E.K. APPRAISALS

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September 21, 2018

Lower Kootenay Band
Box 1107
Creston, B.C. V0B 1G0

ATTENTION: Mr. Curtis Wullum

Dear Mr. Wullum:

Re: A narrative appraisal report, to estimate the current market value for internal decision making purposes of property- located at 1278 West Creston Road, Rural Creston, B.C., known as the proposed 2.55 Ha. Nicks Garden Lot. **ICS File# VAN-E 5600-7-606 UNC**

As requested, an appraisal has been completed on the "as is" property described above**.** The function, of this appraisal report, is to provide an estimate of the current market value[1] of the "as if" fee simple rights to the property.

After an independent viewing of the residence and described land, the current market value, as at September 19, 2018, is estimated at:

THREE HUNDRED AND EIGHTY-FIVE THOUSAND DOLLARS
($385,000)

The following report, containing 31 pages of Text and Appendices, is presented in support of my findings.

Sincerely,

LINDA HASTINGS, A.A.C.I., P.App.
E.K. APPRAISALS

LH/lh

[1] CUSPAP definition can be found at http://www.aicanada.ca/e/pdfs/standards_2018_linked.pdf.

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

REPORT FACTS

EFFECTIVE DATE OF APPRAISAL:	September 19, 2018
DATE OF INSPECTION:	September 19, 2018
PURPOSE OF THE APPRAISAL:	To estimate the current fair market value of the fee simple interest in the subject property.
INTEREST APPRAISED:	To estimate the current market value for the redevelopment of 2.55 hectares (6.30 acres) indicated on the survey plan shown on Page 15 of 31.

SUBJECT FACTS

TYPE OF PROPERTY:	Rural Residential Property
LOCATION:	1278 West Creston Road, within the Lower Kootenay First Nations Reserve No. 1, Creston, B.C.
ZONING:	Agricultural Land Reserve
LAND AREA**:**	2.55 hectares

VALUE CONCLUSIONS (ESTIMATES)

HIGHEST AND BEST USE:	Residential use land
Direct Comparison Approach:	**$385,000**

EXPOSURE TIME:

The exposure time, to achieve the appraised value of $385,000 as at the September 19, 2018, is estimated at 30 to 90 days, based on the recent marketing times of similar residential use acreages located in the West Creston area of the Creston Rural surround.

STATEMENT OF LIMITING CONDITIONS AND CRITICAL ASSUMPTIONS

1. This report has been prepared, at the request of **Mr. Curtis Wullum of the Lower Kootenay Band,** to provide an estimate of the"current market value", for the "as is" property- located at 1278 West Creston Road at the Western Boundary of the Lower Kootenay Reserve #1. No one, other than those to whom this report is addressed and the Lower Kootenay Band**,** can rely on this appraisal without first obtaining written authorization from the client and the author of this report. There may be qualifications, assumptions or limiting conditions, in addition to those described herein, relevant to that person's identity or the intended use. This report has been prepared on the assumption that no other person will rely on it for any other purpose, and all liability to all such persons is denied.

2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:
   a. Land area, as furnished by the Lower Kootenay Band, is correct;
   b. Ownership of the property is assumed to be marketable;
   c. There are no: encroachments, encumbrances, restrictions, leases, or covenants that would in any way affect the valuation, except as expressly noted herein;
   d. The existing uses are legally conforming, and may be continued by any purchaser from the existing owner;
   e. Rights of way, easements or encroachments over other real property, and leases or other covenants noted herein, are legally enforceable;

   Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken, that would verify these assumptions, except as expressly noted herein.

3. The author is not a qualified surveyor, (and no legal survey concerning the subject property has been provided). Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration, and are not to be relied upon in themselves;

4. The author is not qualified to give engineering advice. It is assumed that there are no patent or latent defects. No soil tests, for either load bearing capacity or contamination, have been done.

5. No investigation has been undertaken, with: the Lower Kootenay Reserve Band Office, the fire department, the building inspector, the health department, or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations, and if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.

6. Market data has been obtained, in part, from B.C. Assessment Statistics, and/or as reported by the Kootenay Real Estate Board. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.

7. Because market conditions, including: economic, social, and political factors, change rapidly, and on occasion, without warning, the market value expressed , as of the date of this appraisal, cannot be relied up on to estimate the market value as of any other date, except with further advice of the appraiser.

8. The compensation, for services rendered in this report, does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report, should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body which will decide the use of the report, which best serves the administration of justice.

9. The appraisal has been prepared on the premise that the appraised property is free and clear of all liens or encumbrances, with the exception of normal mortgage financing.

10. Information, identified in this report as being furnished by others, is believed to be reliable and has been checked to the best of the appraiser's ability, although no responsibility is assumed for its accuracy.

11. This report is subject to confidential reviews by the APPRAISAL INSTITUTE OF CANADA, as provided in the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).

12. Copyright of this report rests with Her Majesty the Queen in Right of Canada.

CRITICAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The highest and best use of this property is as a residential use which is assumed to be marketable.

2. Timber values are not to be included in this valuation.

PART II
FACTUAL DATA

DEFINITION OF THE APPRAISAL

Purpose

The purpose, of the appraisal, is to estimate the current "Market Value" for the in-house valuation purposes of the Lower Kootenay Band. It is not a feasibility study, nor is it intended to be used for insurance purposes. It is intended solely as an estimate of "Market Value" as per the following definition.

DEFINITION OF MARKET VALUE

The Canadian Uniform Standards of Professional Appraisal Practise defines market value as: "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicitly in this definition is, the consummation of a sale as of a specified date, and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash, in Canadian dollars, or in terms of financial arrangement comparable thereto; and
5. The price represents the normal consideration for the property sold, unaffected by special creative financing, or sales concessions granted by anyone associated with the sale.

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Legal Description:

2.55 hectares or 6.3 acres located at 1278 West Creston Road, at the Western extreme of the Lower Kootenay Indian Band lands.

Property Rights Appraised:

The property rights are those "as if held" in the fee simple.

Date of Inspection:

The date of inspection and the effective date of the value estimate are: September 19, 2018**.**

SCOPE OF THE APPRAISAL

The scope of the appraisal encompasses the necessary research and analysis to prepare a report- that estimates the fair market value for the purpose of purchasing the subject property, in accordance with the "Terms of Reference" and the Canadian Uniform Standards of Professional Appraisal Practice. In regard to the subject properties, this involved the following steps:

1. The land was viewed on September 19, 2018. The photographs, included in this report, were taken on the date of inspection. Mr. Curtis Wullum, the Lower Kootenay Band's development officer, was interviewed on the date of inspection.

2. Regional and neighbourhood data were based on information available from the Regional District of the Central Kootenay, and Statistics Canada information. The neighbourhood section was based upon a physical inspection, as well as the appraiser's familiarity with the subject area.

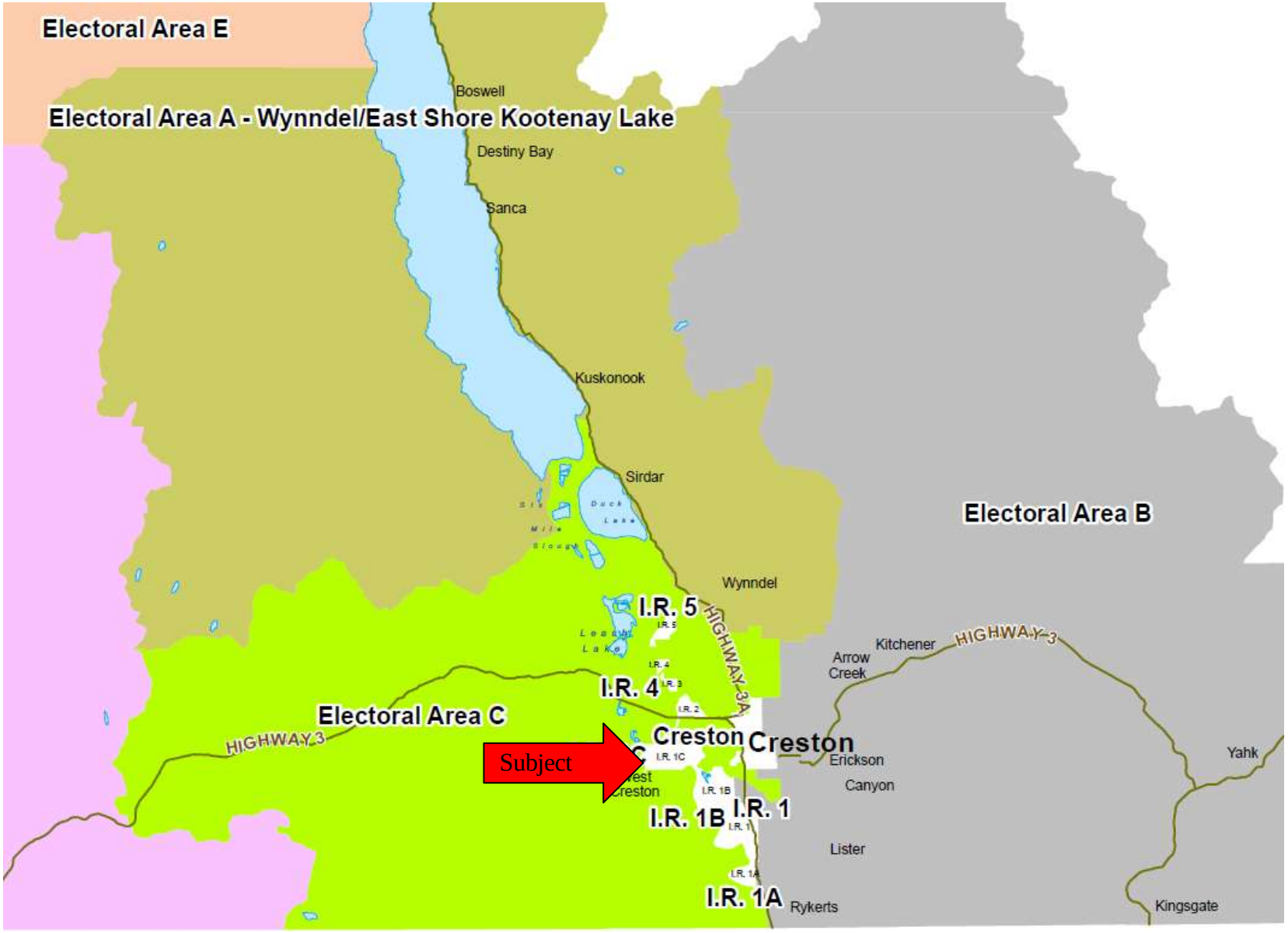
3. The subject's property data is based upon a physical viewing of the: site, buildings and neighbourhood. Other property data was compiled from: Regional District of the Central Kootenay mapping, B.C. Assessment information, B.C. On-line information, and Kootenay Real Estate Board listings.

4. In estimating the highest and best use for the property, an analysis was made of data compiled in the three steps noted above as well as the hypothetical highest and best residential use of the subject lands, as stated in the Terms of Reference. In addition, a study of the local real estate market has been made, to help determine the current demand for properties considered comparable to the subject lands.

5. In developing approaches to value, the market data, used, was collected from recent sales evidence collected from multiple listings with the Kootenay Real Estate Board, private sales recorded as assessment statistics, realtors' information, and persons knowledgeable of the market place.

6. After assembling and analyzing the data defined in this scope of the appraisal, a final estimate of market value was made.

REGIONAL MAP



LOCAL DESCRIPTION

Town of Creston Overview

The Town of Creston (and area's) economic strength is based largely on agriculture, horticulture, tourism, and forestry.

Growing produce for the entire Central Kootenay region, the town of Creston includes 8,480 ha. (20,954 acres). Reclaimed land produces: grain, vegetables, hay, milk, tree fruits, and cattle. Tree fruit production is second only to the Okanagan Valley, in B.C. The fertile land also supports a food processing industry, comprising: packing plants, a brewery, an abattoir, an alfalfa dehydrating plant, bakeries, honey producers, and wineries. Forestry, an important industry in the area, saw a reduction in employment during the nineties, due to the closure of the local Crestbrook (Tembec) sawmill. However, the loss of 60 sawmill jobs did not deter the rising demand for, and value of, residential properties within the community, for the latter half of that decade.

Creston area's tourism generators include: the Canadian Wildlife Service Interpretation Centre and winter-fowl reserve, U-pick orchards, hiking trails, several provincial parks, and two factory tours; plus, its proximity to Kootenay Lake attracts visitors. With 12 motel/hotel operations, 4 bed and breakfast businesses, and an attractive downtown core, Creston acts as the retail and service centre for the recreational lands of Kootenay Lake's south arm. Due to its pleasant climate, excellent outdoor-recreational opportunities, and modern amenities, Creston has emerged as a well-known retirement centre.

Situated in the Central Kootenay region of south eastern British Columbia, Creston is located on the Crowsnest Highway #3, 109 km. west of Cranbrook, and 124 km. southeast of Nelson. By highway, Creston is: 767 km. east of Vancouver, 500 km. west of Calgary, and 232 km. north of Spokane, Washington.

Incorporated in 1924, Creston has an area of 8.48 sq. km. The community is the focal point of the Creston Valley - a broad, level, and fertile landscape that is bounded on the east and west sides by picturesque mountains.

Influenced by the proximity to Kootenay Lake, Creston Valley's climate is very moderate- with relatively mild winters and warm summers, and with more than 140 frost-free days annually.

The 2016 population was estimated at approximately 5,351, with a trading area totalling approximately 13,000 people. Past figures indicate a stable to growing population, with the 2011 census reporting a population of 5,306. Largely, due to the changing demographics, throughout B.C. and Canada, the population has stabilized. According to the 2016 census, 36.9% of the local population is older than 65. This percentage is more than twice the provincial average of 18.3%.

Town Services

Electrical	- B.C. Hydro.
Natural Gas	- Terasen Natural Gas.
Water - Source	- Arrow Creek, spring and two wells.
-Type	- pump and gravity with three reservoirs.
Sewage System	- secondary treatment, (including: aeration, polishing ponds, and chlorination) servicing the majority of the land in the community.

Community Services

Police Protection - Local RCMP detachment
Fire Protection - Volunteer force, with full-time chief.
Medical (hospital): Creston Valley Hospital

Transportation

Air - Paved 1,200 meter airstrip, nearest commercial flights at Castlegar and Cranbrook.
Bus - Greyhound Lines of Canada Ltd.
Rail – CPR, carload and freight services.
Trucking - four firms: local, provincial, national, and international hauling.

Education

Schools - Two elementary and one junior/senior secondary. One other elementary school is located in the surrounding rural area.
Higher Education - courses offered by The College of the Rockies

Media

Radio - CFCK 1340 and CBC
Television - Cable available
Local newspapers - Creston Valley Advance

Government

Municipal - Mayor and 6-person council are elected for a three-year term.
Provincial agencies include: Government Agent, Forest Service, Highways, Health, Agriculture, Fish and Wildlife.
Regional District functions: Refuse disposal, planning, economic development, recreation and cemetery.
Federal agencies include: Canada Post, Environment Canada, Employment and Immigration Canada, Agriculture Canada.

VALUE TRENDS AND MARKET CONDITIONS

The Town of Creston and its surround have experienced a relatively stable trend in real estate market values for more than a decade. The stability in the real estate industry also appears to result from the fact that the town's economic base relies more on agriculture than on mining and forestry.

The following table outlines: the values of rural residential properties, the high and average values within West Creston, and the current number of listings, as well as the average annual number of "days on the market" over the past five years.

Year	**2014**	**2015**	**2016**	**2017**	**To 9/2018**
Number of Total Residential Sales in Rural Creston	103	89	100	97	97
Number of sales- West Creston & Creston Flats	7	7	3	5	6
High Price	$549,900	$705,000	$550,000	$415,000	$525,000
Average Price	$366,986	$390,786	$458,833	$348,000	$381,167
Avg. days on the market	163	107	232	249	276
Current # of Property Residential Listings in West Creston/Creston Flats versus total vacant land listings in the Creston Rural Area					8/149

Between 2014 and 2017, there is an indication of erratic prices and a rising number of marketing days as the number of available listings remain low in the neighbourhoods to the west of the Kootenay River

Declining numbers of available listings suggest that there is, currently, approximately a one year supply of rural residential listings- located within the West Creston and Creston Flats areas. This neighbourhood has had only six residential sales over nine months, with a current combined total of 8 listings at the date of this report.

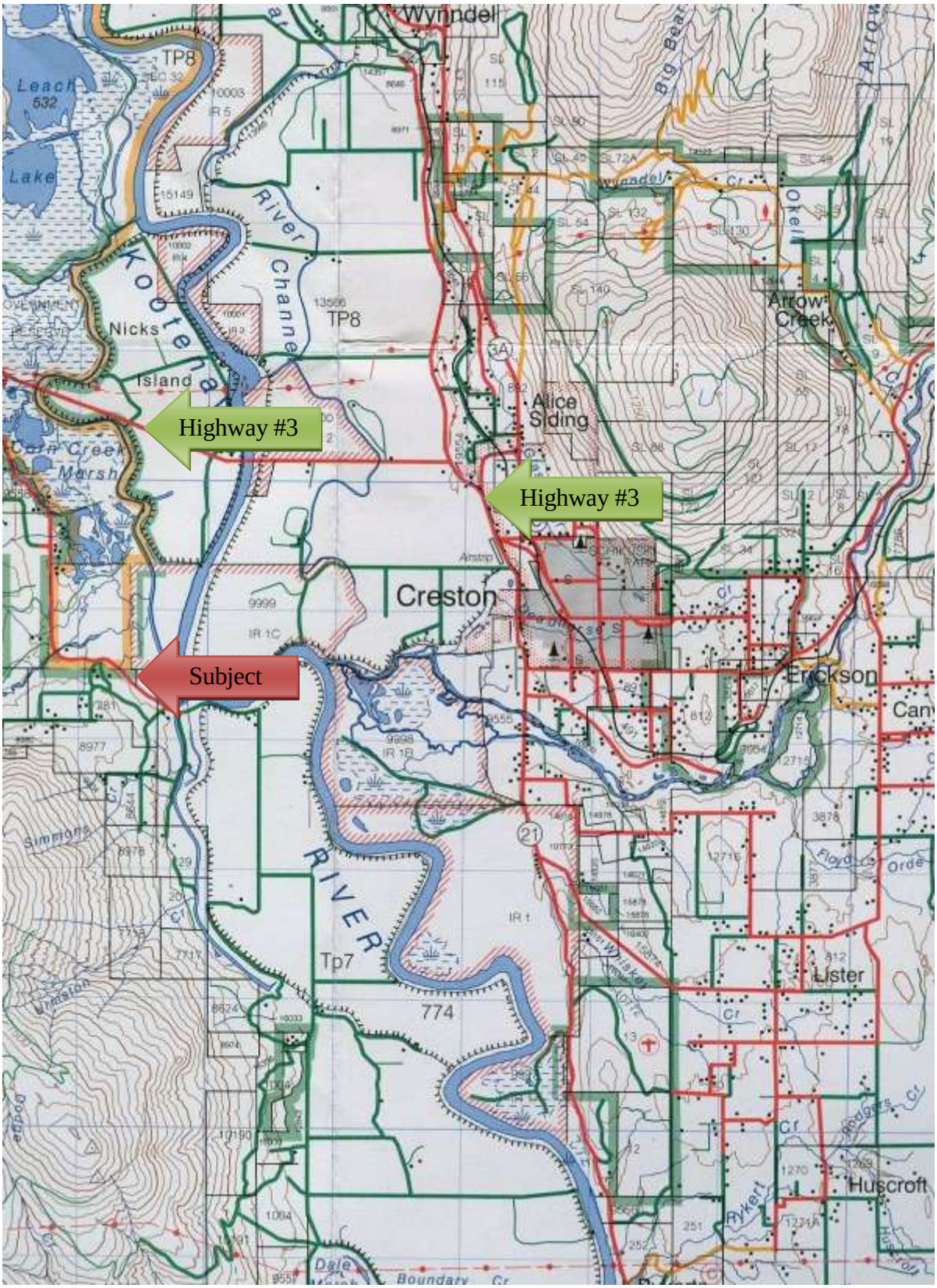
Between the 2006 and 2016 censuses, the Town of Creston's population has grown by 11% from 4,815 to 5,351 people. However, the number of housing units grew by 279 units to 2,744 from 2,465 housing units. The average age experienced a decline to 52.2 from 54. All of these statistics indicate a lack of growth in demand for real estate as the number of people per household has remained static at 1.95 and 1.96.

NEIGHBOURHOOD DESCRIPTION

The subject neighbourhood is best described by the following maps and attached photographs. Similar sized lands are located within the Agricultural Land Reserve- located to the south of Highway #3 and west of the Kootenay River. The neighbouring properties include rural residential and hobby farm uses.

Higher density zoning is available in non-ALR regulated lands located to the south and west of the subject lands. The following maps describe the location in terms of the Creston townsite, Highway #3, and the Kootenay River neighbourhood. The subject is located to west of the Kootenay River and lands known as the Creston Flats, as well as several kilometers to the west of the Town of Creston.

NEIGHBOURHOOD MAP



NEIGHBOURING STREET PHOTOGRAPHS

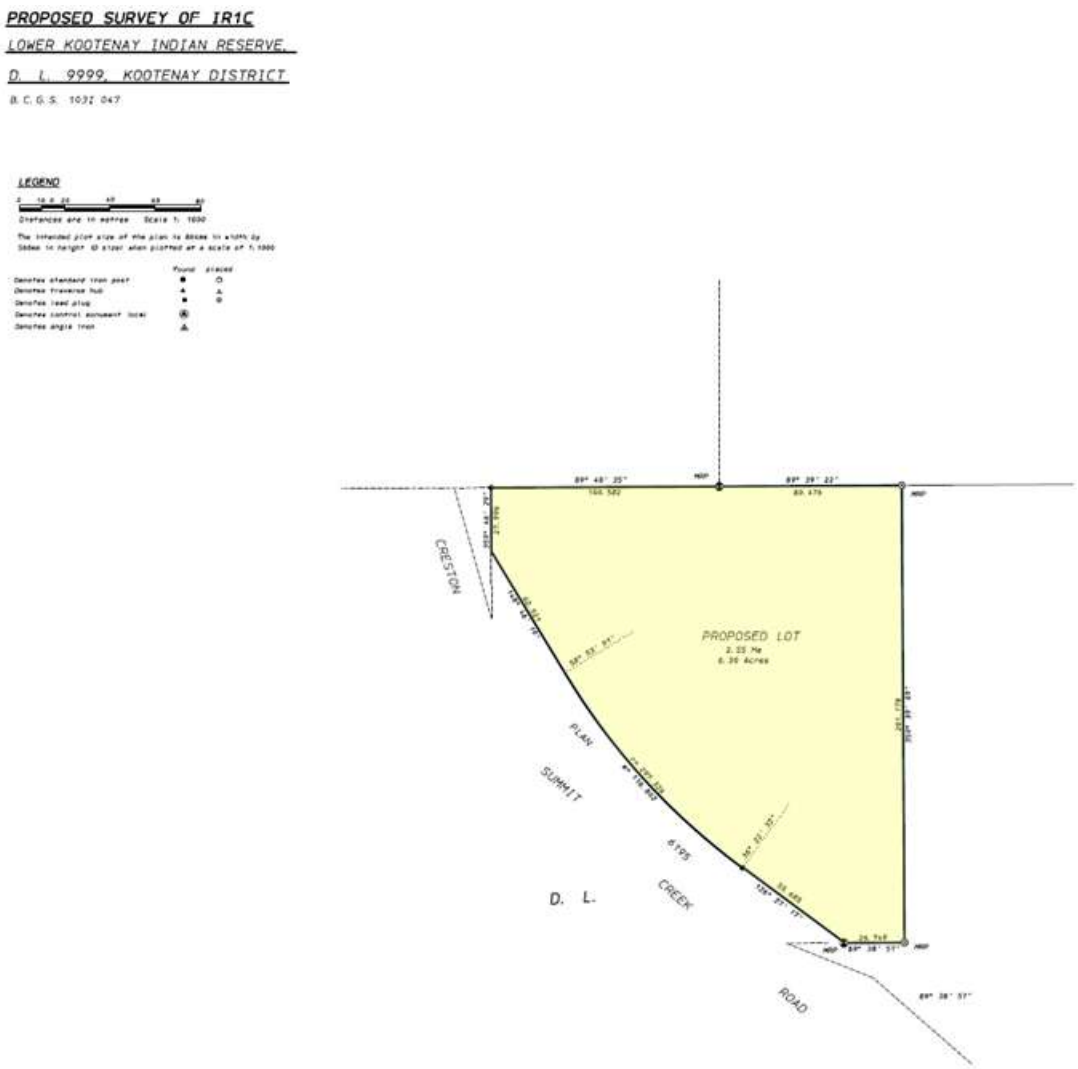
West Creston Road views West and East

View of track along the subject's western boundary.

SITE DESCRIPTION

DIMENSIONS AND SHAPE

The subject property is best described below as a triangular site with a wide frontage along West Creston Road (Creston Summit Creek Road). The 2.55 hectare site includes an upgraded well and rural septic system, as well as a gravel driveway with direct access onto the adjacent paved road. The property is located at the western extreme of Lower Kootenay Band lands within the B.C. Agricultural Land Reserve. This is partially treed land which was improved with the existing single-family residence in 1993.



ASSESSMENTS AND TAXES

Assessed values, for taxation purposes, are arrived at by B.C. Assessment for the Lower Kootenay Reserve #1 Jurisdiction. As Band lands, the subject property has not been subject to provincial taxation.

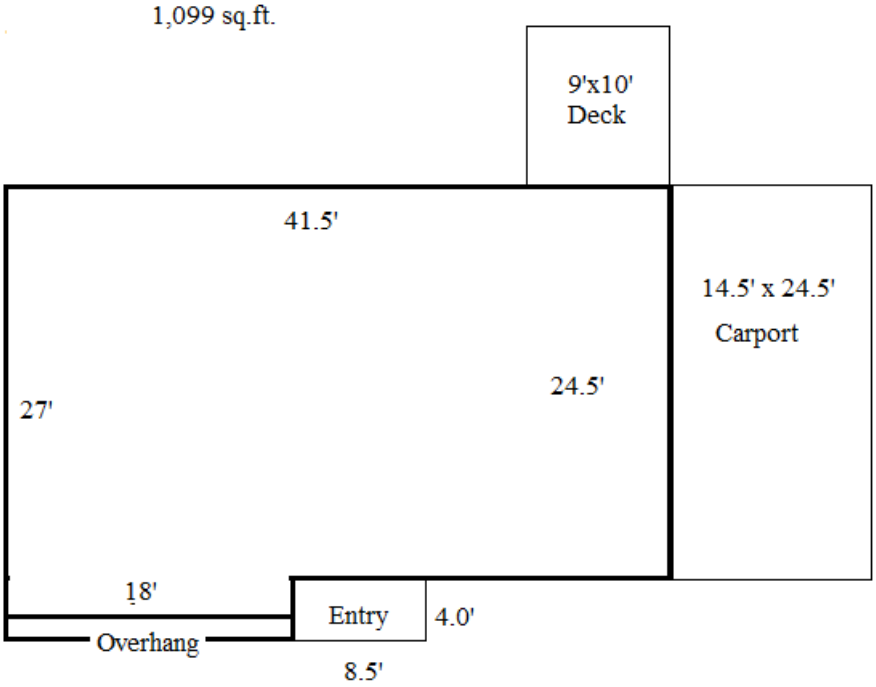
BUILDING DESCRIPTION
RESIDENCE

Residence Style		One-storey over basement with attached carport. Cathedral entry, wood framed residence. Photographs follow.
Building Area		The overall main floor area equals 1,199 square feet. The basement area is estimated at 1,062 square feet. The size for this residence is based on the flipped floor plans from the stock drawings for recent reserve housing.
Building Condition (estimated age)		This building has been upgraded since its 1993 reported construction date with a new roof in 2012 and new doors and windows in 2016.
Foundation		Concrete footings and foundation
Exterior Wall Finish		Stucco covered wood framed walls
Windows Type		Double pane sealed glass windows in wood/vinyl frame units.
Roof design and Finish		Asphalt shingle low pitched gable roof replaced in 2012.
Interior	Walls	Insulated drywall.
	Ceiling	Insulated drywall
	Flooring	Resilient surfaces and laminate finishes are assumed
	Kitchen Style	Stock 1990`s cabinetry is assumed.
	Bathrooms	Two bathrooms (one main floor and one in the basement) are assumed based on the building plans. A water softener was added in 2016.
	Heating system	Baseboard electric with wood stove backup.
	Electrical	Adequate residential use breaker system
Comments		This residence is being rented. The exterior deck was replaced in 2011 and the well was replaced in 2012.
Other Buildings and Site Improvements		The attached carport has a concrete pad floor and direct access into the basement. A small garden shed is located in the rear yard.

EXTERIOR OF RESIDENCE - PHOTOGRAPHS

BUILDING SKETCH

Area
41.5 x 24.5' = 1,017
18' x 4' = 72
1,099 sq.ft.



REAR YARD PHOTOGRAPHS

HIGHEST AND BEST USE

HIGHEST AND BEST USE DEFINITION

Highest and best use, as defined by CUSPAP, is "that reasonably probable and legal use of vacant land, or an improved property, which is: physically possible, appropriately supported, financially feasible, and that results in the highest value."

Estimating the highest and best use of a property, is a critical appraisal component, which provides the valuation context within which market participants and appraisers select comparable market information. An appraiser considers highest and best use of the property, as if vacant, separately from the highest and best use of the property, as improved. This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

Highest and Best Use is a concept which becomes the cornerstone of all property valuations. To analyze a property, in an effort to determine its Highest and Best Use, an appraiser attempts to determine- to what use can the land in question be expected to be put.

Four factors that govern the concept of Highest and Best use are:

1. Is the use legal? Does the use comply with land-use classifications and zoning regulations?
2. Is the use probable (greater than 50% possible) within a reasonable period of time?
3. Is the use in demand; and, do economic conditions indicate that the use will probably take place?
4. Is the use profitable; and will it provide the highest net return to the owner of the land?

The following points are noted in answer to the above questions, with references to land use restrictions.

1. The subject neighbourhood is a rural setting. Rural residential and hobby farm properties are the primary holdings within West Creston. West Creston lands are being purchased for construction of new single-family residential buildings. This supports the highest and best use of the land (as if vacant) as a single-family homesite.
2. The property's location, along West Creston Road, allows for the development of a existing residential building.
3. Improved demand for residential properties, located in the West Creston surround, indicates that the current single-family residential use is the most probable and highest and best use at this time.

PART – III
ANALYSIS AND CONCLUSIONS

THE VALUATION PROCESS

The valuation process is an orderly program, in which data is: collected, classified, analysed, and presented, as a final estimate of market value. In estimating Market Value of real property, there are three different approaches utilized. They are: the Cost Approach, the Income Approach, and the Direct Comparison Approach.

Cost Approach to Value

This approach is based on the depreciated value of the building and improvements, plus the estimated value of the land. This is a reliable indicator of value, when a buyer weighs the cost of buying a site and constructing a new building, instead of purchasing an existing development. This approach is most reliable when improvements are newer, and the subjective estimate of depreciation is lower.

A cost of development approach is often considered applicable in the valuation of development lands, if all aspects of the valuation problem are available, and if comparable development lands are unavailable. Market supported absorption rates of the developed property, and adequate margins for profit and overhead must be provided, for the purpose of determining a reasonable residual value to the vacant land, after all costs of construction are acknowledged. There is a time lag between the purchase of the subject land and the development of marketable land units on this property.

This approach is not provided for the subject property as a 26 year old single-family rural residential property.

Income Approach to Value

This approach to value is most appropriate and logical for revenue producing properties, and is based on the theory: that value is equal to the present value of the income stream, which the property is capable of producing, when developed to its Highest and Best Use. The annualized net income is converted into an estimate of present value, through the process of capitalization. Various techniques can be employed in the development of the "capitalization rate", but essentially, all are based on the return achievable by the next best alternative investment.

This approach is not considered applicable for most residential property valuations, because of this type of property is not normally purchased for an annual income stream. Therefore rents, expenses and capitalization rates are not typically associated with the purchase and sale of rural residential properties.

DIRECT SALES COMPARISON APPROACH
METHODOLOGY

The Direct Sales Comparison involves analyzing and comparing sales of rural properties with similar improvement, to the subject. Adjustments are applied to account for dissimilarities between the subject and comparable sales, primarily regarding the location, soils classes, as well as the scope and quality of the improvements, .

This approach is based on the principal that an informed purchaser will not pay more for a property than the cost of acquiring an alternate development possessing similar desirability, utility, and potential.

The lists of vacant sales, as well as the table of property sales and listings, used in this analysis are included on the following pages. Vacant sales support an adjustment of approximately $30,000/Ha. to $45,000/Ha.

VACANT COMPARABLE LAND SALES

Cross Property REALTOR®Short

CONFIDENTIAL: For REALTORS® only

1591 Teetzel Road, Creston V0B 1G7

MLS® #:	2421542	Sub Area: K68		Price:	$129,400
Status:	Sold	Beds:		Orig Price:	$129,400
Prop Type:	Lots and Acreages	Full Bth:		SDOM:	78
Type Dwell:	Acreage	Half Bth:		PID:	026-564-653
Style/Story:		En Suite:		FFA Ttl:	0
Fireplace:		Ttl Bth:		Acres:	2.50
Taxes:	2016 / $0	Yr Blt:		Wtr Fmt:	
List Rep:	Dean Tompkins	YB Dsc:		Phone:	250-428-6048
List Brk:	Creston Valley Realty Ltd.			Phone:	250-428-9040
Comm:	3.5% on the first $100,00 and 1.75% on the Balance				
Seller Name:	Dennis Muirhead & Jane Otte			Phone:	

Sold Information

Sold Price:	$122,000	Sell Brk:	Creston Valley Realty Ltd.
Sold Date:	07/21/2017	Sell Rep:	Dean Tompkins
Buyer:	Undisclosed		

1.01 Ha.

Lot 2 Teetzel Road, Creston V0B 1G7

MLS® #:	2429857	Sub Area: K68		Price:	$174,900
Status:	Sold	Beds:		Orig Price:	$174,900
Prop Type:	Lots and Acreages	Full Bth:		SDOM:	69
Type Dwell:	Acreage	Half Bth:		PID:	030-014-794
Style/Story:		En Suite:		FFA Ttl:	0
Fireplace:		Ttl Bth:		Acres:	3.03
Taxes:	0 / $0	Yr Blt:		Wtr Fmt:	
List Rep:	Ronald Evans	YB Dsc:		Phone:	250-428-6049
List Brk:	Creston Valley Realty Ltd.			Phone:	250-428-9040
Comm:	3% 1st $100,000 & 1.5% on balance				
Seller Name:	Larry& Karen Evans, Dale & Jasmine Waldner			Phone:	

Sold Information

Sold Price:	$170,000	Sell Brk:	Re/Max Discovery Real Est
Sold Date:	07/27/2018	Sell Rep:	Gitte Grover
Buyer:	Undisclosed		

1.23 Ha.

999 PETERMAN Road, Creston V0B 1G7

MLS® #:	2421937	Sub Area: K68		Price:	$249,000
Status:	Sold	Beds:		Orig Price:	$249,000
Prop Type:	Lots and Acreages	Full Bth:		SDOM:	379
Type Dwell:	Acreage	Half Bth:		PID:	012-530-441
Style/Story:		En Suite:		FFA Ttl:	0
Fireplace:		Ttl Bth:		Acres:	8.94
Taxes:	2015 / $1722.14	Yr Blt:		Wtr Fmt:	
List Rep:	Sara Malyk	YB Dsc:		Phone:	250-428-2234
List Brk:	Re/Max Discovery Real Estate			Phone:	250-428-2234
Comm:	3.5% on the first 100,000 and 1.75% on the balance				
Seller Name:	Peter Ogloff			Phone:	

Sold Information

Sold Price:	$249,000	Sell Brk:	Fair Realty
Sold Date:	05/28/2018	Sell Rep:	Lee Johnson
Buyer:	Undisclosed		

3.62 Ha.

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COMPARABLE PROPERTY SALES

#	ADDRESS & LEGAL	LAND SIZE Ha. (Acres)	BUILDING TYPE	SALE DATE	SALE PRICE	TITLE	COMMENTS
1	1404 Evans Road, Lot 6, Plan 14651, D.L. 1005, PID 010-386-602	1.635 (4.04)	1992 built 1,300 square foot full finished basement home. Double attached garage.	May 2018	$512,000	CA6894115	960 square foot shop, and walk-out basement. 22 listing days.
2	931 Peterman Road, Creston, Lot 1, Plan NEP10142, Sec. 9, Twp 7, PID 013-034-499	0.971 (2.4)	1993 built one and one-half store structure without basement. 1,480 square feet of main floor and 946 square feet of upper floor	August 2017	$415,000	CA6249168	Attached double garage, and detached single garage and workshop. 107 listing days.
3	**1094 Simmons Road, West Creston, Lot 1, Plan NEP12087, D.L. 8644, PID 012-614-335**	**1.238 (3.06)**	**One storey, full basement, built 1977, 1,436 sq.ft. main floor. 1,532 square foot basement finished as an in-law suite.**	**July 2018**	**$385,000**	**CA6987616**	**Property includes barn, shop and sheds. 65 listing days**
4	1552 Teetzel Road, Creston, Lot 3, Plan NEP21471, D.L. 1005, PID 018-861-539	1.081 (2.67)	1,272 square foot with basement home built in 1994. Full walk-out basement finish.	September 2016	$355,000	CA6245190	Attached double garage. 40 listing days.
5	1973 Corn Creek Road, Creston, Lot B, Plan NEP13627, D.L. 281, PID 010-709-240	0.627 (1.55)	1982 built, 1,040 square foot one storey with full finished basement. Walk-out basement.	January 2018	$334,000	CA6705180	Includes workshop, barn and variety of outbuildings. 630 listing days.

COMPARABLE LISTINGS

REALTOR® Thumbnail

CONFIDENTIAL: For REALTORS® only

1711 Goat River Road S , Creston V0B1G1

MLS®#:	2432445	Status:	Active	Prop Type:	SF
Beds:	3	Baths:	2	Orig. Price:	$395,000
FFA Total:	1,460	Strat Fee:		List Price:	$395,000
UFA Total:		Acres:	7.00	ADOM:	18
Type Dwell:	Single Family w/Acreage			Parcel #:	015-313-662
Style/Story:	1 Storey			Year Built:	1999
Tax Yr/Taxes:	2018 / $1402			YB Dsc:	Actual
Comm:	3.5% of the first $100k and 1.75% of the remainder			Year Sub Reno'd:	
				Add'l Dwelling:	No

Tyler Hancock - PREC
Re/Max Discovery Real Estate
Direct: 250-428-9916

Rep Remarks: Vacant and easy to show

MLS® Dept Rems:

Public Remarks: Ready for quick possession! Flat 7 acre lot. Cozy 3 bedroom home with gas heat and ac. Modern kitchen, open design and plenty of windows for natural light throughout. Large Master ensuite with soaker tub, RV hook up on property and 36 by 28 foot shop with 14 foot ceilings/ 12 foot door. Summer kitchen off of shop. Call your REALTOR® for your private tour today!

1481 EVANS Road, Creston V0B 1G7

MLS®#:	2421686	Status:	Active	Prop Type:	SF
Beds:	3	Baths:	2	Orig. Price:	$499,999
FFA Total:	2,250	Strat Fee:		List Price:	$499,999
UFA Total:	670	Acres:	5.28	ADOM:	505
Type Dwell:	Single Family w/Acreage			Parcel #:	006-707-211
Style/Story:	1.5 Storey			Year Built:	
Tax Yr/Taxes:	2016 / $2909.35			YB Dsc:	Unknown/Mix
Comm:	$1500			Year Sub Reno'd:	
				Add'l Dwelling:	No

Ravi Duhra
My Move Realty
Direct: 855-881-8680

Rep Remarks: Mere Posting. Self-represented Seller. Contact Seller directly to request PDS, book appointments or present offers. Listing Brokerage does not accept deposits, make payable to lawyer or Co-Op Brokerage. KREB Members - please forward a copy of all offers, amendments & subject removals to the Listing Brokerage (listings@mymoverealty.com) so that I can report the sale to the MLS® Dept. as per KREB's Rules of Cooperation.

MLS® Dept Rems:

Public Remarks: For more property info & photos click "Go to Listing" link. On mobile website click "REALTOR® Website" link. On mobile apps click icon in "Multimedia" section. Over 5 acres of peaceful privacy with stunning views! West Creston 1.5 storey home boasts 3 bedrooms, 2 bathrooms with separate guest cabin, large triple garage / shop and outbuildings. Open concept, vaulted ceilings, wrap around deck and move in ready! Lots of room for all your toys.

1572 Teetzel Road, Creston V0B 1G7

MLS®#:	2428309	Status:	Active	Prop Type:	SF
Beds:	3	Baths:	3	Orig. Price:	$614,900
FFA Total:	3,070	Strat Fee:		List Price:	$614,900
UFA Total:		Acres:	3.04	ADOM:	188
Type Dwell:	Single Family w/Acreage			Parcel #:	026-564-661
Style/Story:				Year Built:	2013
Tax Yr/Taxes:	2017 / $3498			YB Dsc:	Actual
Comm:	3.5% on the first $100,000 & 1.75% on the balance			Year Sub Reno'd:	
				Add'l Dwelling:	No

Carol Geurts
CENTURY 21 Veitch Realty
Direct: 250-254-7011

Rep Remarks:

MLS® Dept Rems: Please contact LR for BC Housing – New Homes Registry, Warranty information or Owner Builder Authorization.

Public Remarks: Beautifully appointed family residence was designed and custom crafted for the current owners, especially for this peaceful and enchanting location. This 3+ acre parcel is tucked away off a little country road, but still only minutes from town and enjoying the best of both worlds. A creek runs through the property, visible from the numerous decks, patios and outdoor living spaces. A pole barn provides for wood storage and covered parking, a gazebo, fire pit area, a fenced vegetable garden with raised beds-truly a property meant for enjoying the outdoors through all seasons. There is a separate driveway for the 40x30 insulated detached shop that includes a 9x16' door, and a pellet stove for heat when needed. The home boasts over 3,000 square feet of inviting living space on 2 levels. Just a few of the quality touches include custom alder wood cabinets, granite counters, travertine tile, wood and polished concrete floors, a copper tub in the ensuite bath, 11 1/2' ceilings up and 9' down, a river rock-faced fireplace, a hand crafted wood staircase, two ovens, and so much more. Not to be missed!

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A continued lack of comparable listings, suggests a rising market and more rapid market activity.

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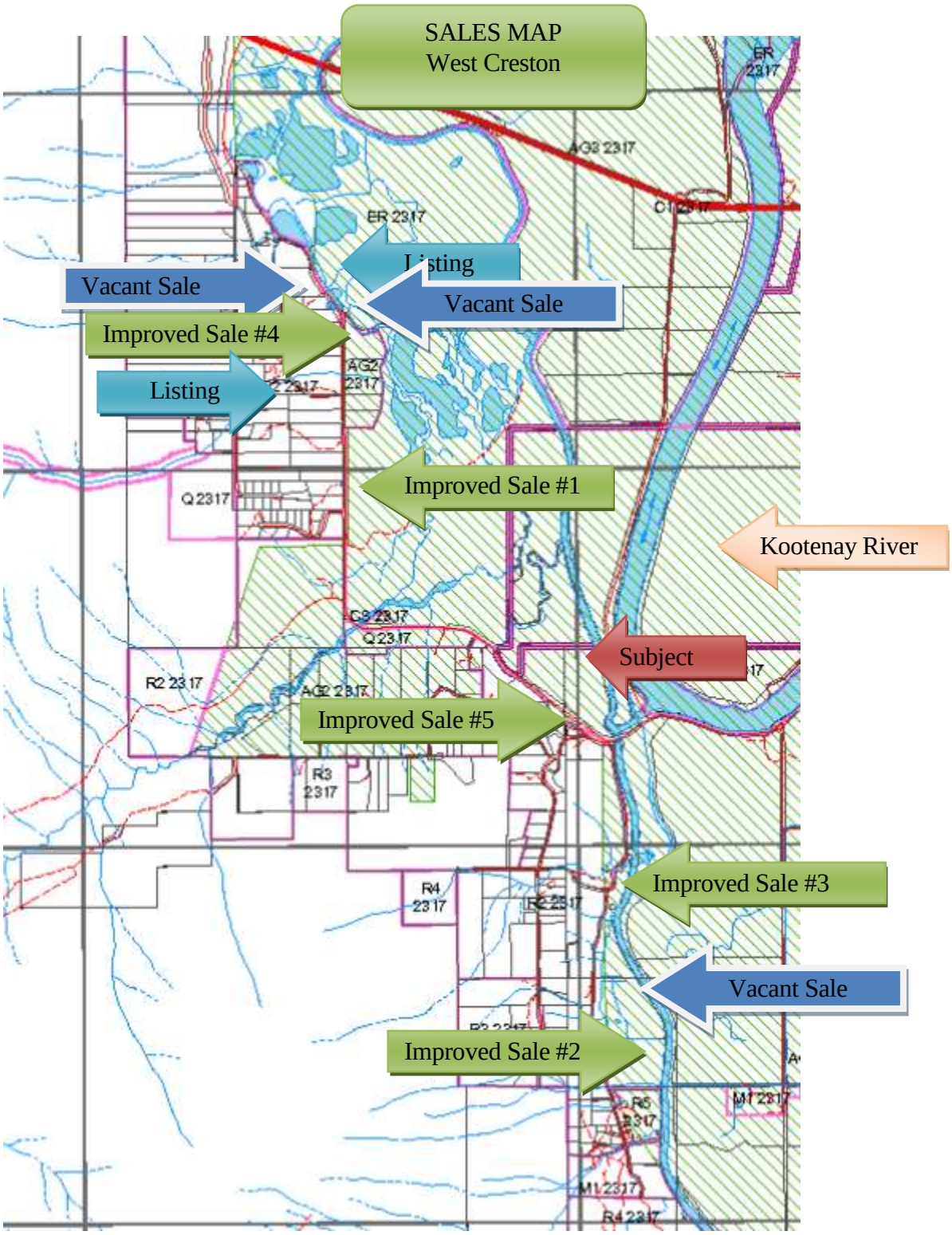
SALES MAP
West Creston
Vacant Sale
Listing
Vacant Sale
Improved Sale #4
Listing
Improved Sale #1
Kootenay River
Subject
Improved Sale #5
Improved Sale #3
Vacant Sale
Improved Sale #2

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QUALITATIVE SALES ANALYSIS

Based on the three vacant land sales, of properties located along Teetzel and Peterman Roads, the subject property's "as if vacant" 2.55 hectares is estimated to be worth between $40,000 and $60,000 more than the lands associated with the five residential comparable sales. The larger the difference between the subject's land size and the comparable sale's land size, the higher the overall adjustment to the sale price.

Each individual sale includes housing and outbuildings that have significant differences when compared to the subject's recently upgraded 2,261 square feet on two floors. A review of the improved property sales and listings notes the following points:

1. Sale #1 is a more modern design home with 1,300 square feet of main floor plus a full basement and an attached double garage. The site is 0.915 hectares larger and is off-set by the shop on this property. The design and the quality of the full basement finish as well the landscaping and garage values are deducted from this $512,000 sale price. The Evans Road location is similar.

2. Sale #2 is a 1993 built modern design 1.5 storey home having 2,326 square feet, without a basement. The site is 1.579 hectares smaller than the subject's land area. This difference is offset by the workshop and garages on this property. The home's more modern features are off-set by the 1.5 storey design. The Peterman Road location is similar to the subject's.

3. Sale #3 is an older 1977 home, with 1,436 square feet on the main plus 1,532 square feet in the basement. The design is of the same age as the subject. This site is 1.312 hectares smaller than the subject's land area. The barn and shop on the property are considered an off-set to the additional land size. The older age, is an off-set to the additional building size. The Simmons Road location is similar to the subject's.

4. Sale #4 is a 1994 designed home 1,272 square plus a full basement. This is a more modern design and it includes a double garage. The land is 1.469 hectare smaller that the subject's land area. The garage and design off-sets the additional land area. This is a 2016 Sale at $355,000 which is supported by the market values of the 2018 Sales #3 and #5 between $335,000 and $385,000.

5. Sale #5 is a 1982 designed home with 1,040 square feet and a full finished basement. The property includes 1,923 hectares less than the subject. The barn and shop on the property off-set the land size. The smaller home and older design requires an upward adjustment to this sale's indicated value of $334,000. The Corn Creek Road location is in the subject's neighbourhood.

DIRECT SALES COMPARISON APPROACH CONCLUSION

Emphasis is placed on the July 2018 Sale #3 supporting a value of $385,000. This property includes less land; however, the residence is of a similar design age; however, it is approximately 700 square feet larger (2,966 square feet compared to 2,261 square feet). This comparable includes a basement suite as well as a barn and a shop.

This indicated market value is also the median market value supported by the five recent West Creston sales.

In recent years the subject has had upgrades in terms of its windows, doors, the well and the shingles. However, its design allows for only two bathrooms, while more modern housing normally has that number of bathrooms per floor. The subject does not include enclosed shop or garage spaces which seem to be typical features included with recent West Creston residential sales. It is this lack of outbuildings which lends support to the median indicated market value of:

$385,000

as at September 19, 2018.

REASONABLE EXPOSURE TIME:

EXPOSURE TIME AND MARKETING TIME DEFINITIONS

Exposure Time as defined in the Dictionary of Real Estate Appraisal (Third Edition, Chicago, Appraisal Institute, 1993) as:

> *"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of the past events, assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable effort.*
>
> *The estimate of the time for reasonable exposure is not intended to be a prediction of a date of sale or a one-line statement. Instead it is an integral part of the analyses conducted during the appraisal assignment. The estimate may be expressed as a range, and can be based on one or more of the following;*
>
> - *Statistical information about days on market;*
> - *Information gathered through sales verification; and*
> - *Interviews of market participants.*
>
> Related information, garnered through this process, included: the identification of typical buyers and sellers for the type of real estate involved, and typical equity investment levels, and/or financing terms.*"*

To achieve a "Market Value" of $385,000 would have required an estimated exposure time of 30 to 90 days- based on the recent marketing times of rural residential property sales located within the West Creston areas of the Creston rural surround.

SUBJECT SALES HISTORY

Canadian Uniform Standards of Professional Appraisal Practice require investigation and consideration of transactions of the subject property occurring near the effective date of appraisal. Where a recent arms length market transaction occurred, compelling evidence of value arises, often requiring only an adjustment for market conditions.

There has been no known market activity on the subject lands over the past five years.

CERTIFICATION

RE: Property located at 1278 West Creston Road, at the western extreme of Lower Kootenay Band Reserve #1

I hereby certify that, except as otherwise noted in the preceding analysis, to the best of my knowledge and belief:

- The statements of fact contained in this appraisal 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 unbiased professional: analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value, or direction in value, that favours: the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- I have made a personal inspection, of the property- that is the subject of this report, on **September 19, 2018.**
- This report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (Can USPAP) of April 1, 2018.
- No one provided significant professional assistance to the person signing this report.
- I have the knowledge and experience to complete the assignment competently.
- As of the date of this report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program for designated members, and
- Based upon the data, analyses, and conclusions, contained herein, my final estimate, of the subject's current market value as at September 19, 2018, equals an estimated:

$385,000.

September 21, 2018	Linda Hastings	AACI, P. App
Date	*Appraiser*	*Designation*

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SUPPORTING DATA - APPENDICES

POTENTIAL TERMS OF REFERENCE FOR
PROPOSED WELLNESS DEVELOPMENT

APPRAISAL TERMS OF REFERENCE

An appraisal is required to be completed for a Designation process

ISC File #: VAN-E 5600-7-606 UNC

Type of Appraisal Required: ☒ Full Narrative Report ☐ Letter of Opinion *(range of values)*

First Nation: Lower Kootenay Indian Band

Reserve Name: Lower Kootenay IR 1C **Location/City:** Creston, BC

Legal description of the Lands to be evaluated: Nicks Garden Lot – To be surveyed
(Lot # and Plan #)

☐ **Evaluation for bare lands (not including improvements) Appraiser to verify in each instrument and discuss any discrepancies.**

☒ **Evaluation for lands and improvements as existing at the commencement date as described in the lease/permit**

ISC Contact:

Indigenous Services Canada
Lands and Economic Development
600 – 1138 Melville Street
Vancouver, BC V6E 4S3
Reception Phone #: 604-775-5100
Toll Free #: 1-800-665-9320

Name: Petula Maxwell
Title: Land Management and Leasing Officer
Phone #: 604-562-9182
E-Mail: petula.maxwell@canada.ca

REQUIREMENTS

The function of the report is to estimate the "Fair Market Value" and "Fair Market Rent" of the parcel of land.

The subject property consists of federal land set aside as an Indian Reserve under the *Indian Act*. The appraiser is to estimate the fair market value and fair market rent. Adjustments, if any, to comparables are to be quantified from market evidence.

The appraisal report should consider factors influencing value, such as land use, neighbourhood and community trends, market and economic factors, physical factors and location, and discussed in the report. The lands should not be discounted for being reserve lands.

The report must clearly and accurately present the analyses, opinions and conclusions of the appraiser in sufficient depth and detail. The report should be well documented with all information verified wherever possible. The report must include all pertinent valuation approaches. If any valuation approaches are not developed, please provide an explanation for any such exclusion.

The analysis and presentation of comparable site transactions and other market activity must be clearly provided in the report in imperial and metric measurements. Please include a map illustrating comparable market data locations relative to the subject property.

The appraisal must be completed and signed by an AACI, P.App designated appraiser.

The report must comply with the Canadian Uniform Standards of Professional Appraisal Practice.

The report must contain appropriate, specific wording allowing ISC use of and reliance on the report in ISC's sole discretion.

On the cover page please clearly show the ISC file number, name of First Nation and reserve, and the legal description of the lands, as described above.

GCDOCS # 31103579

Linda Hastings

3178 – 49th Street South,
Cranbrook, BC V1C 7A2
Bus: (250) 426-6564
Cell: (250) 421-0191
Email: lhastings@ekappraisals.com

PROFESSIONAL QUALIFICATIONS

Accredited Appraiser of the Canadian Institute

2008 - Member of the Committee on Peer Review – Appraisal Institute of Canada

2005 - 2007 Member of the National Investigating Committee – Appraisal Institute of Canada

2000 - 2004 Kootenay Chapter Chairperson – Appraisal Institute of Canada

2003 - 2004 Member of the Cranbrook Planning Advisory Committee

1997 - 1998 President of the B.C. Association of the Appraisal Institute of Canada

1993 - 2000 Director on the B.C. Provincial Council of the Appraisal Institute of Canada

1992 - Charter Member of the B.C. Expropriation Association

Qualified as an expert witness by the B.C. Expropriation Compensation Board sitting within the City of Cranbrook - 1996

Qualified as an expert witness in the B.C. Supreme Court sitting within the City of Cranbrook – 1990

EDUCATION

University of British Columbia, Vancouver B.C.
Completed two years 1970-1972
British Columbia Institute of Technology, Burnaby, B.C.
Completed two years - Issued a Building Diploma 1972-1974
Real Estate Institute of British Columbia
Completed Appraisal Diploma 1979
Appraisal Institute of Canada
Received the AACI Designation 1987

EMPLOYMENT HISTORY:

1974 – 1982: British Columbia Assessment Authority, Appraiser for East Kootenays, including Golden, Invermere, Kimberley, Elkford, Sparwood, Fernie, and Cranbrook. Final Position of Appraiser 3, Supervisory, also in charge of certain commercial and industrial valuations.

1985 – 1993: Fee Appraiser at ABJ Real Estate, Cranbrook, B.C.

1993 - Fee Appraiser with E.K. Appraisals

Resident in Cranbrook since September 1976

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