BC EXPROPRIATION ASSOCIATION

MUSQUEAM RENT REVIEW

PANEL: GEORGE OIKAWA AND DANNY GRANT

A. George Oikawa is senior advisor to C.B. Ltd. Richard Ellis. He is a member of the Appraisal Institute of Canada, a past governor of the Real Estate Foundation, a past President and Governor of the Real Estate Institute of British Columbia, and a Past Chair of the Professional Conduct Committee. He is a past member of the City of Vancouver Planning Commission and Chairman of the Subcommittee on Rezoning. He has over 43 years of experience in the real estate industry and he has given expert testimony in the Federal Court of Canada, the Supreme Court of British Columbia and various arbitration tribunals. George was an expert witness called by the group of tenants in the matter of the Musqueam Park Subdivision rent review. He previously gave evidence in the matter of the Shaughnessy Golf and Country Club lease.

Danny R. Grant is the President of Interwest Property Services (1991) Ltd. He has a Bachelors Degree in Agricultural and is a member of the B.C. Institute of Agrologists and of the Canadian Consulting Agrologists. He is a Senior Member of the International Right of Way Association and has instructed courses in Right of Way valuation and was a speaker on expropriation appraisal for the Continuing Legal Education Foundation of British Columbia. He has over 33 years of experience in the real estate industry and has given expert testimony in the Federal Court of Canada, the Supreme Court of British Columbia, the Expropriation Compensation Board and various arbitration tribunals. Danny was an expert witness called by the Musqueam Indian Band in the matter of the Musqueam Park Subdivision rent review. He has previously given testimony on two other rent review cases involving First Nations Lands: Cattermole Timber v the Queen and Leighton (Little Shuswap leaseholders) v the Queen.

THE PROPERTIES:

The properties in question are 75 residential lots located between the Shaughnessy Golf Course and South West Marine Drive, south-east of the University of British Columbia.

HISTORY:

In 1965 and 1970, the 75 single-family lots and a 6-acre multi family lot were developed on lands formerly occupied by Musqueam Band members (Locatees) and a commercial nursery tenant. The lands were to be developed by a private corporation, which was transferred to Block Brothers, who completed the development. The rents for all of the lots were to total an agreed amount and the leases for each of the lots were assigned to the residential occupants and the leases were assigned to the Musqueam Band.

THE DEVELOPMENT:

The Development, in accordance with the master agreement, was to be a 'high class' residential subdivision. The developer and the City of Vancouver contributed various costs and the Musqueam Band contributed the land. Initial rent was a fixed annual amount, with a small fixed adjustment after 10 years and after 20 years. A map of the subdivision shows the rents for the 10 year prior to renewal. In addition 6 modest houses were constructed for the displaced locatees.

THE LEASE:

The lease form was drawn by the original developer and Indian Affairs. The annual rents during the first 30 years of 69 of the leases and 25 years for 6 of the leases were specified in each lease and varied from lot to lot.

The rent review clause was as follows:

> (2) The rent for each year of the three succeeding twenty (20) year periods and for the final nine (9) year period of the term hereof, shall be a fair rent for the land negotiated immediately before the commencement of each such period. In conducting such negotiations the parties shall assume that, at the time of such negotiations, the lands are
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> In the event negotiations fail, fair rent is specified as 6% of the current market value on the condition that the lands are
>
> (a) Unimproved lands in the same state as they were on the date of this agreement;
> (b) Lands to which there is public access;
> (c) Lands in a subdivided area, and
> (d) Land, which is zoned for single-family residential use,
>
> (3) In the event the Minister and the Lessee or its assignees cannot reach agreement on the rents to be paid in any of the succeeding periods as provided in subparagraph (2) above, the question shall be determined under the authority of paragraph (g) of subsection (1) of Section 18 of the Exchequer Court Act.

(4) An annual clear total rental which represents six percent (6%) of the current land value, calculated at the time of renegotiation, and on the basis set out in subparagraph (2) hereof, shall be regarded as a 'fair rent' for the purposes thereof."

Use

The use specified in the lease is for one single-family residence on each lot.

THE DISPUTE HISTORY:

The dispute began in the early 1990's when an unofficial committee of the tenants began meetings with a committee of The Band Council in an attempt to settle the renewal before June 6, 1995, after which time the '6% of land value' provisions of the renewal clause became effective. The best offer, even verbally, from the tenants was $5,000 per annum.

The best counter offer from Musqueam was that the full rent of 6% of market value of each lot might be able to be phased in but it was left to the tenants to propose a soft landing program and Musqueam had considered several possible soft landing formats.

With no mid ground in site, the sides engaged lawyers, former partners, Darrell Roberts for Musqueam and John McAlpine for the tenants. There were complexities of filing a claim whereby the Federal Ministry became involved but eventually the claim was filed and the trial was set down for Federal Court. The hearing lasted about 2 weeks.

The Federal Court decision was delivered in December of 1998 and both sides appealed. The Federal Appeals Court heard the appeals and delivered an interim award in-December 1999. Not able to agree on the deductions to be made as directed by the Appeals Court, a further hearing was held and a final order delivered. The tenants appealed and Musqueam cross-appealed. The Supreme Court of Canada granted leave for an expedited hearing and the matter was heard this summer. As of October 16th, the award had not been delivered.

THE PLAYERS:

Besides two chief appraisal witnesses, George Oikawa of Richard Ellis and Danny Grant of Interwest Property Services, Geoff Johnston AACI gave evidence on four lots for Musqueam. Don Tebbutt, a Tsawwassen Realtor was called and Geoff Burgess, Carl Nilsen and Mike Grover were known to be background

players who may not have completed appraisal reports, but in any event, were not called at trial. Two engineering firms prepared development cost estimates, but after agreement, were not called.

The original 1964 appraisal of Professor Phillip White was not known of and not presented at trial. His recommendation at that time was 6 1/4% of the capital value of the parent parcel. The value of the parent parcel was adjusted for the 6 locatee houses. There was also a report of Henry Bell Irving as at April 30, 1965 that was not presented at trial.

These earlier reports do indicate the origin of the 6% rate as being less than the rate of 6 3/4% on first mortgages at that time. They also show that the original rate was based on the above return applied to the value of the raw parcel. They further indicate that values of the day for large lots were about $19,000 and that subdivision costs, not including profit, for these large lots were about $10,000 per lot. White's appraisal also based the value on a fee simple comparison with other development tracts and neither appraisal discounted the value of the lots as being aboriginal title instead of fee simple.

These appraisals anticipated the leasing of the parent parcel to the developer, not the leasing of 75 lots, plus a 6-acre multi-family site to different individuals, which is what finally happened.

These appraisals also indicate a contribution by the City of Vancouver of about $280,000 for the installation of the sewer line, which put these lots on the City's tax roles.

Bell Irving had recommended reviews every 21 years while Professor White had recommended indexing or greatly increasing the increments of the renewals and was critical of the proposed lease with 10% increases each 10 years, because of the diminishing purchasing power of the dollar, apparent at that time.

THE ISSUES AT TRIAL:

- Were the lands referred to in each lease intended to be each lot or the reconsolidated original parcel? The question arose, because exactly the same language as in the lease renewal clauses appeared in the master agreement for the development of the lands and in that agreement, land meant the original 40 acres. However, the agreement directed these clauses be the renewal clauses in the lease.

- What was the condition of the lands at the time of the individual leases? I.e. had the subdivision been completed?

- What should be the condition of the lands at the time of renewal? (a) Should the tenant improvements to the lands such as levelling, landscaping, fencing etc. be ignored? (b) Should the developer improvements to make lots out of the parent parcel be deducted?

- Did the reference to value in the lease infer 6% of the value of nearby fee lands or did the reference infer 6% of the leasehold value of prepaid lease lots?

POSITIONS AT TRIAL:

The tenants position was that the 6% should be applied to the land portion of nearby leasehold lots as determined by deducting the physically depreciated replacement cost of the home improvements from recent sale prices of leasehold properties that had 69 years remaining in the lease. In addition, the costs of servicing the subdivision, including full developer profit as a cost, should be deducted, pro rata, from each lot to derive the amount to which the 6% specified in the lease should be applied. In other words, the value of the raw land as estimated by a residual approach restricted by the actual subdivision and valued on the basis of prepaid sales of long term leaseholds. Musqueam countered that these 30-year-old homes would not have added much market value to fee lots either.

The Musqueam position was that there were 75 leases of 75 lots and it was intended that the 6% should be applied to the sale value of the lot. Adjustments were made for any improvements to the condition of the individual lots made by the tenants. Positive adjustments were also made for lots backing onto the golf course and negative adjustments were made for lots backing onto South West Marine Drive and lots with substantial encumbrances or physical constraints. Size variations were also made.

Adjustments were not made for the cost of servicing and developer profit because A) the developer did not pay all costs. B) The developer was not at risk on the land portion of a development investment. C) Each lease was for a developed lot, not an undeveloped piece of land. D) Musqueam felt they rented the land cheaply for the first 30 years with long fixed rent periods in order to secure full rent for the remaining terms.

THE FEDERAL COURT DECISION:

The Judge adopted the development approach to value and other residual techniques often rejected in expropriation cases. The Judge indicated that the values presented by Musqueam as fee values were reasonable but that they should be reduced by 50% based on the evidence that on reserve long term leaseholds

sold for less than fee values. The further inference is that Musqueam could not hold the lots as fee simple and therefore they could not be valued in comparison with fee simple lots. The Judge further indicated that the current full cost of developing the property, including developer profit at 15% of gross sales should also be deducted, pro rata and then the 6% should be applied. On the counter evidence the Judge indicated that since no Salish Park homes had been torn down, the Musqueam position that no value was added to fee lots by homes of this nature could not be accepted.

This resulted in a decision awarding annual lease payments of around $10,000 per lot.

THE COURT OF APPEAL:

In the Court of Appeal, Musqueam argued that it was unconscionable and not contemplated in the lease that the reference to value was the leasehold value of lots on the reserve as impacted by the Indian Reserve nature of the title and location. It was further argued that the costs of subdivision should not be deducted as these leases were the leases of the lots, not the un-subdivided property, that if this were done each time, that Musqueam would pay for the cost of development over and over and that the land had been leased cheaply to allow for development 30 years earlier, allowing the developer to recover costs in the first 30 years. In addition, the large lot subdivision devalued the parent parcel, therefore if the hypothetical reassembly used by the courts were a valid approach, the current value of the parent parcel, by comparison should be considered.

The tenants argued against the above approach and that the rent derived by the lower court Judge was still an undue hardship, resulting in a 25-fold increase in rents. Further, they argued that the lack of representation and Musqueam's assumption of the taxation function mid term in the lease were major issues that should result in a rent reduction. Further they argued that the lots were not freehold and therefore could not be valued in comparison with freehold lots.

The Court of Appeal ruled that the lease was clear enough that it was intended that the 6% should be applied to the fee value of the bare lots as presented by Grant but that the costs of servicing should be deducted, including profit as evidenced by Oikawa.

This decision would have raised the annual lease payments to around $18,000 per year on average.

The tenants appealed to the Supreme Court of Canada and Musqueam cross-appealed. Surprisingly there were no interveners from other First Nations to argue one point or the other as a universal principle to be applied across Canada.

THE WAR OUTSIDE THE COURTS:

The media war has been intense with the tenant group with media savvy, playing up the problems of many of the tenants who cannot afford to pay $10,000 or $18,000 or possibly $30,000 on average per year as rent on these average value, $500,000 lots.

Obviously, the rents of $300 to $400 per year for the past 30 years had lulled many of the tenants into thinking that they really could afford to live in one of the more expensive areas of Vancouver. Further, the tenants argued that they had not been consulted when Musqueam had taken over administration of the leases or when Musqueam had taken over the taxation function and that these factors of non-representation made for a special value class and cheaper rents.

Musqueam on the other hand wanted to collect; firstly the rents that were awarded by the lower court and secondly the rent as bumped by the Court of Appeal. They also wanted to collect taxes in arrears. Musqueam said all they wanted was a reasonable return on their land value and were willing to let the Courts decide what that should be. Musqueam pointed out that the tenants did not demand to invalidate the leases before the rent review.

Efforts by various parties, including Indian Affairs officials, the various Ministers and other private parties to mediate a settlement have failed. Splinter groups of the tenants and the Musqueam Band have taken different tact's from each main body. In the meantime, some rents and taxes have fallen into arrears for 5 years and total as much as $120,000, while other tenants are fully paid up at the Court of Appeal rates.

As there is no knowledge of what the lease rates will be, the sale of the leaseholds have slowed or stopped, a couple of tenants have abandoned their lands to Musqueam and many tenants have offered to negotiate early surrender of the leases in return for forgiveness of the arrears and some for reduced rent for a few years for a few years in the future.

Musqueam has committed to no evictions until the Supreme Court rules, so at the moment no one has been turned out on the street.

Until the Supreme Court of Canada rules, the amounts of the 5 years of arrears cannot be determined, the rent for the next 15 years is unknown and the remaining value contributed by the improvements cannot be determined in order to contemplate a sales or purchase price. Because of the controversy surrounding this case, long term leasing of all land in the Vancouver area has been affected somewhat, but this impact is primarily in residential land.

FOOD FOR THOUGHT

The sale value of large lots in this area of Vancouver in 1965 was from $15,000 to $19,000.

The sale value of large lots in this area of Vancouver in 1995 was from $500,000 to $750,000.

The increase in lot values was in a range of 26 to 50 times in 30 years.

The rents, if settled at the Court of Appeal rates of an $18,000 average, went up 45 to 50 times.

The consumer price index went from 33.1to 133.7, up 4 times during a 25 year period.

The Dow Jones Industrial Average went from 900 to 4,444 in the 30-year period or roughly 5 times.

Rents on the 1,500 square foot, 30-year-old units at Shalimar, (the 6-acre lot of this development) were $2,000 per month or $24,000 per year in 1995. These units would be worth $350,000 to $400,000 in sale at that time. The rate of return would be about 6%. These month-to-month and year-to-year tenants have paid the increase in rents over the period.

If the land could be put back together, as the court has done for it's development approach determination, the land could have been valued for its current capability for redevelopment. This would have been for about 150 lots or a number of other residential formats. Raw land, suitable for residential development in south-west Vancouver would arguably have a value in 1995 of from $1,000,000 to $1,500,000 per acre or for the parent parcel of 40 acres, $40,000,000 to $60,000,000.

In 1995 a 30 year old home, in fair condition, did not contribute appreciable value to a lot of 8,000 to 12,000 square feet in south-west Vancouver.

In 1995, the best 10-year mortgage rate was about 8%

In 1995, the lease would fix land cost at 6% for 20 years.

The difference in occupancy cost between the lease rates at the Court of Appeal rates and a mortgaged $500,000 lot resulted in a saving in occupancy of at least $10,000 per year.

A horse's 12' X 12' box stall in nearby Southland's rented for $4,800 per year in 1995.

Taxes for the lots in Musqueam were the same or less than the taxes for a similar lot across Marine Drive.

Assessments for lots in Musqueam were carried out by the B.C. Assessment Authority.

Nine of the subject lots fronted on the Shaughnessy Golf and Country Club. Initiation fees are about $40,000 and several of the tenants are members.

In several cases, between $400,000 and $600,000 (see the summary) was paid for the subject leaseholds within 5 years of the end of the fixed rent period. Each purchaser indicated they had received the advice of a lawyer and realtor of the impending review at the time of purchase.

The lease called for one single-family lot so the tenants would have required the concurrence of Musqueam and probably the other tenants to subdivide into two or three lots. The tenants as a group, could do what the courts did, redevelop into a modern format with 69 years remaining and create enough value to live free for the balance of the term.

CLOSING AND PREDICTIONS: (Danny R. Grant)

It would appear that the biggest problem arises because of the continual rise in the value of the underlying real estate that;

The 75 tenants made a conscious choice, either 30 years ago or later, that the saving in occupancy cost justified not owning in fee.

The tenants also made a deliberate choice not to prepay their leases for 99 years when that was offered to them in the mid 1970's because the rent was so cheap. Many of the tenants either adjusted their lifestyle to use up their annual saving in occupancy costs or

The tenants invested the annual saving in occupancy costs in other commodities like stocks or bonds that did not keep pace with the value of real estate in many areas of Vancouver.

The 30-year initial term created a situation where many of the tenants found themselves living in an area they could not afford at market rents or in fee purchase.

Although initial lease negotiations, in 1965, were for the parent parcel, it was 75 lots plus a 6-acre multifamily site that were rented. All leases had the same renewal clause because of a direction in the master agreement. How that came to happen is a missing piece of the puzzle.

When the final court decision is reached, the parties can pencil out what is owed and the market players can calculate what the present value of the leasehold interests is, including improvements and the leaseholds can be sold to pay arrears in some cases and surrendered to cover most of the arrears in others. Where the tenant is not in financial distress, the lease will continue and the tenant will enjoy the location for considerably less than fee ownership.

CLOSING AND PREDICTIONS: (George Oikawa)

At the inception of the project the total of the rents represented a 6% return on the parent parcel, not the individual lots, so it is open for the Courts to interpret the renewal clause as being a renewal of the original method. As the Musqueam Band did not contribute the development costs without clear language in the lease they should not benefit from the developers costs which were passed on to the subtenants when they originally bought their leasehold homes.

The value of the parent parcel needs to be restricted by the subdivision that was developed, not something new, as that is what the bargain was for. To consider the full value of the parcel for redevelopment would deprive the tenants of all of the value of their homes, which many of them purchased new, thinking they would last the term of the lease.

The financial circumstances of many of the tenants does not permit them to continue to occupy their homes which they bought and paid for because lot prices in the area went up in value at an unpredictable rate. A 'Fair Rent" which the lease contemplates, needs to recognize that 6% on the full fee value of the lots is not a 'fair rent.'

Besides not clearly specifying what the 6% rate would apply to 30 years earlier, the events of the past few years where the actions of some First Nations in blockading roads, taking over taxation and not allowing lease residents the same representation they would have off reserve has clearly impacted the value of their lands. This impact cannot be measured by the value of off reserve lands and the only way to consider the impact is to look at the value of long term leaseholds on reserve compared to long term leaseholds off reserve.

THE CONTINUING PROBLEM FOR FIRST NATIONS LANDS:

How do First Nations maximize the return on their land holdings without selling them? Non-residential projects such as commercial lands, trailer parks industrial lands and farmlands secure market-based rents with no differentiation regarding First Nations ownership.

In the case of the subject leases at Musqueam, was the problem that high class single family residential was a traditional inflation hedge for tax-free gains that could not be expected to do well as leasehold?

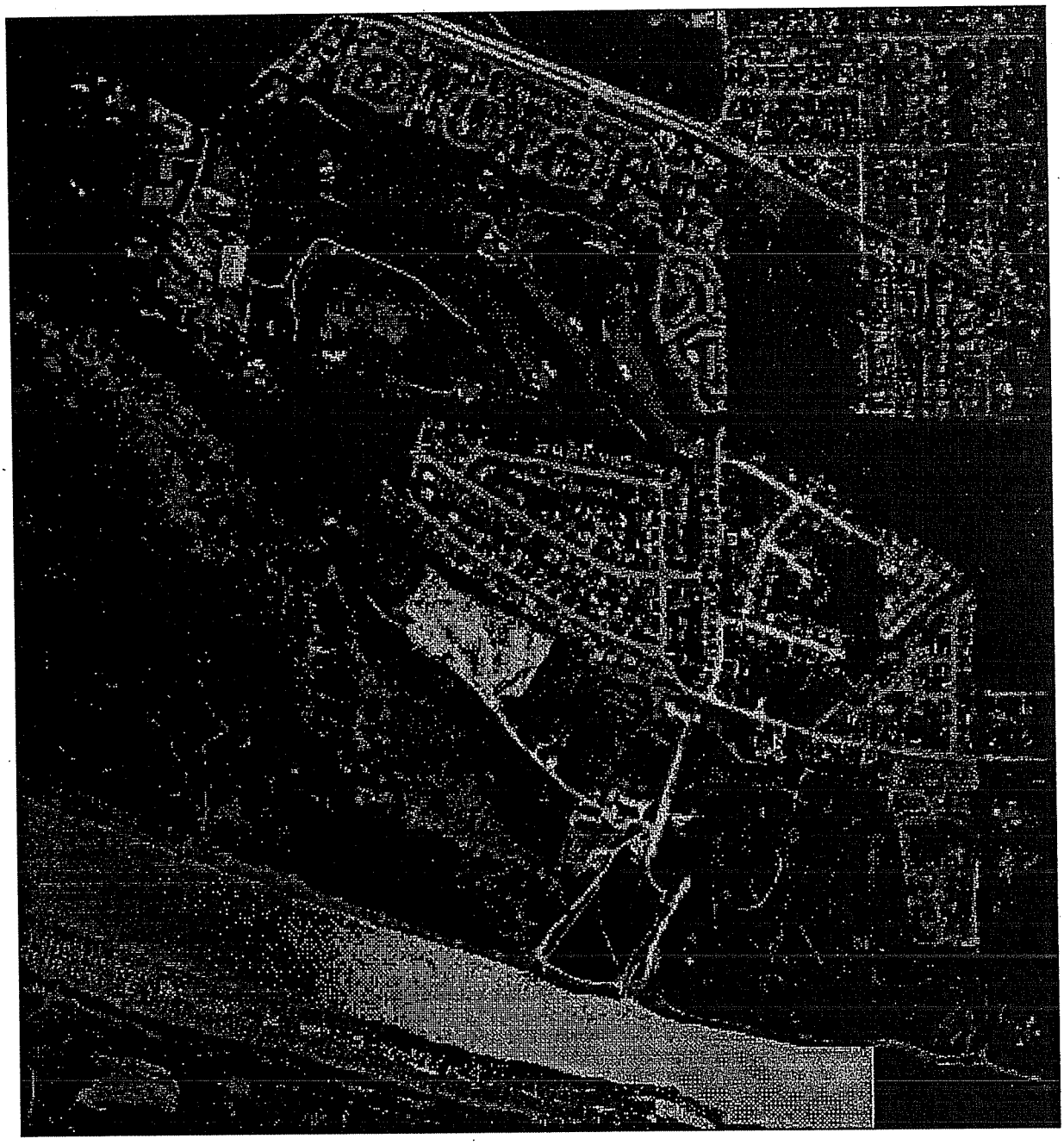
Was the problem that the lease payments were held so low for 30 years that anyone could afford to live in an exclusive neighbourhood, until the review?

Did the low rents give an expectation to those purchasing in the last 10 years before the review that they could pay nearly fee value for what was really only a house on an annually rented lot?

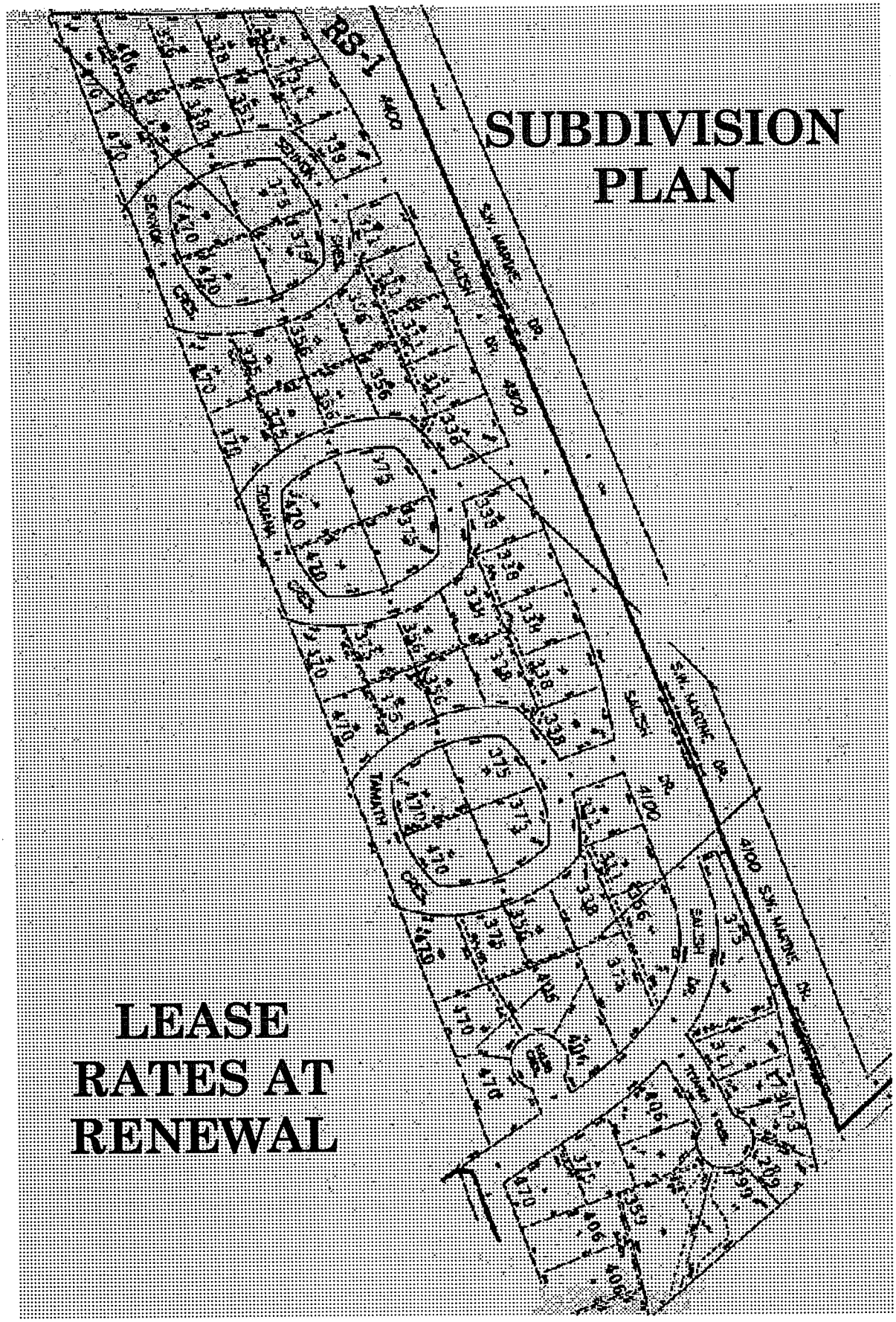
MUSQUEAM RENT REVIEW

PANEL DISCUSSION WITH GEORGE OIKAWA & DANNY GRANT

VANCOUVER COMMUNITIES



SUBDIVISION PLAN



LEASE RATES AT RENEWAL

THIS INDENTURE made this 16th day of May, in the year of Our Lord One Thousand Nine Hundred and Sixty-six.

BETWEEN:

HER MAJESTY THE QUEEN in Right of Canada
as represented by the Minister of Northern Affairs
and National Resources
(hereinafter called "the Minister") OF THE FIRST PART

AND

MUSQUEAM DEVELOPMENT COMPANY LIMITED,
(hereinafter called "the Lessee") OF THE SECOND PART.

WHEREAS the lands hereinafter described form part of a parcel of land referred to in an agreement (called the Master Agreement) between the parties hereto dated the 8th day of June 1965, which parcel of land was surrendered by the Musqueam Band of Indians for the purposes of leasing, in accordance with the Indian Act, R.S.C. 1952, Chapter 149, as amended, and the terms of the Surrender dated 17 February 1960;

AND WHEREAS the land described in the said Master Agreement has been subdivided, and surveyed as set forth in the terms of the said Agreement, and the land is now shown in the Land Registry Office in the City of Vancouver, on Plan 12172, filed in the said Land Registry Office on the 15th day of December 1965.

AND WHEREAS: The Minister is the registered owner of Lots 1 to 69, of Parcel "A" Musqueam Indian Reserve, No. Two (2), Group One (1), New Westminster District, Plan 12172, which lots are being developed as a residential area consisting of single family dwellinghouses.

AND WHEREAS the Minister is authorized, by Section 53 of the Indian Act, to lease the lands hereinafter described;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the rents, covenants, and agreements on the part of the Lessee herein reserved and contained and covenants and agreements of the Lessee as set forth in the Master Agreement between the Minister and the Lessee, the Minister HEREBY DEMISES AND LEASES unto the Lessee that certain parcel or tract of land situate, lying, and being in the City of Vancouver in the Province of British Columbia, and being more particularly known and described as:

LOT (1), OF PARCEL "A", MUSQUEAM INDIAN RESERVE, NO. TWO (2), GROUP ONE (1), NEW WESTMINSTER DISTRICT PLAN 12172.

(hereinafter referred to as "the land")

excepting and reserving unto the Minister all mines and minerals whether solid, liquid, or gaseous, which now or hereafter may be found to exist within, upon, or under the lands herein described.

1. TO HAVE AND TO HOLD for a term of ninety-nine (99) years commencing on the 8th day of June, 1965 and terminating on the 7th day of June, 2064.

2. (1). YIELDING AND PAYING therefor, yearly, and every year in advance during the said term to the Minister a rent as follows:

(a) for each year during the first ten years of the term, the sum of ($ 298.00)

(b) for each year during the second ten years of the term, the sum of ($ 343.75)

(c) for each year during the third ten years of the term, the sum of ($ 375.00)

(2) The rent for each year of the three succeeding twenty (20) year periods and for the final nine (9) year period of the term hereof, shall be a fair rent for the land negotiated immediately before the commencement of each such period. In conducting such negotiations the parties shall assume that, at the time of such negotiations, the lands are

(a) unimproved lands in the same state as they were on the date of this agreement;
(b) lands to which there is public access;
(c) lands in a subdivided area, and
(d) land which is zoned for single-family residential use,

and the foregoing assumption shall also be made in the case of any determination of the rent pursuant to the provisions of subparagraph (1) hereof.

(3) In the event the Minister and the Lessee or its assignees cannot reach agreement on the rents to be paid in any of the succeeding periods as provided in subparagraph (2) above, the question shall be determined under the authority of paragraph (g) of subsection (1) of Section 18 of the Exchequer Court Act.

(4) An annual clear local rental which represents six percent (6%) of the current land value, calculated at the time of renegotiation, and on the basis set out in subparagraph (2) hereof, shall be regarded as a "fair rent" for the purposes thereof.

3. And the Lessee shall pay to the Minister in addition to the rent reserved in paragraph 2 hereof, in lawful money of Canada, and at the same time as rent is paid, a surcharge thereon in the sum of $14.50 per year, which sum shall be reserved by the Minister and applied to the Tax Trust Fund created by, and to be disposed of, in accordance with the terms of an agreement between the Minister, Musqueam Development Company Ltd. and the City of Vancouver, dated the 8th day of June 1965, a copy of which may be inspected by the Lessee upon request to Musqueam Development Company Ltd. or the Minister.

4. The rents hereby reserved and any other money payment to be made by the Lessee to the Minister under the provisions of this Lease shall be made in lawful money of Canada and may be paid by cheque or Bill of Exchange payable in Canadian funds to the Receiver General of Canada.

5. The Lessee COVENANTS AND AGREES that it will not use, suffer, or permit any person or Corporation to use the lands for any buildings or improvements at any time erected or placed thereon or any portion thereof for other than the purpose of a residential area consisting of single-family dwellings.

6. The Minister agrees that the Lessee is entitled to physical possession of the lands on the date on which the term commences.

7. The Lessee agrees to deliver to the Minister physical possession of the lands, with all buildings and other improvements made thereto and thereon, free of all claims whatsoever, at the expiration or sooner termination of this lease.

8. (a) Subject to the covenants contained in the Schedule hereto, the Lessee shall be entitled at its own expense during the term hereof to construct, demolish, alter, remodel and/or replace any buildings or any part thereof and make such other improvements, including construction of roads, water, sewer, electricity and/or gas systems on the lands and to make any alterations, additions and changes to and to the lands as it considers necessary and convenient for its use on the lands; PROVIDED THAT the market value of the buildings and improvements on the lands shall be not less after such construction, demolition, alteration, remodelling, or replacement, than it was immediately before.

(b) The Lessee may in whatever manner it sees fit dispose of any sand, gravel, marl, top soil, or trees which must be removed or cut down as the case may be in performing the construction referred to in subparagraph (a).

9. Subject to Paragraph 10 hereof, the Lessee will not assign, mortgage, encumber, transfer, sublet, sub-license, or licence or in any way deal with or part with any part or the whole of the lands to any person for or during the whole or any part of the term.

10. Subject to Section 54 of the Indian Act, the Lessee may, in respect of the whole of the land hereby demised, assign and/or mortgage the whole of the term of this Lease, if,

(a) the assignee or mortgagee is a person of financial responsibility, and
(b) the rights of the Minister are not affected as against the Lessee under any and all terms of this Lease.

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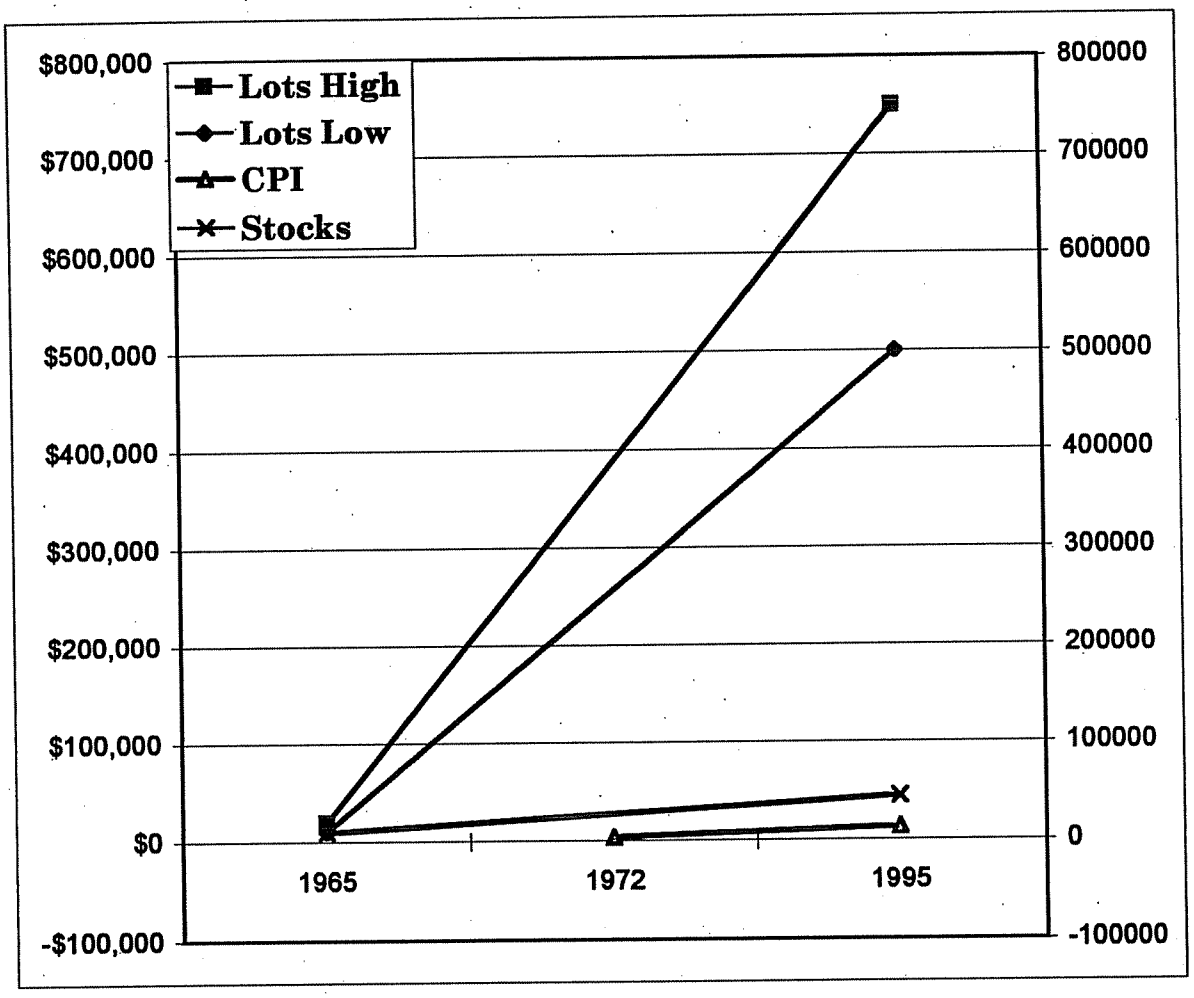
COMPARATIVE INVESTMENTS



SUBJECT LEASEHOLD SALES

Lot No.	Date	Price	Assessment & House Size	Lot Size	Residual to Lease	Month to Term
1	NOV/91	$400,000	$261,000	25,466	$139,000	42
7	SEP/92 JUL/92	$357,500	$166,000 3,550*	15,906	$191,500	32
12	DEC/90	$475,000	$133,000	13,208	$344,000	53
13	NOV/92 SEP/92	$419,000	$127,000 2,800*	14,302	$292,000	30
19	AUG/92 JUN/92	$425,000	$121,000 3,400*	10,767	$304,000	33
20	AUG/91	$640,000	$205,000	13,872	$435,000	45
29	MAY/91	$575,000	$152,000	11,556	$423,000	48
38	MAR/92 OCT/91**	$520,000 $585,000	$170,000 5,100*	12,464	$350,000	38
44	JUN/90	$558,000	$170,000	9,621	$388,000	59
47	AUG/93	$393,000	$152,000 3,052*	11,190	$241,000	21
62	OCT/91	$475,000	$146,000	8,885	$329,000	43
63	JUN/93	$420,000	$159,000	10,916	$261,000	23
73	OCT/91	$279,000	$118,000	8,921	$161,000	43
75	FEB/93	$495,000	$298,000	27,094	$197,000	27