

Appendix H

BC Instrument 45-512 Real Estate Securities Amendment Instrument

1. **BC Instrument 45-512 *Real Estate Securities* is amended by this Instrument.**

2. **Section 1 is amended by:**

- (a) repealing the definitions of
 - (i) “developer” and substituting ‘developer’ has the same meaning as given in the *Real Estate Development Marketing Act*.”
 - (ii) “eligible seller” and substituting ‘eligible seller’ means a seller, other than a developer or an agent acting on a developer’s behalf and includes eligible holder,” and
 - (iii) “sales communication” and substituting ‘sales communication’ means communication, including advertising by an issuer, developer, vendor, promoter or manager, or an agent acting on behalf of any of the foregoing persons, to a prospective purchaser of an eligible real estate security with the intention or effect of inducing the purchase by a prospective purchaser of the eligible real estate securities”; and
- (b) adding the following definitions:
 - (i) “eligible holder” means a person, other than a developer, that acquired title to an eligible real estate security under an agreement of purchase and sale entered into before November 1, 1996;
 - (ii) “eligible real estate security” means an investment contract comprised of a direct interest in real property with a rental pool agreement or rental management agreement and includes optional rental pool security and resort security;

3. **The heading to section 3 is repealed and the following heading is substituted:**

“Registration and prospectus exemption for trades of eligible real estate securities”.

4. **Section 3 is amended by:**

- (a) renumbering section 3 as subsection 3(1);
- (b) replacing the reference “s 34(1)(a)” with a reference “s 34(a)”;
- (c) replacing the reference to “*Real Estate Act*” with a reference to “*Real Estate Marketing and Development Act*”; and
- (d) adding subsection (2) as follows:

“(2). An intended trade by an eligible holder, or an agent acting on the eligible holder’s behalf, in an eligible real estate security not including an optional rental pool security or a resort security is exempt from the requirements of sections 34 (a) and 61 of the *Securities Act* if the eligible holder, or any agent acting on the eligible holder’s behalf, does not

advertise the expected economic benefits of any rental pool agreement or rental management agreement to a prospective purchaser.”

5. The heading to section 4 is repealed and the following substituted:

“Resale restrictions for subsequent trades in eligible real estate securities”

6. Section 4 is repealed and the following substituted:

4. A subsequent trade in an eligible real estate security is exempt from the requirements of s 34(a) and 61 of the *Securities Act* if
 - (a) the seller is an eligible seller, and
 - (b) the seller, or an agent acting on the seller’s behalf, does not advertise the expected economic benefits of the rental pool agreement or rental management agreement to a subsequent prospective purchaser.

7. Section 5 is repealed.