Garbage	14.00		\$(14.00)		\$(14.00)		\$(14.00)		\$(14.00)		\$(14.00)	
Water Included	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sewer Included	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes*	Yes	Yes
Sewer Adjustment	38.00		\$(38.00)		\$(38.00)		\$(38.00)		*	*	\$(38.00)	
Effective Non-Peak Monthly Rate for Recreational Season			\$253.00	\$305.00	\$168.00	\$220.00	\$448.00	\$500.00	\$471.00	\$485.00	\$383.00	\$435.00
Qualitative Adjustments												
Included Amenities												
Internet	No		Wi-Fi incl.		No		Wi-Fi incl.		Wi-Fi incl.		Wi-Fi incl.	
Cable TV	No		No		No		No		No		No	Yes
Pool/Spa	No		No		No		No		No		No	Yes
Available Amenities												
Laundry	No		No		No		Yes		Yes		Yes	Yes
Showers	No		No		No		Yes		Yes		Yes	Yes
Store	No		Yes		No		Yes		Yes		Yes	Yes
Amenity Adjustment			0-		0		-		-		-(-)	
Site Layout & Setting (adjustment)	Most sites front Heart Butte Reservoir	Walking distance to Grand River; one-half mile to Shadehill Reservoir.			Typical with proximity to water. Sites are on the west side of Angostura, which is less developed and has fewer amenities.				Sites do not front reservoir. Tight RV layout with no trees/privacy.		Adjacent to Lake Sakakawea. Most sites do not front lake but have shade and views.	Typical sites. 10 minute drive from Angostura. May benefit from brand recognition & highway location.
			(+)		(0+)		(0+)		(0)		(0)	(0+)
Location Draw (adjustment)	Heart Butte Reservoir, ND	Shadehill Reservoir, SD			Angostura Reservoir, SD				Glendo Lake, WY		Lake Sakakawea, ND	Angostura Reservoir, SD
			(0+)		(0)				(0-)		(-)	(0)
Qualitative Indication			Inferior (+)		Slightly Inferior (0+)		Slightly Superior (0-(-))		Superior (-(-))		Slightly Superior (0-)	
Cabin Site Value Indication			> \$253.00		> \$168.00		< \$448.00		< \$471.00		< \$383.00	
Trailer Site Value Indication			> \$305.00		> \$220.00		< \$500.00		< \$485.00		< \$ 435.00	
*Dumping station only												

The subject sites have a destination oriented location and have direct access to the reservoir; some of the subject sites have reservoir frontage. The subject sites are typically larger in size than the typical RV resort site as well. The unadjusted rentals from the comparables ranged from a low of \$220 to a high of \$575 on a monthly basis. Following utility adjustments which were quantified to reflect the fees and utility costs assumed by the subject's cabin site permittees, the comparable rentals ranged from a low of \$168 to \$471; adjustment quantified to reflect fees and utility costs typical to the subject's trailer site permittees yielded a range from \$220 to \$500. In the case of all comparable rent properties except Comparable 4—Indian Hills Resort—the adjusted rents as compared to the subject's cabin sites were \$52 less than the rents as compared to the subject's trailer sites. The \$52 difference reflects the estimated costs of maintaining a septic system and paying for garbage service, two costs for which individual cabin site permittees bear responsibility. Trailer site permittees receive no such adjustment because sewer and garbage are services included with annual payment of their permit fees.

On a qualified basis, Comps 1 and 2 were considered inferior to the subject while Comps 3, 4 and 5 were considered superior overall. Following adjustment, the appropriate value(s) for individual subject sites was narrowed down between the highest rents charged by parks with inferior sites to the lowest rents charged by parks with superior sites: It was determined that an appropriate monthly rate for cabin sites lay somewhere between Comp 1's \$253 and Comp 3's \$448. An appropriate monthly rate for trailer sites was determined to lie somewhere from \$305 to \$435.

Comparables 2 and 5 are the only parks located within the vicinity of the subject. Comparable 2 has a distinct locational advantage because, like the subject, it is situated next to Angostura Reservoir. Tenants of Comp 2's sites, like the permittees occupying the subject's trailer sites, did not pay costs beyond the permit fee/rent for water, sewer, or garbage services. The indicated value of Comp 2, when compared to trailer sites, is its face value: \$220. A value of \$168 is indicated when an adjustment for the sewer and garbage expenses typical to the subject's cabin site permittees is applied.

In terms of leasing/permitting conditions and location, Comparable 2 probably compares more similarly with the subject than any of the other comps. Caution must be exercised before

affording Comparable 2 an inordinate amount of weight in the sales comparison analysis of the subject however. Comparable 2's site rent is much more typical of urban located mobile home parks within the region than recreational parks within the region. Although there are mobile homes on some of Comp 2's sites, the property—opening for only seasonal use and located next to a reservoir—is a recreational property. When comparing Comp 2's fees to those of other recreational properties surveyed within the greater region, it becomes clear that Comp 2's fees are well below market and cannot, therefore, be relied upon too heavily. (This was corroborated through an interview with one of the three joint owners; he said that they had not raised rent in a long time and thought the rates too low for sites located near a body of water.)

Comparable 5, the other recreational park located within the immediate market area of the subject sites, indicates values of \$383 and \$435 following quantitative adjustments and comparisons to cabin sites and trailer sites, respectively. Comparable 5 has a locational disadvantage when compared to either Comparable 2 or the subject sites because it is a ten minute drive from Angostura Reservoir. However, Comparable 5 possesses superior amenities and brand recognition—it is a KOA Campground—which may lend added value to rents that the park can charge. Overall, Comparable 5 was qualitatively represented as “slightly superior” on the summary adjustment chart but the designation is somewhat tenuous because of the park's locational disadvantage. Like Comparable 2, Comparable 5—despite sharing a market area with the subject—cannot be relied on heavily for the analysis.

Despite their physical differences with the subject—and despite an inability to precisely quantify such differences, Comparables 2 and 5 are useful specifically because they operate within the subject's market area and may help gauge that market. If nothing else, they are participants in the subject's market and can, thus, have a direct effect upon it. It has been established that the rent for Comparable 2 is inordinately low but Comparable 5's site rent is also low within the greater regional context: Comparable 5's unadjusted site rate of \$525 per month was the lowest charged of any KOA within the region. The next lowest monthly site rate for a regional KOA park, \$599, was by a park in an urban Sioux City location; prices of other KOA parks separated themselves by a substantial margin. Considering where their prices sit within

the spectrum established by recreational properties within the greater region, it appears that Comparables 2 and 5 may either be indicators of or help establish a precedent for rents that skew low when compared to markets with similarly sized population bases within the greater region. Although Comparable 5's designation of slightly superior will not be used to establish a concrete ceiling for an indicated range of permit fees, its low prices—along with those of Comparable 2—can help inform the direction of our estimate following the establishment of a reliable range of indicated values.

Comp 1, while possessing the same lake influence as the subject sites—it is about a mile from a reservoir, has neither the direct water access nor the superior size of most the subject sites. In addition, the population base from which Comp 1 likely draws its visitors is substantially smaller than that of Angostura Reservoir. All things considered, Comparable 1's indicated values of \$253.00 for cabin sites and \$305 for trailer sites set the low end for the subject sites' indicated rent ranges.

Comp 3, located next to the Glendo Reservoir, has a destination oriented location like the subject's. Although its sites do not front the reservoir and are smaller in size when compared to the subject sites, Comp 3 has better amenities and a location that draws from a larger population base. Comparable 3 is considered to be, overall, slightly superior to the subject. Excluding Comparable 5, Comp 3's respective value indications of \$448 and \$500 for cabins and trailers are the lowest values representing a superior rating. Comp 3's designation as "slightly superior" is less dependent upon the subjective weighing of superior amenities versus site layout; Comp 3 not only possesses the close proximity to the reservoir that Comp 5 does not, but it also draws from a population base larger than that of the subject. With that in mind, Comp 3's indicated values represent a fairly reliable ceiling for valuing the subject's trailer and cabin sites.

Comp 4, located within 100 miles of Bismarck—the capital and largest city of the state—is a destination resort located next to the popular Lake Sakakawea. Comp 4 draws its tenants from a superior sized population base and is qualitatively represented accordingly. Many of Comp 4's sites are smaller than those along Angostura Reservoir but the layout of many of Comp 4's sites, with views, trees and shade, compare favorably to many of the subject's trailer sites. The

cabin sites, of course, have larger layouts. Comp 4 also has superior amenities. Comp 4 was considered to be the recreational park most superior to the subject and it indicated a cabin site value, at \$471, that was the highest of the comparable parks. Comparable 4's indicated value of \$485 for trailer sites was the second highest of all the comps. Comparable 4's trailer site value was the only one among the comparables that was not exactly \$52 more than the same comparable park's cabin site indication. This is because Comparable 4 does not offer sewer hookups—only a dump station—and so was not adjusted for the cost of a sewer system. Further, it was our opinion that the lack of sewer hookups rendered the \$485 indicator of value for trailer sites unreliable for providing the high end of the subject's value range. Subsequently, the trailer site value of \$500, Comparable 3's indicated value, represents the upper boundary of the subject's value range.

None of the comparables are perfect model matches for the subject but the lake influences of each and the degree of qualitative differences between the subject sites and those of either Comparable 1 or Comparable 3 suggests that an indicated value between the values assigned to the comparables would be appropriate. The fact that Comparable 1 was assigned an inferior rating while Comparable 3 was considered only slightly superior may suggest that a values skewing closer to those of Comparable 3 are appropriate. Sales 2 and 5 provide a market context, however, that suggests otherwise. Given everything, we have concluded that a fee of \$350 per month is a reasonable estimate of market rent for the subject typical site. Trailer sites, benefitting additionally from the included sewer and garbage services, should pay \$52 more, say \$400.

The length of occupancy that is allowed at the subject is currently six months; the indicated rental for the season then is \$2,100 for cabin sites and \$2,400 for trailer sites. Trailers occupying RV parks must be stored in the off months. At the subject, the occupying cabin/trailer just sits there. A trailer patronizing one of the comparable parks, however, must either be removed and stored elsewhere or incur an extra monthly cost for storage. Self-storage facilities within the region generally charge about \$30 per month for outdoor RV storage. RV Parks charge about \$50 a month for off-season storage and have the added benefit of convenience to the tenant. We have concluded that \$50 per month is a reasonable estimate

for a storage rent. Applying the going monthly rate to the 6 off-season months adds a nominal charge of \$300 for storage. The total estimated market rent then that must be paid in a year's time is **\$2,400 (\$2,100 + \$300) for cabin sites** and **\$2,700 (\$2,400 + \$300) for trailer sites**.

EXHIBITS & ADDENDA

SUBJECT PHOTOS & EXHIBITS



This is the trailer on Site #33, located at the north end of Angostura Reservoir. Pointing approximately east, the picture was taken from "Summersun Drive".



Looking east-southeast at a cabin that sits at the north end of Angostura Reservoir. This particular site has direct access to the reservoir.



This picture was taken while looking south at Site #32, located at the northern edge of Angostura Reservoir. This is in the northern, Summer Sun, trailer area.



This is a picture of one of the trailers occupying a site within the Horsehead Trailer Area, located near the southeastern part of Angostura Reservoir.



Looking south at a cabin occupying a waterfront site within the Horsehead Trailer Area near the southeast end of Angostura Reservoir.



This picture was taken from Recreation Road and looks north. On both sides of the road sit the structures that occupy the Bureau of Reclamation's "cabin" sites. Off to the left is Angostura Reservoir.



Pictured is one of the sites in Angostura Reservoir's cabin area.

RV PARK RENTAL DATA SHEETS

Rent Comparable 1



Property Type	RV Park
Name	Shadehill Grove RV Park & Bait Shop
Address	11254 Shadehill Rd., Lemmon, SD 57638
Tenant Draw	Shadehill Reservoir
Dates of Operation	May to November
Number of Units	11
Setting & Location	Shadehill Grove is located off of Shadehill Road, accessed off of S.D. 73. The small RV park is less than one and a half miles east of Shadehill Reservoir as the bird flies. Shadehill Grove is within walking distance to the Grand River, commonly frequented by anglers. The main draw for the park is fishing. The park offers grass, shade, and full hookups.
Amenities	Shadehill Grove offers a bait shop on site and free Wi-Fi. There are no laundromats or showers on site.
Utilities	All utility hookups are available and electricity is included with rent.
Rate	Rent is \$395 per month; offseason RV storage is \$30 per month.
Terms	Monthly
Source/Confirmation	Manager at 1-605-374-4146



Rent Comparable 2

Property Type	RV Park
Name	Sheps Canyon Cove
Address	S Boat Ramp Rd., Hot Springs, SD 57747
Tenant Draw	Shadehill Reservoir
Dates of Operation	May 1 – October 1
Number of Units	~ 50
Setting & Location	Sheps Canyon Cove is located less than a quarter mile, by air and by land, from the waters of Angostura Reservoir. It is adjacent to the Sheps Canyon Recreation Area maintained by SD GFP and there is a boat ramp nearby. The park's sites are big enough for the many mobile homes/manufactured homes that occupy the sites but are not too much larger than the typical RV site. This, combined with the scarcity of trees on site, does little to give the park anything extra than the typical RV park in the way of privacy. Some sites do have a good view of the water, as the sites are arrayed on a slope.
Amenities	Sheps Canyon Cove does not offer any amenities.
Utilities	All utility hookups are available sewer, water, and garbage are included with rent.
Rate	Rent is \$220 per month. There are a couple spots reserved for RVs or travel trailers but most tenants rent seasonally year in and year out.
Terms	Seasonal/Monthly
Source/Confirmation	Owner

Rent Comparable 3



Property Type	RV Park
Name	Glendo Lakeside RV Park
Location	631 Lakeshore Drive, Glendo, WY 82213
Tenant Draw(s)	Glendo Reservoir
Dates of Operation	April 1 through November 15
Number of Units	> 40
Park Description	Glendo Lakeside RV Park is located adjacent to Glendo Lake in Eastern Wyoming. The closest town, Glendo, only has a population of about 200 but the lake—and the RV park—is convenient to Interstate 25 which connects Casper and Cheyenne. Both population centers are a little over an hour from the lake.
Amenities	The campground has laundry facilities, shower facilities, a rec hall, and offers free Wi-Fi.
Utilities	Water and sewer are included. Electricity is billed separately for long term tenants. The provider is Wheatland REA. 600 kWh in the Wheatland REA costs an estimated \$97.00.
Non-Peak Summer Rate	\$500 per month
Terms	Monthly
Source / Confirmation	Staff at 1-307-735-4161

Rent Comparable 4	
	
Property Type	RV Park
Name	Indian Hills Resort
Location	7276 14 th NW, Garrison, ND 58540-9601
Tenant Draw(s)	Lake Sakakawea
Dates of Operation	May 1 – November 16
Number of Units	55
Park Description	Indian Hills Resort and Campground is located on Lake Sakakawea in North Dakota. The resort is roughly two hours from Bismarck, ND. In addition to RV sites, the resort rents condos, cabins, tent sites, and boat slips.
Amenities	The campground has shower facilities, a shop, a free Wi-Fi connection, and boat docks.
Utilities	All utilities are included with the monthly rental fee but there are no direct sewer hookups; only a dump station. 50 amp connections are limited and are available for monthly tenants but tenants renting at a cheaper, seasonal rate.
Non-Peak Summer Rate	\$575 per month
Terms	Monthly or Seasonal (50 amp connections are not available for seasonal renters)
Source / Confirmation	Staff at 1-701-743-4122

Rent Comparable 5



Property Type	RV Park
Name	Hot Springs KOA
Location	2785 S.D. 79, Hot Springs, SD 57747
Tenant Draw(s)	Wind Cave; Hot Springs, SD
Dates of Operation	April 15 through October 1
Number of Units	48
Park Description	The site is located on South Dakota Highway 79, approximately 50 miles south of Rapid City, SD. It is equidistant—about 5 miles—from both Hot Springs, SD and Angostura Reservoir. There are lots of trees surrounding the camp sites.
Amenities	The campground has laundromats, showers, a playground, free Wi-Fi, a game room, and an outdoor pool. KOA Hot Springs also offers cable television and onsite mini-golf.
Utilities	Most sites offer full hookups but there are some that are just water and electric. Utilities are included in all rents.
Non-Peak Summer Rate	\$525 per month
Terms	\$525 per month, all utilities included
Source / Confirmation	Staff at 1-605-745-6449

APPRAISER QUALIFICATION

Charles W. LaFlamme, MAI

Actively engaged as a real estate analyst and consulting appraiser since 1974.

Review Appraiser - Office of Valuation Services - Department of the Interior

2180 Harvard Street, Suite 380

Sacramento, CA 95815

(916) 566-7036

claflamme@ios.doi.gov

Professional Background

Owner - North Valley Land Services, Chico, CA (2002-09)

Independent appraiser – Sacramento, CA (1998-02)

Owner - Urban Pacific Services Corp, Newport Beach/Irvine, CA (1982-98)

Staff Appraiser - Foreman, Thompson & Associates/REAN, Newport Beach, CA (1975-82).

Staff Appraiser - State Mutual Savings, Newport Beach, CA (1973-75)

Educational Activities

BA Degree, Business and Economics, Chapman University (1976)

Certificate, Suburban Agriculture, Sierra College (2002)

Has successfully completed the following courses:

SREA 101 - An Introduction to Appraising Real Property

SREA 201 - Principals of Income Property Appraisal

AIREA II - Urban Property

AIREA VI - Investment Analysis

AIREA VIII - Litigation Analysis

AI - Valuation of Conservation Easements

AI - Uniform Appraisal Standards of Federal Land Acquisitions

AI - Advanced Market Analysis and Highest & Best Use

AI – Review Theory - General

IRWA Skills of Expert Testimony

IRWA Course 101, Sec. 3 Real Estate Acquisition Law

IRWA Course 901 Engineering Plan Development

IRWA Course 902 Property Descriptions

IRWA Course 802 Legal Aspects of Easements

ASFMRA Ranch Appraisal I & II

Also has taken numerous graduate courses in business, finance, mathematics and statistics, and attended seminars in valuation problems, real estate economics, and mineral economics.

Licenses and Certifications

MAI member of the Appraisal Institute, Certificate No. 6585 (1982)

Certified General RE Appraiser, California - Bureau of RE Appraisers - AG002325 Exp. 2/2016

Professional Work

Member, Assessment Appeals Board, Sacramento County (2000-2002)

Past President - Sacramento-Sierra Chapter - Appraisal Institute (2010)

Chair, Region 1 - National Board of Directors – Appraisal Institute (2012-2014)

Expert Testimony

Superior Court - Orange County, Los Angeles County, Butte County

Federal Bankruptcy Court - Orange County, Los Angeles County, Sacramento County

Adam Bradshaw

Appraiser Trainee

401 W. Peachtree St. NW, Ste. 1705

Atlanta, GA 30308

(404) 526-0091

adam_bradshaw@ios.doi.gov

Professional Background

State of Georgia Registered Real Property Appraiser (No. 355805)

Appraiser Trainee – Department of Interior, Office of Valuation Services (Sep. 2013 – Present)

Educational Activities

BA Degree, English, Washington State University (2011)

AAS Civil Engineering Technology, Walla Walla Comm. College (2000)

Has successfully completed the following courses:

Comparative Analysis, Appraisal Institute (AI), 2013

Basic Appraisal Principles, AI, 2013

Basic Appraisal Procedures, AI, 2013

15-Hour National USPAP, AI, 2013

Residential Report Writing & Case Studies, McKissock Institute, 2013

Best in Business Ethics, American Society of Farm Managers & Rural Appraisers (ASFMRA), 2014

Sales Comparison Approach, ASFMRA, 2014

Market Analysis/Highest & Best Use, ASFMRA, 2014

Cost Approach, ASFMRA, 2014

Income Approach 1, AI, 2015

Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), ASFMRA, 2015



Appraisal Review Report

Review of

A Market Rent Survey for typical cabin and trailer sites situated around the Angostura Reservoir in Fall River County, South Dakota

Review for

U.S. Bureau of Reclamation
Attention: Alex Morgan
Great Plains Region
2121 4th Avenue, North
Billings, Montana 59101

Date of Value

October 1, 2015

Date of Review

October 9, 2015

Reviewer(s)

Steven G. Murphy
Office of Valuation Services



United States Department of the Interior

AS-Policy Management and Budget
Office of Valuation Services
1340 Financial Boulevard
Reno, Nevada 89502

Transmittal

IVIS Number: P14026

Date: October 9, 2015

Agency Case ID: 00065191 / Angostura Reservoir Cabin and Trailer Site Market Rent Survey

To: U.S. Bureau of Reclamation
Attention: Alex Morgan
Great Plains Region
2121 4th Avenue, North
Billings, Montana 59101

Subject: Appraisal Review
A Market Rent Survey for typical cabin and trailer sites situated around the Angostura Reservoir in Fall River County, South Dakota

My review report concerning the appraisal of the above captioned property follows this letter, comprised in these sections:

Executive Summary	4
Review Scope of Work	5
Review Analysis	7
Review Conclusion	12

This appraisal involves the estimation of annual market rent for the cabin / trailer sites found around Angostura Reservoir in Fall River County, South Dakota. The rent estimates were prepared by Adam Bradshaw and Charles W. LaFlamme, MAI of the Office of Valuation Services. The rents are reflective of the terms in permit agreements that are associated with the sites.

The cabin / trailer sites are on federal land that surrounds the Angostura Reservoir. The reservoir and the land surrounding the reservoir are administered by the Bureau of Reclamation on behalf of the United States of America. The cabin / trailer sites are not legal lots, rather are sites defined by site plans and which are used by permittees in accordance to the terms of a permit agreement, which include the annual payment of a permit fee / rental.

Enter reviewer phone number and email.

As the intended use of the assignment result was to opine to a current market rent for a typical cabin / trailer site surrounding the reservoir, specific property rights were not appraised. Further, the assignment was not based on any extraordinary assumptions or hypothetical conditions.

Based on my review dated October 9, 2015, I **APPROVE** the appraisal for your use. The appraisers concluded to an annual cash equivalent market rental rate as of October 1, 2015 of \$2,400 for the cabin sites (inclusive of water service) and \$2,700 for the trailer sites (inclusive of water, sewer and garbage services).



Steven G. Murphy

Executive Summary

	Appraisal
Appraiser(s)	Adam Bradshaw and Charles W. LaFlamme, MAI, appraisers with the Department of the Interior’s Office of Valuation Services
Property Owner	United States of America, as administered by the Bureau of Reclamation
Property Appraised	None; the assignment was to opine to an annual rental for the typical cabin / trailer site located on land surrounding the Angostura Reservoir.
Real Property Interest	As specific individual cabin / trailer sites were not part of the assignment, a specific real property interest was not appraised. The annual rents opined are characteristic of a Permit Agreement.
Extraordinary Assumptions	None
Hypothetical Conditions	None
Highest & Best Use	Not applicable – valued per the terms of the permit agreement
Date of Value	October 1, 2015
Market Rental Value	The appraisers opined to \$2,400 for the cabin sites (inclusive of water service) and \$2,700 for the trailer sites (inclusive of water, sewer and garbage services).

Review of the Appraisal

Client	U.S. Bureau of Reclamation Attention: Alex Morgan Great Plains Region 2121 4th Avenue, North Billings, Montana 59101
Intended User(s)	The U.S. Bureau of Reclamation’s Great Plans Region (Reclamation) and the Office of Valuation Services (OVS), both on behalf of the United States.

Intended Use	To establish a current annual rental / permit fee for a typical cabin / trailer site situated around the Angostura Reservoir. Reclamation intends to use the assignment results to establish the current annual permit fee for each of the 86 trailer sites and the 32 cabin sites surrounding the reservoir that are under the jurisdiction of Reclamation.
Date of Review	October 9, 2015
Review Conclusion	APPROVE

Review Scope of Work

Regulatory Compliance	My review development and this review report comply with: <ol style="list-style-type: none">1. USPAP, Standard 32. OVS Valuation Policy Manual (602 DM 1)
Purpose of the Assignment	This review concludes the appraisal report's credibility by analyzing the <ol style="list-style-type: none">1. Completeness of the material presented within the applicable scope of work2. Accuracy, adequacy, and relevance of the data and propriety of adjustments to the data3. Appropriate appraisal methods and techniques4. Appropriateness and reasonableness of the analysis, opinions, and conclusions5. Current usefulness to the intended users of my review report
Extent of Review	<p><i>Appraisal Report:</i> The reviewer's opinion about the quality of the work under review encompasses the completeness, adequacy, relevance, appropriateness, and reasonableness of the data and analyses presented based on the assignment's scope of work, purpose of the assignment, regulatory reporting requirements, and the valuation definition relied upon. Relative to these parameters, the review appraiser received a first submission of the appraisal report on October 6, 2015, with a reading of the report and items identified for discussion with the appraisers conducted on October 7. The same day, Chuck LaFlamme and review appraiser discussed the appraisal in detail and the final report was submitted for review on October 8. This review report was finalized on October 9, 2015.</p> <p><i>Subject Property:</i> The extent of the review process concerning the subject assignment primarily consisted of reviewing of all the materials provided for the assignment. In addition, the review appraiser viewed</p>

the subject Angostura Reservoir and the areas surrounding the Reclamation cabin / trailer sites via the Google Earth aerial application.

Market Research: The primary market research performed by the reviewer for the assignment consisted of the review of the market rental survey report and the reviewing of the property specific materials provided by the Reclamation. In addition, to the extent reasonable, the reviewer viewed the rental comparables through Google Earth aerial photographs. The reviewer did not inspect the Angostura Reservoir cabin / trailer sites nor the rental comparables and did not otherwise verify any of the non-subject information presented in the work under review or research any additional data relating to the assignment.

**Limiting
Conditions**

- I do not authorize the out-of-context quoting from, or partial reproducing of, this review report.
- I base this review report on information and data contained in the market rental survey report.
- I assume that the data contained in the market rental survey report are factual and accurate.
- I reserve reconsidering my review conclusions should information become available that contradicts the data relied on in the market rental survey report.

**Extraordinary
Assumptions** None.

**Hypothetical
Conditions** None.

**Consult with
Appraiser** *Instructions:* The level of consulting with the appraisers relative to the assignment problem was based on the assignment instructions in the Statement of Work. In addition, the review appraiser was available to answer questions from the appraisers during the course of the review process.

Pre-Work Meeting: Due to the relative straightforward nature of the rental survey assignment, a pre-appraisal meeting was not performed; the appraisers worked in tandem to establish credible assignment results.

Requests for Revision: On October 6, 2015 the appraisal report was submitted to OVS for review. On October 7, items of clarification were shared with the appraisers for consideration in a final report. On October 8, the final appraisal report was submitted to review appraiser for final review.

Review Analysis

Certification Adequate

All USPAP certification items are present.

Limiting Conditions Adequate

The general assumptions and limiting conditions are generally appropriate to the assignment. The extraneous qualifications did not detract from the credibility of the assignment results.

Extraordinary Assumptions Not applicable

The intended use of the assignment was to opine to a current annual rent for cabin and trailer sites situated around the Angostura Reservoir. In that no specific property was appraised and to the extent that current market data was relied on, no extraordinary assumptions were deemed applicable to the assignment.

Hypothetical Conditions Not applicable

Scope of Work Adequate

The scope of work necessary for a credible assignment results is generally subjective to the appraisers and it is sometimes difficult to ascertain unless the appraisers specifically provide in detail concerning what due diligence was and was not undertaken. Relative to scope of work for the subject assignment, certain scope activities were cited, but said was somewhat generic in nature, requiring the overall scope of work to be gleaned from the references of other due diligence performed elsewhere in the report. Overall, based on the complexity of the assignment problem and the due diligence that is evident from within the report, the scope of work for the assignment was adequate.

Client Adequate

OVS was appropriately identified as the client for the appraisal assignment.

Intended Users Adequate

Reclamation and OVS were appropriately identified as the intended users of the appraisal report. No other intended users of the appraisal

report were identified.

Intended Use Adequate

The assignment results will be used by Reclamation to establish to establish the current annual permit fee for each of the 86 trailer sites and the 32 cabin sites surrounding the Angostura Reservoir. The intended use of the market rent survey report by OVS is to review for compliance with the requirements set in the assignment's SOW. The report and its opinions of market rent are not intended for any other use or purpose.

Date of Value Adequate

The subject assignment reflects an October 1, 2015 date of value that is within 30 days of the date of the first report submission of October 6, 2015.

Date of Report Adequate

The date of the report appropriately corresponds to the final date of the last revision of the report per the requirements of USPAP.

Definition of Market Rental Value Adequate

The introductions to the definition of market rent references the determination of right-of-ways, which are not relevant to the assignment. In that the definition of market rent is appropriate, this deficiency does not detract from the credibility of the assignment results.

Property Rights Appraised Not applicable

As specific individual cabin and trailer sites were not part of the assignment, a specific real property interest was not appraised. The annual rent opined is characteristic of a Permit Agreement.

Summary of Appraisal Problems Adequate

A specific Summary of the Assignment Problem was not presented, however, the report sufficiently identifies the assignment problem through the various descriptions provided in other sections of the report.

Legal Description Not applicable

Specific cabin and trailer sites were not appraised; the assignment consists of a market rent survey for a typical cabin and a typical trailer site around the Angostura Reservoir.

Contact with Owner Not applicable

Specific cabin and trailer sites were not appraised; the assignment consists of a market rent survey for a typical cabin and a typical trailer site around the Angostura Reservoir.

Property Inspection Adequate

The Adam Bradshaw inspected a sampling of the cabin and trailer sites around the Angostura Reservoir on October 9, 2014; Charles LaFlamme did not make an inspection.

Location and Neighborhood Adequate

Property Description Adequate

Legal and Physical Access Adequate

Use, Rent, and Sale History and Analysis Not applicable

Tax Assessment Analysis Not applicable

Zoning and Land Use Restrictions Not applicable

Other Adequate

The market rental survey report reasonably summarized the characteristics of the Reclamation cabin and trailer sites and provided a credible market overview.

Valuation

Highest and Best Not applicable

Use Estimate

Comparable Rentals Selection

Adequate

The report draws to the intended users' attention that there was a dearth of comparable rental data in the market to analyze and that no comparables with identical characteristics to the Angostura Reservoir cabin and trailer sites were identified. Accordingly, the analyses expanded the search outside the subject's immediate neighborhood with a selection of four comparables. Although the comparables considered had varying physical characteristics when compared to the Angostura Reservoir cabin and trailer sites, the comparables were considered to be the most relevant available for the assignment.

Comparable Rentals Description

Adequate

Adjustment Characteristics

Adequate

The appraisal reasonably considered the primary factors that influenced the rental fees charged by the comparable properties.

Adjustment Methodology

Adequate

Due to the limitations of the available market data, there were no matched paired analyses to obtain adjustments. The appraisal methodology relied used the available data to the extent possible and ultimately employed a bracketing technique. Although the overall adjustment methodology employed seemed somewhat contrived and definitely qualitative, the technique is a reasonable methodology when insufficient comparable rentals are available. Essentially the analyses relied on the limited market data available in conjunction with the appraiser's experience and judgment.

Unit of Measurement (GBA/NRA/UA) Selection

Adequate

Expense Basis (NNN, Full Service, Gross, etc.)

Adequate

Although not specifically cited, the analyses clearly inferred the characteristics of the rent per year conclusion.

Lease Terms

Adequate

Conditions of Lease Adequate
Tenant Improvement Allowance Not applicable

Market Conditions Adequate

Location Adequate

Physical Characteristics Adequate

Economic Characteristics Adequate

Use Adequate

Other Adequate

The analyses presented reasonably took each of the comparables into consideration and correlated their rental characteristics to a typical cabin / trailer site rental.

Rental Value Reconciliation Adequate

In the final analyses, the appraisal reasonably correlated the annual rental per cabin and annual rental per trailer space indicators from the comparables through a bracketing technique. The appraisal considered the characteristics of the adjustments made to each comparable as well as considered the weighing of the comparable indicators to opine to an annual market rental conclusion.

Review Conclusion

Completeness and Accuracy of the Material Presented

In developing an opinion about the completeness of the material under review, the initial rental survey report submitted included a few items needing clarifications. Such items required the reviewer to discuss the issues with the appraisers to obtain clarification and as appropriate, the enhancement to the report to facilitate understanding and completeness. To the clarifications required, the appraisers were responsive to the discussion and desiring to improve the quality and clarity of the work product. Overall, given the nature of the assignment problem and the scope of work performed, it is the reviewer's opinion that the completeness of the material under review is reasonable for use by Reclamation.

Adequacy and Relevance of the Data and Propriety of Adjustments

It is the reviewer's opinion that relative to the constraints of the market, the data contained in the rental survey report was adequate and relevant to solving the assignment problem. However, it is also the reviewer's opinion that enhancements to the adjustment discussions could benefit intended users' understanding relative to the assignment process. Still, the assignment analyses presented appeared to conform to the appraisers' peers' perspectives and as such, the analyses were deemed credible for use.

Overall, it is the reviewer's opinion that the adjustments were reasonable relative to establishing the propriety and credibility of the adjustments made or not made. In addition, the reviewer is of the opinion that the assignment reasonably relied on qualitative considerations and a bracketing technique applied such that the adequacy and relevance of the data and propriety of adjustments were reasonable.

Appropriateness of Appraisal Methods and Techniques

The majority of the cabin / trailer sites located around the Angostura Reservoir are not considered lakefront properties, but do benefit from the immediate proximity to the reservoir. The use of the sites are restricted to a six-month period during the year reflective of seasonal vacation rental; year round occupancy is not allowed. Other reservoirs in the state area also government owned. No private lakes were encountered where similar seasonal vacation sites could be found that would be considered market driven. The appraisers had to survey alternate forms of rental housing to measure the reasonable rent that could be achieved. To that end the appraisers surveyed RV Parks and mobile home or trailer parks. RV parks were surveyed because they cater to vacation travelers and because they are often rented on a monthly or seasonal basis. Additionally, mobile home parks were surveyed because many of the homes on the cabin / trailer sites are mobile homes and park rents are either on a monthly or annual basis.

Overall both surveyed sources were deemed relevant and adequate method to form the opinion of market rental value. The method and technique applied were found to be indicative of the market in the analyses of properties similar to the subject assignment and as such, it is the reviewer's

opinion that the methods and techniques used in the report were sufficient to reasonably support the opinion of market rental value for the intended use of the report.

Appropriateness and Reasonableness of the Analysis, Opinions, and Conclusions

The rental survey analyses performed was deemed relevant and adequate to form the opinion of market rent for the subject assignment; the analyses performed were both applicable and relevant to the assignment. The method and technique applied were found to be indicative of the market in the analyses of rental sites and as such, it is the reviewer's opinion that the methods and techniques used were sufficient to reasonably support the market rentals opined for the intended use of the report.

Date of Review Report

October 9, 2015

Reliability of Value Conclusion as of the Date of Review Report

Overall, the work under review is deemed to be credible as of the date of this review report and may be relied on and used by Reclamation.

Conclusion

APPROVE

Final Comments

- This review report recognizes that perfection is impossible to attain and competency does not require perfection. Errors and clarification items discovered in the accompanying appraisal report were generally minor in nature and did not impact the overall reliability of the analyses presented. Accordingly, the intended users of this review report and the corresponding appraisal report should be aware that the reports may contain some uncorrected calculations, incorrect verbiage, and typographical errors.
- This review document is an integral part of, and should be included with each copy of the appraisal report retained by the U.S. Bureau of Reclamation or any other agency of the United States Government. The information, opinions, and conclusions presented in this review document, if different than those cited in the appraisal report, should be relied on over those expressed in the appraisal report.

Reviewer's Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions of the appraiser.
- I have no present or prospective interest in the property that is the subject of this work under review and no personal interest with respect to the parties involved. Although the United States Department of the Interior is my employer, I am acting without prejudice towards that party.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- My engagement on this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analysis, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within a three-year period immediately preceding acceptance of this assignment.
- No one provided me significant appraisal review assistance.
- I have not made a personal inspection of the subject of the work under review.
- I have not made a personal inspection of the comparables cited in the work under review.
- I have not verified the factual data presented in the work reviewed.
- As of the date of the report, I have completed the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- The reported analyses, opinions, and conclusion were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.



October 9, 2015

Steven G. Murphy

Reviewer Qualifications

Steven G. Murphy

Professional Experience

- Review Appraiser, Office of Valuation Services - Department of the Interior
Reno, Nevada
May 2010 to Present
- Appraiser, Appraisal Services Directorate - Department of the Interior
Reno, Nevada
August 2004 to April 2010
- Manager, RERA Support - Bank of America, Real Estate Risk Assessment
Pleasant Hill, California
October 1998 to July 2004
- Manager, Quality Assurance & Audit - Bank of America, Commercial Appraisal Services
Pleasant Hill, California
April 1992 to September 1998
- Regional Manager, Southeast / Hawaii - Bank of America, Commercial Appraisal Services
Pleasant Hill, California
November 1996 to March 1998
- Regional Manager, Northern California & Nevada - Bank of America, Commercial Appraisal Services
Sacramento, California
March 1991 to March 1992
- Team Leader - Bank of New England Appraisal Department
Boston, Massachusetts
May 1990 to February 1991
- Appraiser, Various Appraisal Shops
Washington, DC, San Francisco, California, Medford, Oregon
July 1979 to April 1990

Licenses and Certifications

State License:

- Certified General Appraiser - Nevada (License No. A.0006037-CG)

Professional Certification:

- MAI, Appraisal Institute (No. 8324)

Education

Bachelor of Arts in Business Administration, Fort Lewis College, Durango, Colorado

STATEMENT OF WORK (SOW) Office of Valuation Services

Agency Case ID: [N/A]

IVIS Number: [R13022/00040503]

- Appraiser Instructions:**
1. Perform and complete a Market Rent Survey of residential/recreational lots similar to those located at the Angostura Reservoir located in Fall River County, South Dakota. The survey should only consider the rental data of unimproved land. The rent survey will be used to aid the Bureau of Reclamation in determining a yearly fee for the seasonal recreational lots surrounding the Angostura Reservoir. These lots are currently being managed by the Bureau of Reclamation of the Dept. of Interior, USA.
 2. The Office of Valuation Services review appraiser for this appraisal assignment will provide contacts for this assignment as needed.

SECTION 1 – SUBJECT IDENTIFICATION & GENERAL INFORMATION

Identification:	<i>Project Name</i>	Angostura Reservoir
	<i>Location</i>	Fall River County, South Dakota
	<i>Acreage</i>	3 acre or less sites
	<i>Number of Parcels</i>	90 mixed sites
	<i>Property Type</i>	Recreational/Residential Sites
	<i>Case Type</i>	Market Rent Survey

Client: U.S. Department of the Interior, Office of Valuation Services (OVS)

Intended Users: The market survey will be used by the Bureau of Reclamation on behalf of the United States of America.

Intended Use: The intended use of the analysis is to research the local rental market and report it in a summary manner. This data will assist the Bureau of Reclamation in determining a yearly use fee for the recreational sites surrounding the Angostura Reservoir. It is not intended for any other use.

SECTION 2 – APPRAISAL REQUIREMENTS & INSTRUCTIONS

- Appraisal Standards:** Uniform Standards of Professional Appraisal Practice (USPAP).
- Extraordinary Assumptions:** None.
- Hypothetical Conditions:** None
- Jurisdictional Exceptions:** None
- Property Inspection:** The appraiser must inspect the subject property area and all of the market properties used in survey, unless the OVS Review Appraiser has approved other conditions in writing.
- This is a USPAP compliant report. The portions of USPAP that apply generally to appraisal practice include the DEFINITIONS, PREAMBLE, CONDUCT, MANAGEMENT, and CONFIDENTIALITY sections of the ETHIC RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE. (USPAP: Advisory Opinion 21)
- The appraiser will be required to attend a pre-work meeting with the assigned OVS Review Appraiser, and/or other agency representative, and other interested parties.
- Controversies/Issues:** Should other controversies or issues be identified by the appraiser during the course of the assignment, the OVS Review Appraiser identified in Section 3 of this document must be immediately notified. The following issues have been identified:
- Legal Instructions:** None.

Special Appraisal Instructions:

1. The appraiser may not communicate assignment results to any party except OVS until authorized to do so in writing by OVS.
2. Any communication (verbal or written) with the Client Agency (Bureau of Reclamation) shall include the assigned OVS Review Appraiser.

General Appraisal Requirements & Instructions:

1. The appraiser must hold a valid license as a Certified General Appraiser for the jurisdiction in which the subject property is located. (Valid credentials include those obtained directly from the jurisdiction, those issued under a reciprocity agreement, and/or those characterized as “temporary” under the jurisdiction’s licensing and certification statutes.)
2. The OVS Statement of Work must be included within the Addenda to the appraisal report.
3. This appraisal assignment does not need to comply with UASFLA. It must confirm to USPAP.
4. This is a market survey as directed under USPAP (AO 21).
5. Color photographs and maps of comparable properties shall be included in the appraisal report. OVS will accept aerial photographs for comparable properties, unless the aerial photographs do not accurately represent the property as of the date of inspection. The appraiser must photograph any unusual property features from the ground.
6. The report will be reviewed for compliance with the terms of this Statement of Work. Any findings of inadequacy will require clarification and/or correction.
7. The appraiser shall consider the Market Survey and all DOI internal documents furnished to the appraiser to be confidential. Refer all requests for information concerning the appraisal to the OVS Review Appraiser. While the public is not an intended user of the appraisal report, the Freedom of Information Act (FOIA) and Agency policy may result in the release of all or part of the appraisal report to others.
8. OVS will not normally accept custody of confidential information. Should appraiser find it necessary to rely on confidential information, he/she will contact the OVS Review Appraiser for instructions. The Review Appraiser will view the information and provide further instruction to the appraiser regarding handling and storage of the confidential information.
9. If including any proprietary information in the appraisal, appraiser must gain concurrence from OVS Review Appraiser and deliver the proprietary information in a separate binder.

SECTION 3 – PERFORMANCE & SUBMISSION REQUIREMENTS

The appraiser must address any questions regarding appraisal instructions and/or technical requirements for the appraisal to the OVS Review Appraiser. The contract award will identify the OVS Review Appraiser and his/her contact information.

The Target Period of Performance for the delivery of the initial appraisal report to the OVS Review Appraiser is 60 calendar days from the Date of Award. Contractors must provide the appraisal services within the performance period specified, and/or otherwise state an alternative Period of Performance with justification.

Deliverable/Task Schedule:

REQUIRED DELIVERABLES	DELIVERY DATE
Pre-Work Meeting	Not required
Initial Report	60 Days, or less
Review Period	15 Days
Market Survey Report	30 Days after Initial Report Delivery

Provided Subject Property Exhibits:

The following Subject Property Exhibits will be provided as attachments to the solicitation:

1. Sample market survey report
2. Location Map
3. Aerial Photo / Overlay
4. Copy of typical site permit