SCHEDULE 4 TO THE MINUTES OF THE GARDEN CITY LANDS PUBLIC HEARING HELD ON MARCH 11, 12, 13, 17, 18, & 19, 2008

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CITY OF RICHMOND
6911 No. 3 Road
Richmond, British Columbia
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ATTENTION: MAYOR AND CITY COUNCIL

Dear Mayor and Councillors:

Re: Legal Background to Garden City Lands Agreements

This letter is intended to confirm the substance of my remarks to Mayor and Council and other participants at the public hearing scheduled for the evening of Tuesday, March 11, 2008 in connection with the proposal that Richmond City Council support an application for exclusion of the Garden City Lands from the British Columbia Agricultural Land Reserve.

I have acted as the solicitor for Canada Lands Company CLC Limited ("**CLC**") and predecessor and affiliated entities for approximately 25 years in connection with real estate projects and transactions in Western Canada and, in particular, in British Columbia.

I have also had the opportunity to work with and observe CLC's current senior management team in connection with the implementation of its corporate mandate and mission (as I expect will be more fully described by Mr. Gordon McIvor of CLC in his remarks at the March 11, 2008 public hearing).

In connection with the Garden City Lands, I participated in the final stages of the negotiation, drafting, settlement and execution of the Memorandum of Understanding dated March 18, 2005 (the "**MOU**") among Musqueam Indian Band ('**Musqueam**"), the City of Richmond (the "**City**"), CLC and the Department of Fisheries and Oceans ("**DFO**").

I also acted as the solicitor for CLC in drafting, negotiating, settling and implementing:

1. the Agreement of Purchase and Sale between CLC and DFO, in connection with the sale and transfer of the Garden City Lands to CLC (in the capacity as registered owner

and as Trustee for CLC and Musqueam, each as to an undivided 50% beneficial interest), dated for reference December 7, 2005 (the "**DFO Purchase Agreement**");

2. the Agreement of Purchase and Sale made among the City, CLC, Musqueam and Garden City Ventures Limited Partnership (in connection with the intended sale and transfer to the City of "Public Lands" therein defined) effective December 15, 2005 (the "**Richmond Purchase Agreement**"); and

3. the Joint Venture Agreement made between Garden City Ventures Limited Partnership, CLC and Musqueam dated with effect as of December 15, 2005 (the "**CLC-Musqueam JV Agreement**"),

each of which was contemplated in the MOU.

I understand that the City has been reminded and advised by its own legal counsel that, following the determination by the Federal Treasury Board Secretariat in November 2002 to transfer the Garden City Lands to CLC, Musqueam applied for and obtained an injunction from the Federal Court of Canada to enjoin the Treasury Board from transferring the Garden City Lands until matters in dispute between Musqueam and Canada were resolved.

The MOU was negotiated over a number of months of intense discussions among DFO, CLC, Musqueam and the City in recognition that continued litigation was unlikely to result in any definitive determination of the ownership and future use of the Garden City Lands for a considerable period of time, if at ever.

It was my observation that all parties to the negotiations leading up to the MOU regarded the Garden City Lands as extremely valuable and of significant importance to each of them. Through the negotiations, strong opinions and emotions were expressed and hard positions were stated by each of the parties.

The terms of the MOU reflected a common acknowledgment that continued conflict was expensive, uncertain and unsatisfactory to all parties involved and that if a practical and co-operative approach were taken among the parties:

(a) the deadlock of litigation surrounding the Musqueam injunction would be broken;

(b) the lands could transferred by DFO to CLC with the consent of Musqueam;

(c) ownership and participatory control of the Garden City Lands by Musqueam could be acknowledged;

(d) a substantial portion of the Garden City Lands could be transferred to the City for public benefit; and

(e) the mandate of CLC to develop federal surplus lands in a profitable manner, demonstrating responsibility and benefits to the community could be achieved.

The MOU did not give any of the parties to its negotiation everything originally demanded or hoped for by any of those parties. It did, however, invite a new period of co-operation and consultation among all parties and reconciliation with Musqueam.

Through the negotiation of the MOU, all parties developed an awareness and willingness to participate in the regulatory processes of the City of Richmond through the exclusion of the Garden City Lands from the British Columbia Agricultural Land Reserve, through an amendment to Richmond's Official Community Plan, through a rezoning of the entirety of the Garden City Lands (through the development of a Comprehensive Development Plan acceptable to all parties) and through servicing and subdivision. When each of these processes were satisfied (approximately) 50% of the aggregate area of the Garden City Lands would be sold and transferred to the City as "Public Lands", and the joint venture between CLC and Musqueam would then be entitled to develop and/or sell all or any portions of the "Development Lands" to generate revenue for the benefit of CLC and its shareholder (the Federal Crown) and the Musqueam Indian Band.

The CLC-Musqueam JV Agreement was negotiated and settled between CLC and Musqueam to permit its execution and delivery concurrently with the execution and delivery of both the DFO Purchase Agreement and the Richmond Purchase Agreement. The CLC-Musqueam JV Agreement is consistent with the processes contemplated in the MOU, the DFO Purchase Agreement and the Richmond Purchase Agreement and it establishes, as between CLC and Musqueam, commercially-acceptable and agreed processes for decision-making, management and financing to advance the development project contemplated in the MOU and in the Richmond Purchase Agreement.

All transactions and processes contemplated in the DFO Purchase Agreement have been fully implemented through the transfer of the Garden City Lands to CLC, in its capacity as registered owner of the lands and as trustee for both CLC and Musqueam.

There were no provisions in the DFO Purchase Agreement contemplating, in any way, the repurchase by or reconveyance to DFO of the Garden City Lands if any of the conditions to the sale and transfer of the Public Lands set out in the Richmond Purchase Agreement or in the CLC-Musqueam JV Agreement are not satisfied.

At the insistence of Musqueam, each of the Richmond Purchase Agreement and the CLC-Musqueam JV Agreement include acknowledgments that certain provisions of the MOU (including in the case of the Richmond Purchase Agreement, Sections 1(22), 1(23) and 2(1) of the MOU) will survive and will continue to be binding upon the parties to the MOU.

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While there are many possible interpretations of the effects of those sections of the MOU, it is, in my view, obvious that a return to the circumstances existing prior to the execution of the MOU or (worse yet) to the circumstances prior to the commencement of negotiations leading to the MOU, would leave the future ownership, use and regulations of the Garden City Lands in a state of unpredictable uncertainty. Given recent decisions of Canadian Courts and recent statements made by Musqueam in connection with interpretation of those decisions, CLC would expect a reactivation of Musqueam's resort to litigation surrounding ownership, use and regulation of the Garden City Lands.

I have noted a number of statements made by representatives of Musqueam, the City and CLC that the MOU and the agreements resulting from its implementation (including the DFO Purchase Agreement, the Richmond Purchase Agreement and the CLC-Musqueam JV Agreement) represent a significant and demonstrable success in forging a new and co-operative relationship among the City, CLC and Musqueam, promising substantial benefits for all involved if the development approval programs described therein are implemented and achieved. The termination of the Richmond Purchase Agreement and (possibly) the CLC-Musqueam JV Agreement by reason of a failure to obtain satisfaction of the development approval conditions set out in those agreements would, in my view, be an unfortunate result for all involved.

Yours truly,

Bull, Housser & Tupper LLP

Larry R. Sandrin

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