

## APPRAISAL OF



A DUPLEX PROPERTY

## LOCATED AT:

Lot 3 Block 1 Plan 1620  
Behchoko, NT X0E 0Y0

## FOR:

Community Government of Behchoko

Behchoko, NT

## AS OF:

May 28, 2015

## BY:

Denis Alain  
Stewart, Weir, MacDonald Ltd.



Stewart, Weir, MacDonald Ltd.  
5004 50 Avenue  
PO Box 1597  
Yellowknife NT X1A 2P2

June 1, 2015

Community Government of Behchoko

Behchoko, NT

Address of Property: Lot 3 Block 1 Plan 1620  
Behchoko, NT X0E 0Y0

Market Value: \$ \$100,000

In accordance with your request and authorization, an investigation, analysis and appraisal report on the above described property has been completed for the purpose of estimating market value. After careful consideration of all the factors that affect value, the market value was estimated to be as referenced above.

This report is intended for use only, by the Community Government of Behchoko for selling purposes. Use of this report by others is not the intent of the appraiser, and any liability in this respect is strictly denied.

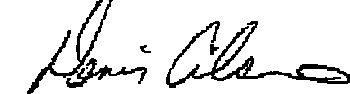
This estimate is subject to the limiting conditions attached to this appraisal and to which the reader's attention is specifically directed. The following report presents the basis of all opinions expressed herein.

It is imperative that the reader or any other interested party be aware that the appraiser did not inspect the premises for fire detection or smoke detection systems, or for the presence of carbon monoxide detectors; nor did the appraiser inspect the condition of such equipment if present. The appraiser takes no responsibility whatsoever for the lack of, or condition of, detection devices that may be located on the premises; nor does the appraiser warrant compliance in any manner of such equipment, if present.

It should also be noted that no soil tests have been conducted that we are aware of; nor is it the appraiser's area of expertise to comment on the environmental integrity of the soil. It is assumed for purposes of this report that the soil is free of contaminants which could adversely affect value.

The information contained should be sufficient for your purposes. Should you require further information or clarification as to any portion of this report, please contact me.

Yours truly,



Denis Alain  
CRA



RESIDENTIAL APPRAISAL REPORT

REFERENCE:

FILE NO.: 32802

CLIENT	CLIENT:	Community Government of Behchoko			APPRaiser:	Denis Alain			<div><div>Appraisal Institute of Canada</div></div>
	ATTENTION:				COMPANY:	Stewart, Weir, MacDonald Ltd.			
	ADDRESS:				ADDRESS:	5004 50 Avenue, PO Box 1597			
		Behchoko, NT X0E 0Y0				Yellowknife NT X1A 2P2			
	E-MAIL:				E-MAIL:				
	PHONE:		FAX:		PHONE:	920-4888	FAX:		
SUBJECT	PROPERTY ADDRESS: Lot 3 Block 1 Plan 1620				CITY: Behchoko		PROVINCE: NT		POSTAL CODE: X0E 0Y0
	LEGAL DESCRIPTION: Lot 3 Block 1 Plan 1620								
	MUNICIPALITY AND DISTRICT: Behchoko								
	ASSESSMENT: Land \$ 10,200.00 Imps \$ 146,200.00 Total \$ 156,400.00 Assessment Date: 2013 Taxes \$ 611.52 Year 2014								
	EXISTING USE: Residential OCCUPIED BY: Vacant (construction)								
ASSIGNMENT	NAME: Community Government of Behchoko Name Type: Owner								
	PURPOSE OF THE APPRAISAL: To estimate market value (see definition herein) or <input type="checkbox"/> Other								
	INTENDED USE OF THE APPRAISAL: Sale								
	INTENDED USERS (by name or type): Community Government of Behchoko								
	REQUESTED BY: <input checked="" type="checkbox"/> Client above <input type="checkbox"/> Other								
	THIS APPRAISAL REPORT REPRESENTS THE FOLLOWING VALUE: (if not current, see comments) <input checked="" type="checkbox"/> Current <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective								
	<input type="checkbox"/> Update of original report completed on with an effective date of File No.								
	PROPERTY RIGHTS APPRAISED: <input type="checkbox"/> Fee Simple <input checked="" type="checkbox"/> Leasehold <input type="checkbox"/> Other (see comments) OTHER OWNERSHIP: <input type="checkbox"/> Cooperative <input type="checkbox"/> Condominium/Strata <input type="checkbox"/> Other								
	MAINTENANCE FEE (if applicable): \$ N/A								
	IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (if yes, see comments)								
NEIGHBOURHOOD	VALUE APPROACHES USED IN THE DEVELOPMENT OF THIS APPRAISAL: <input checked="" type="checkbox"/> DIRECT COMPARISON APPROACH <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> INCOME APPROACH								
	EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS An extraordinary assumption or limiting condition has been invoked in this appraisal report. <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, see attached addendum.								
	HYPOTHETICAL CONDITIONS An hypothetical condition has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.								
	JURISDICTIONAL EXCEPTION A jurisdictional exception has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.								
	NATURE OF DISTRICT: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Agricultural				From To				
	TYPE OF DISTRICT: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural <input type="checkbox"/> Recreational <input type="checkbox"/> Agricultural				AGE RANGE OF PROPERTIES (years): 5 35				
	TREND OF DISTRICT: <input type="checkbox"/> Improving <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Transition <input type="checkbox"/> Deteriorating				PRICE RANGE OF PROPERTIES: \$ 65,000 \$ 250,000				
	BUILT-UP: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25 - 75% <input type="checkbox"/> Under 25% <input type="checkbox"/> Rural				MARKET OVERVIEW: Supply: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor				
	CONFORMITY Age: <input type="checkbox"/> Newer <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Older				Demand: <input type="checkbox"/> Good <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor				
	Condition: <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Inferior				PRICE TRENDS: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining				
SITE	COMMENTS: The subject is located in residential neighbourhood comprising a variety of single family homes.								
SITE	SITE DIMENSIONS: Irregular				UTILITIES: <input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Sanitary Sewer <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Natural Gas <input type="checkbox"/> Septic				
	SITE AREA: 8213 SF <input checked="" type="checkbox"/> Sq. Ft. <input type="checkbox"/> Sq. M. <input type="checkbox"/> Acres <input type="checkbox"/> Hectares				<input type="checkbox"/> Open Ditch <input checked="" type="checkbox"/> Trucked sewage pump out				
	Source: Plan				WATER SUPPLY: <input type="checkbox"/> Municipal <input type="checkbox"/> Private Well <input checked="" type="checkbox"/> Other Trucked water delivery				
	TOPOGRAPHY: Level with roadway				FEATURES: <input checked="" type="checkbox"/> Gravel Road <input type="checkbox"/> Paved Road <input type="checkbox"/> Lane <input type="checkbox"/> Sidewalk <input type="checkbox"/> Curbs				
	CONFIGURATION: Single family				<input checked="" type="checkbox"/> Street Lights <input checked="" type="checkbox"/> Cablevision				
	ZONING: Residential				ELECTRICAL: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground				
					DRIVEWAY: <input checked="" type="checkbox"/> Private <input type="checkbox"/> Mutual <input type="checkbox"/> None <input type="checkbox"/> Single <input checked="" type="checkbox"/> Double				
					<input type="checkbox"/> Underground <input type="checkbox"/> Laneway				
					Surface: Gravel				
	DOES EXISTING USE CONFORM TO ZONING? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO (see comments)				PARKING: <input type="checkbox"/> Garage <input type="checkbox"/> Carport <input checked="" type="checkbox"/> Driveway <input type="checkbox"/> Street				
TITLE SEARCHED: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				LANDSCAPING: <input type="checkbox"/> Good <input type="checkbox"/> Average <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor					
				CURB APPEAL: <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor					
COMMENTS: The subject is located on a smaller than average lot in Behchoko, a small aboriginal community located 100 kilometers north of Yellowknife. The site provides a panoramic view of the lake from the front.									



# RESIDENTIAL APPRAISAL REPORT

REFERENCE:

FILE NO.: 32802

[illegible]



RESIDENTIAL APPRAISAL REPORT

REFERENCE:

FILE NO.: 32802

HIGHEST AND BEST USE

LAND VALUE AS IF VACANT: \$ SOURCE OF DATA: Comment:

EXISTING USE:

HIGHEST AND BEST USE OF THE LAND AS IF VACANT: Residential Other

HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED: Existing Residential Use Other

SUMMARY AND CONCLUSION:

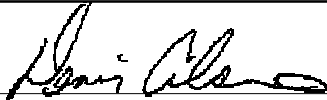
SUBJECT	COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3					
	Description		\$ Adjustment		Description		\$ Adjustment		Description		\$ Adjustment			
Lot 3 Block 1 Plan 1620 Behchoko		House 240 Edzo				House 414 Edzo				House 40 Behchoko				
DATA SOURCE			Realtor				Realtor				Land Titles			
DATE OF SALE	N/A		May 8, 2014				September 13, 2010				January 15, 2010			
SALE PRICE	\$ N/A		\$ 220,000				\$ 175,000				\$ 165,000			
DAYS ON MARKET			2				150				N/A			
LOCATION			Superior		-20,000		Superior		-20,000		Inferior 5,000			
SITE SIZE	8213 SF		7082 SF		1,000		7200 SF		1,000		5673 SF 2,000			
BUILDING TYPE	Duplex		Sgl Fam Det				Sgl Fam Det'd				Sgl Fam Det'd			
DESIGN/STYLE	Two Storey		Raised 1 storey				Two Storey				Two Storey			
AGE/CONDITION	7	Good	20 Eff	Avg+	15,000		10	Avg+	5,000	8 Eff	Good	1,000		
LIVEABLE FLOOR AREA	3286 SF		1288 SF		149,850		1809 SF		110,775	2353 SF		69,975		
ROOM-COUNT	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms	Baths		
	14	6	2F 2H	8	6	3F1H	-1,000	7	4	1F1P	4,500	8	4	1F1H
BASEMENT	Crawlspace		1288 SF/Fin		-64,400		Crawl				Nil			
PARKING	Driveway		Driveway				Driveway				Driveway			
Land Tenure	Standard Lease		Pd Equity Lease		-13,800		Standard Lease				Standard Lease			
Quality			Inferior		50,000		Inferior		50,000	Inferior		50,000		
Compete Cost			N/A		-300,000		N/A		-300,000	N/A		-300,000		
Site Impr'vmts			Superior		-5,000		Comparable				Comparable			
Rev Gen	Duplex		Inferior		50,000		Inferior		50,000	Inferior		50,000		
ADJUSTMENTS (Gross%, Net%, Dollar)		304.6% -62.9%		138,350			309.3% -56.4%		98,725		293.9% -69.7%		115,025	
ADJUSTED VALUES		\$		81,650			\$		76,275		\$		49,975	
COMMENTS: Indicated range in value: \$49,975 to \$81,650. Three of the most recent sales of comparable properties have been selected to arrive at a fair market value. Due to the shortage of recent sales, the sales are dated, however, a time adjustment is not warranted. Although dated, the sales selected are the best sales available to determine a fair market value for the subject property. A major adjustment has been applied to all of the sales to reflect the cost to complete the subject to the same state as the comparable sales. The construction costs were obtained from files on the subject property.														



RESIDENTIAL APPRAISAL REPORT

REFERENCE:		FILE NO.: 32802
SALES HISTORY	ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year)	The subject property has not been listed for sale in the past three years.
	ANALYSIS OF SALE TRANSFER HISTORY: (minimum of three years)	The subject property has not sold in the past three years.
EXPOSURE TIME	ANALYSIS OF REASONABLE EXPOSURE TIME:	The value estimate is based on a typical exposure time for this type of property of 60 to 90 days.
RECONCILIATION AND FINAL ESTIMATE OF VALUE	RECONCILIATION AND FINAL ESTIMATE OF VALUE:	See Addendum
DEFINITIONS	UPON REVIEWING AND RECONCILING THE DATA, ANALYSES AND CONCLUSIONS OF EACH VALUATION APPROACH, THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY	
	AS AT May 28, 2015	(Effective Date of the Appraisal) IS ESTIMATED TO BE \$ 100,000
	THIS REPORT WAS COMPLETED ON: June 1, 2015	
	DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market as of the specified date 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.  Implicit 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: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.  (Source: Canadian Uniform Standards of Professional Appraisal Practice) Note: If other than market value is being appraised, see additional comments.  DEFINITION OF HIGHEST AND BEST USE: The reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.	
SCOPE	The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any usual valuation procedures.  The appraisal issue that is the focus of this engagement has been discussed and defined with the client, the work required to solve the issue planned, and the necessary market data acquired, analyzed and reconciled into an estimate of market value in a manner typically expected in a "form" report.  The specific tasks and items necessary to complete this assignment include a summary of the following:  1. assembly and analysis of relevant information pertaining to the property being appraised, including listing and acquisition particulars if acquired within three years prior to the effective date of the appraisal; 2. an inspection of the subject property and the surrounding area; 3. assembly and analysis of pertinent economic and market data; 4. an analysis of land use controls pertaining to the subject property; 5. a summary discussion and statement of "Highest and Best Use", or most probable use; 6. a discussion of the appraisal methodologies and procedures employed in arriving at the indications of value; 7. inclusion of photographs, maps, graphics and addendum/exhibits when deemed appropriate; and 8. reconciliation of the collected data into an estimate of market value or market value range as at the effective date of the appraisal.  All data considered appropriate for inclusion in the appraisal is, to the best of our knowledge, factual. Due to the type of property being appraised and the nature of the appraisal issue, the findings have been conveyed in this "form" format.  Other:	



ASSUMPTIONS AND LIMITING CONDITIONS AND EXTRAORDINARY ITEMS	<div>ORDINARY ASSUMPTIONS &amp; LIMITING CONDITIONS</div> <div>The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA) and the following conditions:</div> <div><div>1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser, subject to the qualification in paragraph 11 below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.</div><div>2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.</div><div>3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.</div><div>4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.</div><div>5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.</div><div>6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.</div><div>7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.</div><div>8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.</div><div>9. The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.</div><div>10. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work.</div><div>11. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).</div><div>12. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.</div><div>13. Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.</div><div>14. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author who has signed this report (the author). The client, intended users and any appraisal facilitator are strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.</div><div>15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.</div><div>16. Where the intended use of this report is for financing or mortgage lending, and in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20 (June 2012), it is the intended user's responsibility to grant mortgage loans on the basis of the borrower's demonstrated willingness and capacity to services his/her debt obligations.</div></div>	
	<div>I certify that, to the best of my knowledge and belief that:</div> <div><div>1. The statements of fact contained in this report are true and correct;</div><div>2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;</div><div>3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict of with respect to the parties involved with this assignment;</div><div>4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;</div><div>5. My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of value estimate, or a conclusion favouring the client;</div><div>6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);</div><div>7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice;</div><div>8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;</div><div>9. As of the date of this report the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members;</div><div>10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.</div></div>	
	<div>CO-SIGNING AIC APPRAISER'S CERTIFICATION If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."</div> <div>PROPERTY IDENTIFICATION</div> <div>ADDRESS: Lot 3 Block 1 Plan 1620 CITY: Behchoko PROVINCE: NT POSTAL CODE: X0E 0Y0</div> <div>LEGAL DESCRIPTION: Lot 3 Block 1 Plan 1620</div> <div>BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED,</div> <div>AS AT May 28, 2015 (Effective date of the appraisal) IS ESTIMATED TO BE \$ 100,000</div>	
CERTIFICATION	<div>APPRaiser</div> <div>SIGNATURE: </div> <div>NAME: Denis Alain</div> <div>AIC DESIGNATION (or Member Status): CRA</div> <div>DATE SIGNED: June 1, 2015</div> <div>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</div> <div>DATE OF INSPECTION: May 28, 2015</div> <div>LICENSE INFO: (where applicable) Jan 2013 - Dec 2018</div> <div>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</div> <div>SOURCE OF DIGITAL SIGNATURE SECURITY: CRAL</div> <div>ATTACHMENTS AND ADDENDA: <input type="checkbox"/> ADDITIONAL SALES <input checked="" type="checkbox"/> EXTRAORDINARY ITEMS <input checked="" type="checkbox"/> NARRATIVE <input checked="" type="checkbox"/> PHOTOGRAPHS <input checked="" type="checkbox"/> BUILDING SKETCH <input checked="" type="checkbox"/> MAPS <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> INCOME APPROACH <input type="checkbox"/></div>	<div>CO-SIGNING AIC APPRAISER (if applicable)</div> <div>SIGNATURE: _____</div> <div>NAME: _____</div> <div>AIC DESIGNATION: _____</div> <div>DATE SIGNED: _____</div> <div>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input type="checkbox"/> YES <input type="checkbox"/> NO</div> <div>DATE OF INSPECTION: _____</div> <div>LICENSE INFO: (where applicable) _____</div> <div>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</div>


Stewart, Weir, MacDonald Ltd.



RESIDENTIAL APPRAISAL REPORT - ADDENDUM

REFERENCE:

FILE NO.: 32802

CLIENT	CLIENT:	Community Government of Behchoko	APPRAISER	APPRAISER:	Denis Alain	 Appraisal Institute of Canada	
	ATTENTION:			COMPANY:	Stewart, Weir, MacDonald Ltd.		
	ADDRESS:			ADDRESS:	5004 50 Avenue, PO Box 1597		
		Behchoko, NT X0E 0Y0			Yellowknife NT X1A 2P2		
	E-MAIL:			E-MAIL:			
	PHONE:			FAX:			PHONE:

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

An extraordinary assumption is a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions (e.g. an absence of contamination where such contamination is possible, the presence of a municipal sanitary sewer where unknown or uncertain). An extraordinary limiting condition is a necessary modification or exclusion of a Standard Rule which must be explained and justified by the appraiser (e.g. exclusion of one or more valuation approaches). The appraiser must conclude before accepting the assignment which involves invoking an Extraordinary Limiting Condition that the scope of the work applied will result in opinions and conclusions which are credible. Both must accompany statements of each opinion/conclusion so affected.

As is typical for single residential appraisals, we did not undertake an investigation into the subject lease, therefore assume the lease is clear. If other encumbrances exist, the conclusion might not be valid.

This is a form report and does not contain the information, detail and analysis of a narrative report. We cannot make changes to our reports once they leave our office, nor can we prevent changes, additions or deletions in copies of our reports. We recommend that people intending to rely on our report do so only after reading an original report in its entirety or by calling our office at 867-920-4888 with the file number and final value shown on the report in your possession for verification of our final value estimate.

With the prior consent of our client, we will provide an original of this report for a fee.

We do not investigate if the prospective loan and/or applicant satisfy prudent underwriting criteria. We assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices.

Value is based on the assumption that the property is eligible and in full compliance with the regulations for fire and home owners insurance.

HYPOTHETICAL CONDITIONS

Hypothetical conditions may be used when they are required for legal purpose, for purposes of reasonable analysis or for purposes of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every Hypothetical Condition, an Extraordinary Assumption is required (see above). An analysis based on a hypothetical condition must not result in an appraisal report that is misleading or that relies on actions or events that would be illegal or improbable within the context of the assignment. Following is a description of each hypothetical condition applied to this report, the rationale for its use and its effect on the result of the assignment.

JURISDICTIONAL EXCEPTION


The Jurisdictional Exception permits the appraiser to disregard a part or parts of the Standards determined to be contrary to law or public policy in a given jurisdiction and only that part shall be void and of no force or effect in that jurisdiction. The following comments identify the part or parts disregarded, if any, and the legal authority justifying these actions.



RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

REFERENCE:

FILE NO.: 32802

CLIENT	CLIENT:	Community Government of Behchoko	APPRAISER	APPRAISER:	Denis Alain	 Appraisal Institute of Canada
	ATTENTION:			COMPANY:	Stewart, Weir, MacDonald Ltd.	
	ADDRESS:			ADDRESS:	5004 50 Avenue, PO Box 1597 Yellowknife NT X1A 2P2	
	E-MAIL:			E-MAIL:		
	PHONE:			PHONE:	920-4888	
	FAX:			FAX:		

LAND VALUE	Unpaid Equity Lease	SOURCE OF DATA		\$	
ESTIMATED COST NEW:					
SOURCE OF COST DATA: <input type="checkbox"/> MANUAL <input checked="" type="checkbox"/> CONTRACTOR <input type="checkbox"/> OTHER					
BUILDING COST: <input type="checkbox"/> Sq. M. <input checked="" type="checkbox"/> Sq. Ft.					
Gross living area (finished liveable floor area above grade)		3286 SF	@ \$	200.00	\$ 657,200
Basement			@ \$		\$
Garages/Carports			@ \$		\$
			@ \$		\$
			@ \$		\$
			@ \$		\$
OTHER EXTRAS					\$
					\$
					\$
External Depreciation @20%					\$ -131,440
					\$
					\$
TOTAL REPLACEMENT COST					\$ 657,200
ACCRUED DEPRECIATION:					
		14 %	\$	92,008	\$ 565,192
DEPRECIATED VALUE OF THE IMPROVEMENTS					\$ 433,752
CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS					\$
INDICATED VALUE					\$ 433,752
VALUE BY THE COST APPROACH(rounded)					\$ 433,800
NOTE: Unless otherwise noted the construction cost estimates contained herein were not prepared for insurance purposes and are invalid for that use. The Cost Approach is not applicable when appraising individual strata/condominium type dwelling units.					
COMMENTS:					
The Cost Approach is also given consideration in the analysis due to the lack of recent comparable sales data from the local market. The improvement cost per square foot utilized is based on an analysis of construction cost estimates as indicated by NWT Housing Corporation. The significant discrepancy between the Cost Approach and the Direct Comparison Approach may be attributed to "excessive market depreciation", which usually relates to the remote location, and the limited number of "eligible" buyers. The private market for single family homes in Behchoko and other Arctic communities like it has been largely dependant on government help in some, typically downpayment assistance or government guaranteed loans. Even though there is a housing shortage in many northern communities, there are a limited number of "eligible" buyers - those who qualify for a mortgage and who can access financial assistance. In most of these communities unemployment is high and buyers are few, and Behchoko is not the exception. It should be noted as well, that the cost of construction has increased significantly in the past few years.					
It is likely that the subject property would command a price significantly less than the value indicated by the Cost Approach. Therefore, the value indication provided by the Cost Approach has been adjusted to reflect the applicable external depreciation. External depreciation is a loss in value as a result of influences outside the site and can be caused by a property's location in a community, region or province, or local market conditions. A reduction in the value indication provided by the Cost Approach in the 20% range is considered reasonable as a reflection of external depreciation.					



ADDENDUM

Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
City: Behchoko	Province: NT	Postal Code: X0E 0Y0
Lender: Community Government of Behchoko		

Final Reconciliation

In the final determination of overall market value, most weight shall be given the valuation technique which provides the most data conducive to the appraisal problem. The appraisal procedures completed in this analysis include the Direct Comparison Approach and the Cost Approach to Value.

Value indicated by Direct Comparison Approach: \$81,000  
Value indicated by Cost Approach: \$433,800

The Direct Comparison Approach is typically considered the most reliable indicator of market value in regard to appraising single family or small multi family residential properties. This approach involves the comparison of the subject property to similar improved properties that have sold recently. The underlying premise being that the market value of the subject property is directly related to the sale price of comparable properties in the marketplace. The strengths of the Direct Comparison Approach are that it involves the study of the actions of buyers and sellers in the marketplace, it is widely used and easily understood, and it reflects market behaviour - the major force behind market value. Weaknesses of this approach are that market data is almost always historical, and it is often difficult to ascertain the circumstances surrounding the sale of comparable properties. The difficulty in this case is the lack of recent comparable sales data from the local market on residential properties similar to the subject improvement, resulting in considerable adjustments to all of the comparable sales, thereby diminishing the reliability of this approach somewhat.

The Cost Approach is based on the Principle of Substitution which affirms that when a property is replaceable, its value tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly or unnecessary delay is encountered when making the substitution. The strengths of the Cost Approach are that it is easily understood, cost calculations are relatively easy to perform, and it provides a convincing test of value when comparable land sales are available and depreciation is straight forward. The most significant weakness in this approach lies in the difficulty of estimating depreciation in older properties, or like the subject, new construction that has never been completed.

In this instance, because the subject has been vacant and unfinished for an extended period of time, a "vacancy stigma" becomes attached to the property, which has a negative affect on the market value.

After a detailed analysis of the available information, with the limited number of eligible buyers in Behchoko, most emphasis is placed on the value indication provided by the the Direct Comparison Approach with some support from the Cost Approach. On this basis, it is my professional opinion that the market value of the subject property is fairly estimated at \$100,000. Reasonable exposure time would be 90 - 150 days.



SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
City: Behchoko	Prov.: NT	P.C.: x0E 0Y0
Lender: Community Government of Behchoko		



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: May 28, 2015  
Appraised Value: \$ 100,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
City: Behchoko	Prov.: NT	P.C.: x0E 0Y0
Lender: Community Government of Behchoko		



COMPARABLE SALE #1

House 240  
Edzo  
Sale Date: May 8, 2014  
Sale Price: \$ 220,000



COMPARABLE SALE #2

House 414  
Edzo  
Sale Date: September 13, 2010  
Sale Price: \$ 175,000



COMPARABLE SALE #3

House 40  
Behchoko  
Sale Date: January 15, 2010  
Sale Price: \$ 165,000



Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
City: Behchoko	Prov.: NT	P.C.: x0E 0Y0
Lender: Community Government of Behchoko		



A Unit Main Floor



A Unit Upper West



A Unit Upper East



Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
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Lender: Community Government of Behchoko		



B Unit Main Floor



B Unit Upper West

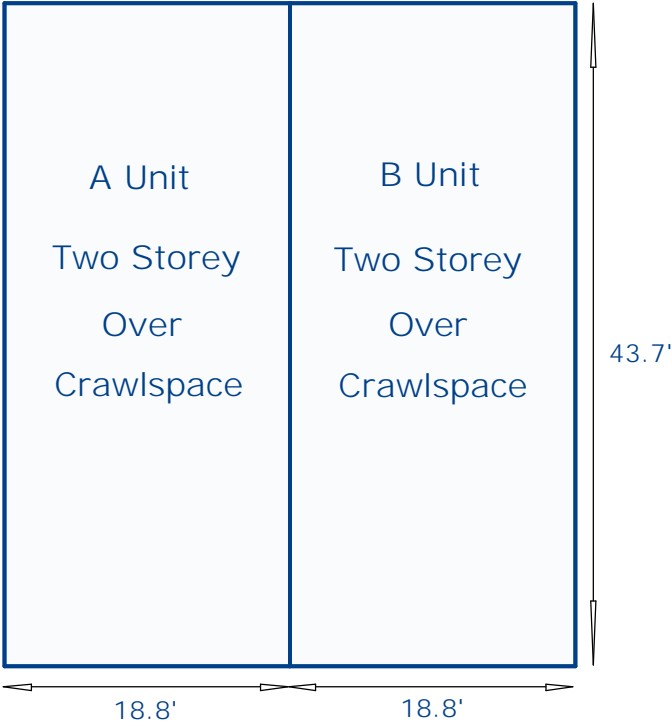


B Unit Crawlspace



FLOORPLAN

Borrower: Community Government of Behchoko		File No.: 32802	
Property Address: Lot 3 Block 1 Plan 1620		Case No.:	
City: Behchoko		Prov.: NT	P.C.: x0E 0Y0
Lender: Community Government of Behchoko			



Sketch by Apex Sketch v5 Standard™

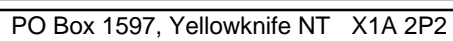
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	B Unit First Floor	821.56	821.56
GLA2	A Unit Second Floor	821.56	821.56
GLA7	B Unit Second Floor	821.56	821.56
GLA9	A Unit First Floor	821.56	821.56
Net LIVABLE Area		(rounded)	3286

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
B Unit First Floor		
18.8	x 43.7	821.56
A Unit Second Floor		
18.8	x 43.7	821.56
B Unit Second Floor		
18.8	x 43.7	821.56
A Unit First Floor		
43.7	x 18.8	821.56
4 Items		(rounded) 3286



Borrower: Community Government of Behchoko		File No.: 32802
Property Address: Lot 3 Block 1 Plan 1620		Case No.:
City: Behchoko	Prov.: NT	P.C.: x0E 0Y0
Lender: Community Government of Behchoko		





INVOICE

Stewart, Weir, MacDonald Ltd.  
5004 50 Avenue  
PO Box 1597  
Yellowknife NT X1A 2P2

FILE NO.	INVOICE DATE	INVOICE NO.
32802	June 1, 2015	32802D

LENDER/  
CLIENT:  
  
Community Government of Behchoko  
  
Behchoko, NT X0E 0Y0  
  
BORROWER: Community Government of Behchoko

ADDRESS OF Lot 3 Block 1 Plan 1620  
PROPERTY: Behchoko, NT X0E 0Y0  
  
APPRAISED  
AS OF May 28, 2015

APPRAISAL FEE: \$	750.00
DESCRIPTION / ADDITIONAL CHARGES	
Mileage	100.00
INVOICE SUBTOTAL: \$	850.00
TAX 5.0% \$	42.50
INVOICE TOTAL: \$	892.50
AMOUNT PAID: \$	
AMOUNT PAID: \$	
BALANCE DUE: \$	892.50

TERMS Payable in full upon receipt - Visa/Interac accepted. A service charge of 2% per month will be added to all accounts after 30 days (24% per annum).  
PLEASE MAKE CHEQUES PAYABLE TO:  
Stewart, Weir, MacDonald Ltd.  
5004 50 Avenue, PO Box 1597  
Yellowknife NT X1A 2P2

GST#: R105024087