



Review of

Review for

Date of Prospective Value

Date of Review

Reviewer(s)

Appraisal Review Report

Enders Reservoir Cabin Sites
 Cabin Site Nos. 12 and 23
 Chase County, Nebraska
 Case No. 00010333, IVIS No. R180013

U.S. Bureau of Reclamation Great Plains Region
 Attn: Alex Morgan, Realty Officer
 GP-4300, P.O. Box 36900
 Billings, MT 59107r

May 1, 2020

August 13, 2019

Bruce D. Buchan, MAI
 Colorado Certified General Appraiser No. 1313128
Appraisal and Valaution Services Office



United States Department of the Interior

Appraisal and Valuation Services Office

One Denver Federal Center

Building 46, Suite 102

Denver, CO 80225

Transmittal

IVIS Number: R180013

Date: August 13, 2019

Agency Case ID: 00010489 Cabin Site Nos. 12 and 23

To: U.S. Bureau of Reclamation Great Plains Region
Attn: Alex Morgan, Realty Officer
GP-4300, P.O. Box 36900
Billings, MT 59107

Subject: Appraisal Review
Enders Reservoir Cabin Sites
Cabin Site Nos. 12 and 23
Chase County, Nebraska
Case No. 00010333, IVIS No. R180013

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 | 6 |
| Review Analysis | 8 |
| Review Conclusion | 20 |

The subject of this appraisal consists of a prospective opinion of annual market rent for Cabin Site Nos. 12 and 23. The concluded rent by type are representative benchmarks of the 27 cabin sites that are under permit. The appraiser, Elliot Clark, MAI with Clark Real Estate Appraisal, concluded the following annual market rents as of May 1, 2020:

| | |
|-------------------|---------|
| Cabin Site No. 12 | \$2,700 |
| Cabin Site No. 23 | \$2,460 |

The report includes a hypothetical condition that considers the sites/spaces “as vacant” excluding the improvements specified in the sample permits, coupled with the properties being available for rent on the open market.

Based on my review dated August 13, 2019, I **APPROVE** the appraisal for your use.

BRUCE
BUCHAN



Digitally signed by
BRUCE BUCHAN
Date: 2019.08.15
09:58:33 -06'00'

Bruce D. Buchan, MAI
Colorado Certified General Appraiser No. 1313128

Executive Summary

| Appraisal | | |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Appraiser(s) | Elliot Clark, MAI with Clark Real Estate Appraisal | |
| Property Owner | United States of America | |
| Property Appraised | Cabin Site Nos. 12 and 23 within Enders Reservoir State Park, Fremont County, Nebraska. | |
| Real Property Interest | The interest appraised is the annual market rents subject to the cabin lot permit for Cabin Site Nos. 12 and 23. | |
| Extraordinary Assumptions | None | |
| Hypothetical Conditions | The report includes a hypothetical condition that considers the sites/spaces “as vacant” excluding the improvements specified in the sample permits, coupled with the properties being available for rent on the open market. | |
| Jurisdictional Exceptions | None | |
| Highest & Best Use | Construction of a small cabin (Cabin Site Nos. 12 and 23). | |
| Date of Report | August 13, 2019 | |
| Date of Prospective Value | May 1, 2020 | |
| Market Rental Value | \$2,700 | Cabin Site No. 12 |
| | \$2,460 | Cabin Site No. 23 |

Review of the Appraisal

| | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Client | U.S. Bureau of Reclamation Great Plains Region Attn: Alex Morgan, Realty Officer GP-4300, P.O. Box 36900 Billings, MT 59107 |
| Intended User(s) | U.S. Bureau of Reclamation Great Plains Region |
| Intended Use | The intended use of the review is to determine whether the client should use the appraisal in their rent negotiations. The appraisal review is not intended for any other use. |
| Date of Review | August 13, 2019 |
| Review Conclusion | APPROVE |

Review Scope of Work

Regulatory Compliance My review development and this review report comply with:

1. USPAP, Standard 3
2. AVSO Valuation Policy Manual (602 DM 1)

Purpose of the Assignment This review concludes the appraisal report's credibility by analyzing the:

1. Completeness of the material presented within the applicable scope of work
2. Accuracy, adequacy, and relevance of the data and propriety of adjustments to the data
3. Appropriate appraisal methods and techniques
4. Appropriateness and reasonableness of the analysis, opinions, and conclusions
5. Current usefulness to the intended users of my review report

Extent of Review *Appraisal Report:* This review consisted of reading the appraisal report, which included verification that the appraisal problem was properly identified and appropriate for the intended use and intended users; a determination if the highest and best use was properly analyzed and supported; spot-checking calculations; and noting items that may have been omitted or confusing to the reader. The appraiser's work file was not examined.

Subject Property: I inspected the subject property with the appraiser and Nikolaus Johanson (representative of the Bureau of Reclamation) on March 13, 2019.

Market Research: Subject Property: I did not verify or confirm the comparable sales data or any other information presented in the work under review. This review does not include information that was not available to the appraiser in his analysis. I examined the documents included in IVIS and conducted general market area research via the internet gaining a basic understanding of the subject region. I did not conduct any independent research of sale or listing data. I did not conduct any independent research of sale, or listing data.

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 appraisal report.
- I assume that the data contained in the appraisal report are factual and accurate.

- I reserve reconsidering my review conclusions should information become available that contradicts the data relied on in the appraisal report.

Extraordinary Assumptions None.

Hypothetical Conditions None.

Consult with Appraiser *Instructions:* The appraiser was provided a statement of work (SOW), location maps, aerials, photographs, lot surveys, legal descriptions, contacts, rent rolls, and background information. Sample cabin, mobile home and dock/mooring permits were also supplied.

Pre-Work Meeting: A pre work meeting was conducted on March 12, 2019.

Requests for Revision: The initial appraisal was submitted on July 11, 2019. Review comments were forwarded to the appraiser on August 5, 7 and 13, 2019. The suggested comments were considered/addressed in and final report received on August 13, 2019. The review is based upon the final report.

Review Analysis

Assignment Instructions Adequate

The appraisal report complied with the assignment instructions as outlined in the statement of work dated July 10, 2018.

Certification Adequate

All USPAP required content is included in appraiser's certification.

Limiting Conditions Adequate

The assumptions and limiting conditions are germane to the appraisal assignment.

Extraordinary Assumptions Not applicable

None

Hypothetical Conditions Adequate

The report includes a hypothetical condition that considers the sites/spaces "as vacant" excluding the improvements specified in the sample permits, coupled with the properties being available for rent on the open market. This is consistent with instruction in the statement of work.

Jurisdictional Exception Not applicable

None

Scope of Work Adequate

The appraisal report identified the appraiser's scope of work and met USPAP scope of work rule requirements for the appraisal assignment (pages 11-15 of report). The scope of work section is adequate and includes the necessary components for a creditable assignment.

Client Adequate

The appraisal report correctly identifies the United States Department of Interior, Appraisal and Valuation Services Office as the client.

Intended Users Adequate

The report identifies the Great Plains Region USBR on behalf of the United States of America and the Nebraska Game and Parks Commission as intended users.

Intended Use Adequate

The intended use identified in the appraisal report is consistent with the statement of work – to assist the Great Plains USBR and Nebraska Game & Parks Commission with setting annual rental rates for the subject properties. The appraisal report is not intended for any other use.

Date of Value Adequate

The prospective date of value is May 1, 2020, which is consistent the SOW.

Date of Report Adequate

The date of the report is August 13, 2019, which appears to represent the end of the analysis and opinions conveyed. Due to the 2018/2019 government shutdown, the submission of the report was delayed beyond the 30-day requirement from the date of the last inspection.

Definition of Market Value Adequate

Market Rent applied in the appraisals must complies with 43 C.F.R. Part 2920.8(a), which requires that:

“The rental shall be based either upon the fair market value of the rights authorized in the land use authorization or as determined by competitive bidding. In no case shall the rental be less than fair market value.”

The appraisal report correctly uses the market rent definition from The Dictionary of Real Estate, 6th Edition (Appraisal Institute, 2015).

**Property Rights
Appraised**

Adequate

The document identifies the property rights appraised as *the prospective annual market rents subject to the Cabin Lot Permit for Cabin Site No. 12 and No. 23*. This section of the report is complete/accurate and consistent with the statement of work.

Legal Description

Adequate

The report correctly identified the legal descriptions of the subject as provided to the appraiser in the statement of work.

Contact with Owner

Adequate

The appraiser interviewed Nikolaus Johanson, the representative of the Bureau of Reclamation.

Property Inspection

Adequate

The appraisal report identifies the date of inspections as March 13, 2019. It also indicates that Bruce D. Buchan, MAI (Review Appraiser) and Nikolaus Johanson (representative of the Bureau of Reclamation) accompanied the appraiser in the inspection. The inspection was adequate for the scope of work leading to a credible appraisal.

**Location and
Neighborhood**

Adequate

The regional and neighborhood data is informative and relevant to the current valuation. The appraiser's conclusions as to trends in the local market are brief, but adequate given the complexity of the assignment.

**Property
Description**

Adequate

The appraisal provides an adequate description of Cabin Site Nos 12 and 23. The report incorporates a discussion of each property and provides photos, aerials, maps, surveys, and visual aids to identify the important physical features.

**Legal and Physical
Access**

Adequate

The properties have legal and physical access that is addressed on page 27 of the report.

**Use, Rent, and Sale
History and
Analysis**

Adequate

The appraisal report provided a use, sale, and rental history of the subject that meets USPAP requirements. The properties are under the ownership of the United States. No arm's length sale transactions have occurred in the past three years and the properties are not listed for sale nor under contract. Cabin Lot Nos. 12 and 23 are occupied by private parties via long-term permit (5 years) with the Nebraska Game and Parks Commission that expires on April 30, 2020. The original leases commenced in 1995 and the current leases are the final 5-year renewal options of the original leases. The current annual lease rates for both sites are \$544 (report considers below market). The tenant is responsible for the utility costs to the improvements, costs for construction and maintenance of any improvements, costs for sanitation and waste disposal, and costs (shared with other permittees) for road maintenance. The subject properties have been used as cabin sites for many years.

**Tax Assessment
Analysis**

Adequate

This section of the report indicates the cabin sites are tax exempt in Chase County since the land is under the ownership of the United States. Leasehold improvements are taxed, however not relevant to the assignment (estimation of market rental rates of the sites/spaces).

**Zoning and Land
Use Restrictions**

Adequate

The appraisal provides a thorough review of land use restrictions by the governing agencies. The cabin sites are zoned AG (Agriculture) by Chase County. The classification allows detached homes and agriculture uses. The cabin site as platted is consistent with governing zoning. The report further addresses the land use restrictions imposed by the Nebraska Game and Parks Commission (pages 27-30).

Valuation

**Highest and Best
Use Estimate**

Adequate

The highest and best use discussion within the appraisal report provides a relevant analysis of the legal, physical, financially feasible, and maximally productive criteria of the properties given the complexity of the assignment. The properties are zoned AG (Agriculture). The cabin sites are in conformance with governing zoning. The analysis correctly addresses the land use restrictions imposed by the permittees and the report concludes the highest and best use "as if vacant" for Cabin Site

Nos. 12 and 23 is for the for the construction of a single family residence for seasonal use.

**Larger Parcel
Determination** Not applicable
None

Cabin Sites Nos. 12 and 23 Valuation

**Selection of Approaches to
Value** Adequate

The appraisal appropriately applies elements of the income capitalization and sales comparison approaches to estimate the market rent of the cabin sites. The report indicated there was insufficient “arm’s length “cabin site leases in the market area needed to prepare a creditable result. As a result, the document incorporated a ground lease rate of return analysis that applies elements from the sales comparison and income capitalization approaches. This methodology estimates the market value of the cabin sites as if vacant (sales comparison approach) and applies a market derived ground lease rate of return (income capitalization approach) resulting in an indication of market rent.

**Analysis of Subject Previous
Sales** Adequate
The appraisal reported no previous sales.

Comparable Sales Selection Adequate

The appraisal provides a comprehensive discussion of the extent and results of the sales search for vacant sites similar to the subject. The report indicates a paucity of comparable transactions in the subject marketplace making it necessary to expand the search geographically outward to other lakes/reservoirs in western Nebraska. The survey yielded five sales considered similar to the subject property. The lots enjoy varying views/amenities and situated at Lake McConaughy, Medicine Creek Reservoir or Lake Minatare. The sites range from 0.17 to 0.95 acres and sold within 36 months of the date of the report.

Comparable Sales Description Adequate

The comparable sale descriptions (data sheets) provide adequate factual data of the sales, including the document identification number, location, legal, access, tax ID, sale date, sale price, financing, grantor/grantee, marketing time and intended use. Furthermore, the report includes the property rights conveyed, buyer/seller, confirmation information, remarks, land area, topography, view, lake access, flood plain, improvement contribution, zoning, and utility availability as well as photographs, aerials, maps and site depictions.

Adjustment Characteristics Adequate

The report includes a thorough discussion of the comparative elements with both transactional and physical adjustments addressed. The elements are adequately covered in two separate analysis (Cabin Site No 12 pages 78-82 and Cabin Site No. 23 pages 83-87). The adjustment grids can be found on page 78 and 83.

Adjustment Methodology Adequate

Qualitative adjustments are primarily relied upon in the analyses given the sparse data environment. The adjustments are reasonable and relevant. The report provides a reasoned and relevant discussion of the various adjustment categories, which is helpful to the reader especially in the definition of the magnitude of the adjustment. The appraisal did incorporate a quantitative adjustment to account for the improvement contribution on Comparable No. 4. Furthermore, the report attempted to apply a qualitative adjustment for the access/view category by pairing five lot sales ranging in price from \$40,000 to \$105,000 located in the Bayside community at Lake McConaughy (page 55). The unsuccessful analysis (lakefront versus interior setting) is adequately addressed (pages 80 & 88) and correctly concludes the available market data within the community is insufficient to apply a creditable quantitative adjustment.

Unit of Comparison Selection Adequate

The sale price per site is employed in the analyses, which is an accepted unit of comparison in site valuations in the subject

marketplace. The report further indicates buyers and sellers in the marketplace evaluate vacant residential properties based upon the sale price rather than the price per acre. The appraisal includes a thorough analysis of which of these units is most consistently expressed by the market.

Transactional Adjustments

Property Rights Adequate

The property rights conveyed represented fee simple estate with no adjustments required. This is accurately conveyed in both analyses.

Financing Terms Adequate

All of the comparables are cash to seller transactions and no adjustments are warranted for this category.

Conditions of Sale Adequate

Nos. 1, 2, 3 and 4 are typical of the market (arm's length) with no adjustments required. Comparable No. 5 includes an assemblage of two contiguous lots acquired from separate sellers at different sale dates. The purchaser indicated a premium paid for this condition (unable to quantify amount). Due to this condition, the report correctly report applies an upward qualitative adjustment to No. 5 for this category. The reviewer considers the adjustment a reasonable reflection of the market behavior.

Expenditures After Purchase Adequate

No expenditures after the purchase are identified in the analyses.

Market Conditions Adequate

The five comparables utilized in the analyses sold within the past 36 months from the August 13, 2019 date of report. The date of sale reported on the analysis grid (No. 4) does not match the sale date on the sales data sheet. The report suggests the available market data (MLS and County Records) did not support a downward or upward adjustment for the lapse of time (May 1, 2020 prospective date of value) resulting in no

adjustment applied to this category. Though meagerly supported, this assertion is reasonable.

Property Adjustments

Location Adequate

The comparables used in the analyses are deemed to have similar rural locational attributes and the report appropriately did not apply adjustments for this category.

Physical Characteristics Adequate

Boat Dock Permit:

The cabin sites have shoreline docking availability, whereas all of the comparables lack this amenity and rely on renting slips in nearby marinas. Qualitative inferior adjustments are applied to the comparables in both analyses.

Lake Water Surface Area:

No market evidence suggesting the lake surface area affected sale prices. As a result, no adjustment is applied to this category.

Access to Lake and View:

Cabin Site No. 12 fronts along the reservoir with favorable lake views, while No. 23 is across the street with less desirable views. Comparable Nos. 4 and 5 share the same attributes as Cabin Site No. 7, while No. 1 includes a superior Lake McConaughy view/setting. Nos. 2 and 3 have less desirable access and inferior views. Comparable Nos. 1, 4 and 5 are superior to Cabin Site No. 23, while Nos. 2 and 3 have similar access/ views. Upward and downward qualitative adjustments are correctly applied for the differences in characteristics.

Lake/Neighborhood Amenities:

Comparable Nos. 4 and 5 share similar amenities as the subject properties, whereas Nos. 1, 2 and 3 benefit from a golf course in the community. Upward qualitative adjustments are applied for this characteristic.

Vehicular Access:

The properties and comparables have similar unpaved access and considered equivalent.

Shape:

All of the comparables have functional shapes. No adjustment is applied for this category.

Topography:

The cabin sites are mild in topography. The comparables are all predominantly level and are generally considered equivalent.

Size:

Cabin Site Nos. 7 and 21 contain 0.30 and 0.65 acres respectively. Land Sale Nos. 1, 2 and 3 at 0.92, 0.951 and 0.92 acres are similar in area. The appraiser found no evidence in the marketplace to apply a size adjustment for sites within the 0.30 and 1.00-acre size range. Nos. 4 and 5 at 0.17 and 0.22 are smaller and the report correctly applies downward qualitative adjustments.

Easements/Encumbrances Affecting Value:

There are no known easements/encumbrances affecting the subject or comparables

Utilities and Water/Sewer

Like the subject properties, all of the comparables have similar access to electricity and telephone. The cabin sites (if vacant) and all of the comparables require construction of an individual well and septic systems prior to residential construction. No adjustments are required for this category.

Economic Characteristics Not applicable

The sales in the analysis are not leased (acquired for income potential).

Use and Zoning Adequate

The comparables and the subject properties are zoned to accommodate detached residences. The governing cabin site permit has restrictions on use (permanent residency restriction) and home size (700 square feet limitation). The comparables include yearlong use of the home sites and there are minimal restrictions on building size. Due to this condition, the report correctly applies downward qualitative adjustments to all five transactions.

Contribution of Improvements and Non-Realty Adequate

No. 4 represents an improved sale with the contribution of the improvements estimated at \$110,182 of the \$151,000 sale price. The report applies the Marshall Valuation Service to arrive at the contribution of the home (page 75) and accounted for profit incentives/accrued depreciation. The downward quantitative adjustment is appropriately applied in the analyses grids (page 78 and 83).

Cabin Site “As Vacant” Reconciliation Adequate

The unadjusted land sales range from \$40,000 to \$151,000 per site for Cabin Site Nos. 12 and 23. The comparables are situated on reservoirs within Nebraska and enjoy varying views. The sales are in rural locations and range in size from 0.17 to 0.95 acres in size.

The appraisal discusses the reliability of the data used along with the rationale for the final value conclusion. Two separate analyses are presented in the report with the primary difference between the subject cabin sites being the proximity to the lake and view difference.

Cabin Site No. 12 After accounting for quantitative adjustments, including the improvement contribution of No. 4, an adjusted range of value from \$40,000 to \$75,000 is reflected for the subject cabin site “as vacant”. The report suggests that Nos. 5 and 1 at \$57,500 and \$75,000 per site are far superior, while Nos 2 and 3 are slightly superior at \$40,000 and \$45,000 per site. No. 4 at \$40,818 is equivalent and given most weight. The report reasonably concludes the market value of Cabin Site No. 12 “as vacant” at \$45,000.

Cabin Site No. 23 After accounting for quantitative adjustments, including the improvement contribution of No. 4, an adjusted range of value from \$40,000 to \$75,000 is indicated for the subject cabin site “as vacant”. The report indicates that Nos. 5 and 1 at \$57,500 and \$75,000 per site are far superior, while Nos 2 and 3 are slightly superior at \$40,000 and \$45,000 per site. No. 4 at \$40,818 is equivalent and given

most weight. The report reasonably concludes the market value of Cabin Site No. 23 “as vacant” at \$41,000.

The values are supported by the sales utilized in the appraiser’s analysis and the report reflects the appraiser’s best judgement and logic.

Ground Rent Rate of Return Adequate

In order to arrive at the annual market rent of Cabin Site Nos. 12 and 23, the report applies a ground rent rate of return of 6.00% to the previously estimated value of the cabin land “as vacant “. The rate is based upon the 2nd Quarter 2019 RealtyRates.Com Investor Survey of Land Leases that presents capitalization rates of variety of property types. This is supplemented by ground lease rates of return utilized by governmental agencies to derive cabin site rents. The Realty Rates survey presents rates of return of variety of property types derived from actual ground leases. The report suggests the lodging category from the Realty Rates survey is most applicable to the subject cabin sites (rates ranging from 2.95 % up to 16.26% with an average of 7.76%). The rates provided by the governmental entities, which are not abstracted from actual sales, range from 3.50 to 6.50%. The appraisal suggest a rate of return bracket from 5.00% (reported by the majority of governmental agencies) and 7.76% (average of survey respondents for Lodging) and adopts 6.00% ground rent rate of return. The support for the rate is meager/weak and additional market support from rates of return abstracted from ground lease sales in the Nebraska marketplace would be ideal. Furthermore, given the residential nature of the subject, the apartment category is better-suited (rates ranging from 2.79 % up to 10.86% with an average of 6.80%) and further supports the 6.00% rate conclusion.

Cabin Site Rental Value Reconciliation Adequate

There was insufficient “arm’s length “cabin site leases in the market area needed to prepare a creditable result. As a result, the report incorporated a ground lease rate of return analysis that applies elements from the sales comparison and income capitation approaches. This methodology estimates the market value of the cabin site as if vacant (sales comparison approach) and applies a market derived ground lease rate of return (income capitalization approach) resulting in an indication of

market rent. The report concludes the annual market rent for Cabin Site No. 12 at \$2,700 as of May 1, 2020 (Site Value As Vacant \$45,000 X 6.00% Rate of Return) and Cabin Site No. 23 at \$2,460 as of May 1, 2020 (Site Value As Vacant \$41,000 X 6.00% Rate of Return).

The market rents are based on the terms and conditions of the sample permits provided with the assignment as well as the hypothetical condition that considers the sites/spaces “as vacant” excluding the improvements specified in the sample permits, coupled with the properties being available for rent on the open market.

Review Conclusion

Completeness and Accuracy of the Material Presented

The document is complete and includes the necessary components needed for compliance. The market rent appraisal identified and explains all major elements of consideration necessary in the appraisal process for the appraisal assignment and correctly apply industry valuation standards. There are no omissions or errors that would impact the completeness and accuracy of the value conclusions.

Adequacy and Relevance of the Data and Propriety of Adjustments

The appraisal problem is identified and the regional and neighborhood data is adequate and relevant. Furthermore, the physical characteristics of the subject property are reasonably described with sufficient exhibits to illustrate the facts at hand and those relevant to value were appropriately examined. It is the reviewer's opinion that the data contained in the appraisal report is adequate and relevant, and that the adjustments are adequately presented and applied. There was insufficient "arm's length" cabin site leases in the market area needed to prepare a creditable result and the report relied upon the ground lease rate of return analysis. The analysis relies on five site sales for direct comparison to the subject cabin site and applied a rate of return derived from actual ground leases (national survey) supported by rates commonly relied upon by governmental agencies for cabin site market rent determinations. The lot sales are situated on Nebraska reservoirs with similar locational and physical characteristics, offering good relevancy. The comparables are timely and occurred within 36 months of the date of report. The report supports the evidence that the appraiser conducted an adequate market search and present and relevant data.

Appropriateness of Appraisal Methods and Techniques

The appraisal appropriately applies elements of the income capitalization and sale comparison approaches to estimate the market rent of the two cabin sites. There was insufficient "arm's length" cabin site lease comparables in the market area needed to prepare a creditable result. As a result, the report incorporated a ground lease rate of return analysis that applies elements from the sales comparison and income capitalization approaches. This methodology estimates the market value of the cabin site as if vacant (sales comparison approach) and applies a market derived ground lease rate of return (income capitalization approach) resulting in an indication of market rent.

Qualitative adjustments are primarily used in the analyses of the cabin sites. The report applied adjustments that are appropriate and discussed in detail. Quantitative adjustments are employed to account market conditions as well as estimating the improvement contribution of a land sale in the cabin site valuation. Given the nature of the market rent appraisal assignment, the appraisal correctly used elements of the Sales Comparison and Income Capitalization Approaches. The Cost Approach was not applied; however, elements are adopted in deriving quantitative adjustments.

Appropriateness and Reasonableness of the Analysis, Opinions, and Conclusions

The conclusions and analyses within the appraisal appear to be reasonable and appropriate. The quality and quantity of data presented is sufficient to form a creditable opinion. The highest and best use has appropriate support from the foundational analysis and description of the neighborhood, site, and land use restrictions. In turn, it leads a reasonable conclusion by the appropriate use of only the sales comparison approach.

It is my opinion is that the analyses, opinions, and conclusions are appropriate and reasonable.

Date of Review Report

August 13, 2019

Reliability of Value Conclusion as of the Date of Review Report

The August 13, 2019 date of report (May 1, 2020 prospective date of value) and August 13, 2019 date of review is current. As a result, I accept and approve the appraisal report for the stated intended use.

Conclusion

APPROVE

Reviewer Certification

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

- The facts and data I reported and used in the review process are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the 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 report 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 Appraisal Standards for Federal Land Acquisitions.
- My appraisal review and review report preparation conform with the Appraisal Foundation's Uniform Standards of Professional Appraisal Practice except to the extent that the Uniform Appraisal Standards for Federal Land Acquisitions require invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions.
- 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 property under review.
- I have not made a personal inspection of the comparables cited in the appraisal report under review.
- I have not verified the factual data presented in the appraisal report reviewed.

BRUCE
BUCHAN

Digitally signed by
BRUCE BUCHAN
Date: 2019.08.15
10:00:02 -06'00'

August 13, 2019

Bruce D. Buchan, MAI

Colorado Certified General Appraiser No. 1313128

Reviewer Qualifications

BRUCE D. BUCHAN, MAI

License: Colorado Certified General Appraiser No. 1313128

Education: University of Washington, B.A. in Urban Planning/Development, 1978
AIREA Courses 1A, 1B, II-1, II-2, II-3, & VII
CCIM Course 101
Appraisal of Nursing Homes
Appraiser Regulations Seminar
Appraising from Blueprints & Specifications
Business Practices and Ethics
Depreciation Analysis
Discounted Cash Flow Analysis
Fair Lending & The Appraiser
Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets
Hotel/Motel Valuation
Industrial Properties
Rates, Ratios, and Reasonableness
Residential Review
Review Theory General
Stigmatized Properties/Preparing for Litigation
Subdivision Analysis
Transit Oriented Development
Uniform Appraisal Standards for Federal Land Acquisitions
USPAP Update
Valuation of Partial Acquisitions
Water Law I and II

Employment: **U.S. Department of Interior, Office of Valuation Services**
Review Appraiser
May 2016 to Present

Intermountain Commercial Appraisal Group, Denver/Littleton, CO
(Formerly Intermountain Consultants)
President of the full-service valuation and consulting firm
1983-1985; 1987-2004; 2006-2015

Asset Valuation Advisors, LLP, Denver, CO
Partner in the full-service firm
2004-2006

Laventhol & Horwath, Denver and San Francisco offices
Senior Manager, Appraisal and Leisure Time Industry Consulting Division
1985-1986

Independent Fee Appraiser, Denver, CO and Seattle, WA
1978-1983

Court Testimony: Qualified as an expert witness with the United States Bankruptcy Court; the Denver, Arapahoe, Adams, and Eagle District Courts; and the Colorado State Board of Assessments

Organizations: Member, Appraisal Institute - MAI Designation