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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemption from the requirement to deliver comparative annual financial statements to issuer's security holders concurrently with the filing of its annual 2002 financial statements or no later than the end of the period during which such financial statements are required to be filed – Financial Statements sent with issuer's circular for annual and special meeting - Application for relief made, and decision document in final form by effective date of decision

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 91

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF BPO PROPERTIES LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Makers) in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the Jurisdictions) has received an application from BPO Properties Ltd. (BPO) for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that the requirement contained in the Legislation for BPO to send to its shareholders its annual financial statements, and in Quebec, its annual report, in respect of the financial year ended December 31, 2002 (the Annual Financial Disclosure Requirement) concurrently with filing those documents or no later than May 20, 2003, shall not apply to BPO on the basis below;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Ontario Securities Commission is the principal regulator for this application;

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AND WHEREAS, unless otherwise defined below, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS it has been represented by BPO to the Decision Makers that:

1. BPO was created by articles of amalgamation under the laws of Canada on November 3, 1978.
2. BPO's common shares and series G, series J and series M preferred shares are listed and posted for trading on the Toronto Stock Exchange. Brookfield Properties Corporation (Brookfield) owns approximately 54.9% of the common shares and 89% of the equity of BPO.
3. BPO is a reporting issuer in all provinces and territories of Canada that incorporate such a concept in their legislation.
4. The fiscal year end of BPO is December 31.
5. Pursuant to the Annual Financial Disclosure Requirement, BPO is required to send its annual financial statements, and in Quebec, its annual report, in respect of the financial year ended December 31, 2002 to each holder of its securities, other than debtholders, concurrently with filing those documents or no later than May 20, 2003.
6. BPO is required to send its annual financial statements, and in Quebec, its annual report, in respect of the financial year ended December 31, 2002 to each holder of its securities, other than debtholders, no later than May 20, 2003.
7. On April 28, 2003, Brookfield announced that it intends to propose to shareholders of BPO a going private transaction by way of an amalgamation (the Amalgamation) between BPO and a subsidiary of Brookfield.
8. The Amalgamation would be voted upon by the shareholders of BPO at its annual and special meeting (the Meeting) which is scheduled to take place on June 18, 2003. However, in accordance with section 464 of the Toronto Stock Exchange Company Manual, BPO will hold its annual shareholder meeting no later than June 30, 2003.
9. In accordance with National Instrument 54-101, a management proxy circular (the BPO Circular) must be mailed to shareholders of BPO no later than 21

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days prior to the Meeting. Based on the last possible date for the Meeting of June 30, 2003, the BPO Circular can be mailed no later than June 9, 2003.

10. BPO will file its annual financial statements and annual report in respect of the financial year ended December 31, 2002 on SEDAR within the time required by the Legislation and mail those documents to the shareholders of BPO entitled to receive them, along with the BPO Circular, no later than June 9, 2003.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides each Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that, effective May 20, 2003, the requirement contained in the Legislation requiring BPO to send its annual financial statements, and in Quebec, its annual report, in respect of the financial year ended December 31, 2002 to each holder of its securities, other than debtholders, concurrently with filing those documents or no later than the end of the period during which those documents are required to be filed, shall not apply to BPO provided that BPO:

- a. issue a press release that:
 - i. will be posted on BPO's website, disseminated via a Canadian newswire service and filed on SEDAR no later than May 20, 2003;
 - ii. includes the approximate date on which the annual financial statements, and in Quebec, the annual report, in respect of the financial year ended December 31, 2002 will be mailed to shareholders; and
 - iii. states that any shareholders entitled to receive the annual financial statements and annual report in respect of the financial year ended December 31, 2002 may obtain a copy of those documents in advance on request to BPO and that shareholders will be able to access those documents on BPO's website (www.bpoproperties.com) and the website

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maintained by the Canadian securities regulators
(www.sedar.com); and

- b. sends its annual financial statements and annual report in respect of the financial year ended December 31, 2002 to the shareholders of BPO entitled to receive them, with the BPO Circular, not later than June 9, 2003.

DATED this 18th day of July, 2003.

Paul M. Moore, Q.C.

H. Lorne Morphy, Q.C.