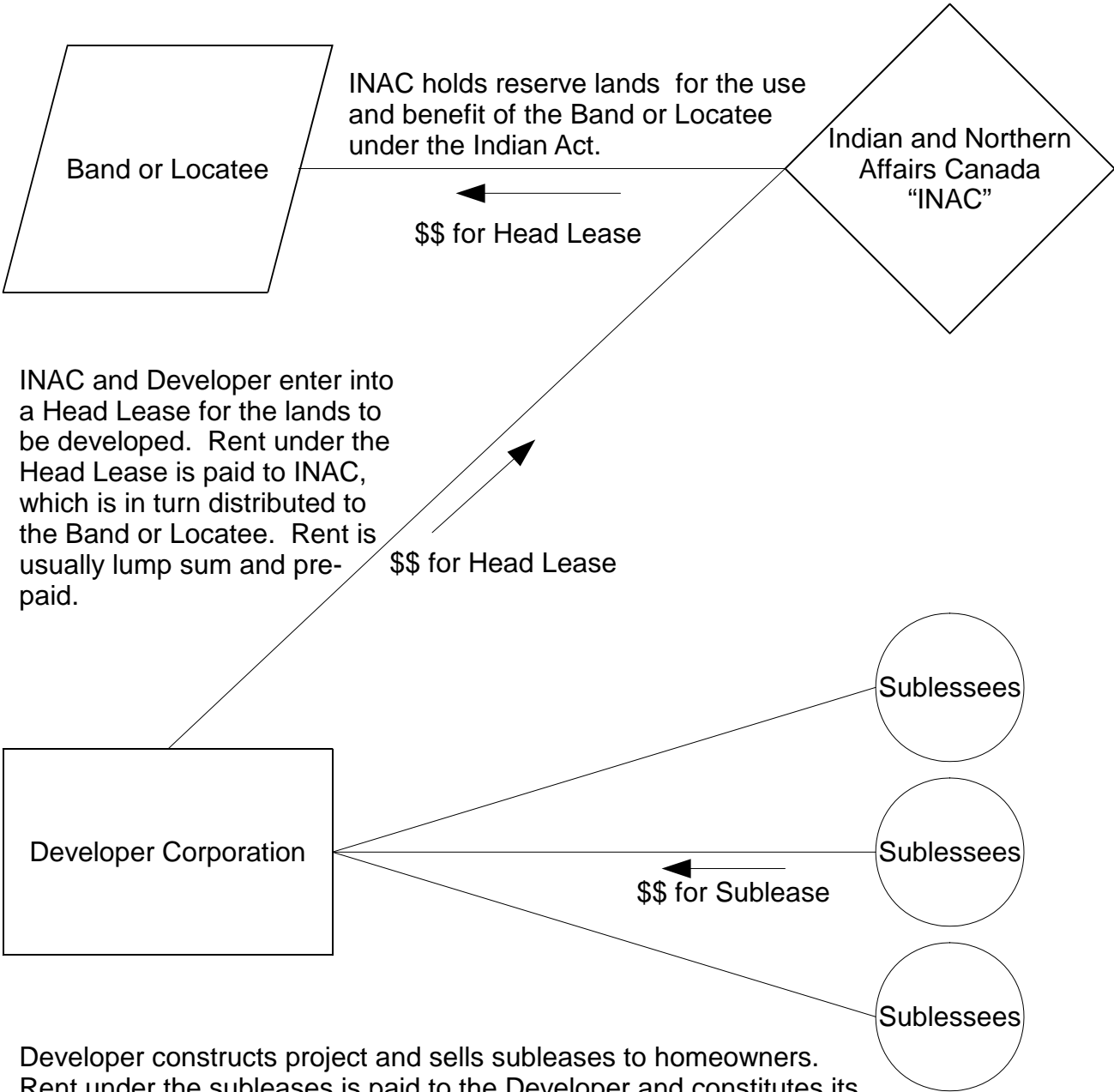


Diagram of Leasing Structure for Residential Development on First Nations Lands



INAC and Developer enter into a Head Lease for the lands to be developed. Rent under the Head Lease is paid to INAC, which is in turn distributed to the Band or Locatee. Rent is usually lump sum and pre-paid.

Developer constructs project and sells subleases to homeowners. Rent under the subleases is paid to the Developer and constitutes its revenues. Rent is usually lump sum and pre-paid. Developer can be a third party unrelated to the Band or Locatee, or a Band-owned or Locatee-owned corporation. Structures other than a corporation, or more complex ownership structures for a corporation may be considered depending on objectives and input from stakeholders.