

SCHEDULE 1 TO THE MINUTES OF
THE SPECIAL GENERAL PURPOSES
COMMITTEE MEETING OF MONDAY,
DECEMBER 8, 2008.



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Reply Attention of:	Larry R. Sandrin
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Our File:	03-3572
Date:	December 8, 2008

BY EMAIL AND DELIVERED BY HAND

City of Richmond
6911 No 3 Road
Richmond, BC V6Y 2C1

Attention: Phyllis L. Carlyle, General Manager Law and Community Safety

Dear Ms. Carlyle:

**Re: Garden City Lands – Confirmation of Declaration of Trust by Canada Lands
Company CLC Limited ("CLC") in favour of Musqueam Indian Band**

We understand that a question remains in the minds of some members of Richmond City Council as to whether CLC holds an undivided 50% beneficial interest in the Garden City Lands in trust for Musqueam. This has been the subject of a number of submissions made to the City by CLC and Musqueam, both in writing and in oral presentations before City Council.

Nonetheless, as solicitors for CLC, we again confirm that, effective upon the transfer of the Garden City Lands from Her Majesty the Queen in Right of Canada as represented by the Minister of Fisheries and Oceans ("DFO"), to implement the express terms of the MOU, CLC declared that it holds and will continue to hold registered title to the Lands as bare trustee for and on behalf of Musqueam's designated Limited Partnership and CLC, as Joint Venture partners.

As additional confirmation, we attach pages 1, 14, 15 and a redacted portion of page 16 of the Joint Venture Agreement (the "JVA") between Garden City Ventures Limited Partnership, CLC and Musqueam. The "Effective Date" of the JVA was the date upon which the Garden City Lands were transferred by DFO to CLC.

You will note that Section 2.1 of the JVA sets out the direction of Musqueam to CLC that any and all beneficial interests in the Lands contemplated in the MOU to be transferred to Musqueam will, as of the Effective Date, be held by CLC on behalf of and for the benefit of (Musqueam's) Limited Partnership.

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Section 3.1 of the JVA contains the express declaration of trust by CLC that it holds the registered title to the Lands in trust for the Limited Partnership and CLC, each as to an undivided and unregistered 50% beneficial interest.

Section 3.2 of the JVA sets out express covenants by CLC not to encumber, transfer or otherwise dispose of any of the Lands except as expressly set out therein. The possible circumstances of transfer include the transfer of the Public Lands to the City of Richmond pursuant to the Richmond-CLC/Musqueam Purchase Agreement, the dedication of portions of the Lands as public roads in accordance with any Subdivision Plan Approved by the Joint Ventures, and as otherwise Approved by the Joint Ventures from time to time.

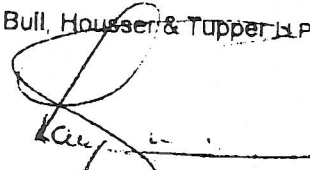
We trust that the attached pages of the JVA clarify and confirm, yet again, the existing undivided 50% beneficial ownership in the Garden City Lands held by CLC in trust for Musqueam's designated Limited Partnership.

We reiterate that Recital D on page 2 of the Richmond-CLC/Musqueam Purchase Agreement already expressly acknowledged the beneficial ownership of the Limited Partnership in the Garden City Lands with the consent and at the direction of Musqueam.

We reiterate as well that the attached pages of the JVA are provided to the City as a courtesy with the consent of Musqueam for the purposes of answering any questions which may have arisen requiring proof of the establishment of the declaration of trust delivered by CLC for the benefit of Musqueam's Limited Partnership as contemplated in the MOU. The JVA is a private agreement between CLC and Musqueam, and its designated Limited Partnership and will not otherwise be disclosed unless both CLC and Musqueam expressly agree.

Yours truly,

Bull, Houser & Tupper LLP


Larry R. Sandrin
LRS/1807756/j

Copy to Canada Lands CLC Limited Attention: Mr. Doug Caster
Musqueam Indian Band Attention: Chief Ernie Campbell
Musqueam Indian Band Attention: Mr. Jim Reynolds
Attachments pages 1, 14, 15 and 16 (partially redacted) of Joint Venture Agreement

**GARDEN CITY LANDS, RICHMOND, BRITISH COLUMBIA
JOINT VENTURE AGREEMENT**

THIS AGREEMENT, dated with effect as of the Effective Date,
BETWEEN:

GARDEN CITY VENTURES LIMITED PARTNERSHIP, a
British Columbia limited partnership, having an office at
6735 Salish Drive, Vancouver, British Columbia, V6N 4C4
(the "Limited Partnership")

AND:

CANADA LANDS COMPANY CLC LIMITED, a company
duly incorporated under the laws of Canada, having a
business address at Suite 2000, 866 Burrard Street,
Vancouver, British Columbia, V6C 2X8
("CLC")

AND:

MUSQUEAM INDIAN BAND, having a business address
at 6735 Salish Drive, Vancouver, British Columbia,
V6N 4C4
("Musqueam")

WITNESSES THAT WHEREAS:

- A. Terms employed in these Recitals and defined in this Agreement will have the meanings respectively ascribed thereto in Section 1.1 of this Agreement;
- B. Pursuant to the MOU, CLC and Musqueam have agreed, *inter alia*, to form a joint venture for the purposes of the Project;
- C. Musqueam intends that its beneficial interests in the Lands (as contemplated in the MOU to be acquired by Musqueam upon transfer of the Lands from DFO to CLC) be held by the Limited Partnership as the nominee of Musqueam;
- D. The Limited Partnership is a British Columbia limited partnership, of which Garden City Ventures Limited is the general partner and 0742052 B.C. Ltd. is a limited partner;

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1.6 Legislation

In this Agreement any reference to legislation includes a reference to the legislation and to any regulations made under that legislation as that legislation or those regulations may be amended or re enacted from time to time.

1.7 Number and Gender

Whenever the singular or masculine or neuter is used in this Agreement it will be construed to mean the plural or feminine or body corporate where the context of this Agreement requires it.

**ARTICLE 2
MUSQUEAM DIRECTION AND CONSENTS****2.1 Musqueam Direction**

Musqueam confirms its approval and irrevocable direction to CLC that any and all beneficial interests in and to the Lands contemplated in the MOU to be transferred to Musqueam will, as of the Effective Date, be held by CLC on behalf of and for the benefit of the Limited Partnership.

2.2 Musqueam Representations and Warranties

Musqueam represents and warrants to CLC and acknowledges and agrees as follows:

- (a) CLC will be entitled, in its separate capacities as trustee pursuant to Section 3.1 of this Agreement, as Joint Venturer under this Agreement and as Project Manager pursuant to the Project Management Agreement, to obtain directions and authority from Musqueam's Appointees in connection with the Project without any requirement for further authorizations or approvals from Musqueam; and
- (b) no approvals, consents or other authorizations will be required from Musqueam as to any matters relating to the Lands under or in connection with the *Indian Act* or the *First Nations Land Management Act* except in respect of lands which may be transferred by CLC to Musqueam as "Musqueam Lands" as contemplated in Section 11.1 of this Agreement.

2.3 Limitation on Liabilities of Musqueam

Musqueam will have no liabilities under this Agreement or in connection with the Lands except in respect of Musqueam's representations, warranties and acknowledgments set out in Sections 2.1 and 2.2 of this Agreement.

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**ARTICLE 3
CLC DECLARATION OF TRUST**

3.1 Declaration of Trust by CLC in favour of Joint Venturers

CLC hereby declares that immediately upon receipt of registered title to the Lands pursuant to the DFO-CLC Purchase Agreement, CLC holds and will continue to hold registered title to the Lands as bare trustee for and on behalf of:

- (a) the Limited Partnership as to an undivided and unregistered 50% beneficial interest; and
- (b) CLC as to an undivided and unregistered 50% beneficial interest.

For greater certainty, CLC acknowledges and agrees that:

- (c) pursuant to the Declaration of Trust, CLC is acting as a trustee of the undivided and unregistered 50% beneficial interests of each of the Limited Partnership and CLC in the Lands in all its dealings with the Lands, including in the exercise of any discretion or the taking of any action by CLC under the Richmond-CLC/Musqueam Purchase Agreement; and
- (d) without duplicating any obligations of the Project Manager, CLC will, in its capacity as trustee hereunder, keep the Joint Venturers fully informed, as may be reasonable in any relevant circumstances, of any dealings or proposed actions of CLC, in its capacity as trustee.

3.2 CLC Covenant not to Encumber or Transfer the Lands

In furtherance of the Declaration of Trust set out in Section 3.1 of this Agreement, CLC covenants and agrees, in its capacity as trustee of the beneficial interests of the Limited Partnership in the Lands, CLC will not encumber, transfer or otherwise dispose of any of the Lands except:

- (a) as to the transfer of Public Lands in accordance with the terms and conditions of the Richmond-CLC/Musqueam Purchase Agreement;
- (b) for the purposes of transfer of portions of the Development Lands to Musqueam as Musqueam Lands as contemplated in Section 11.1 of this Agreement;
- (c) for the purposes of granting security in respect of Third Party Financing as Approved by the Joint Venturers;
- (d) for the purposes of dedication of portions of the Lands as public roads in accordance with any Subdivision Plan Approved by the Joint Venturers;
or

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- (e) as otherwise Approved by the Joint Venturers from time to time, including, without limitation, through implementation of any Approved Annual Business Plan.

REDACTED FOR PRIVILEGE

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