

BRITISH COLUMBIA SECURITIES COMMISSION

BC INSTRUMENT 45-513

The British Columbia Securities Commission, having considered that to do so would not be prejudicial to the public interest, orders that:

1. the attached BC Instrument 45-513 entitled "Resale Relief for Eligible Real Estate Securities" is made; and
2. BOR#97/3 is revoked.

April 25, 2001

Brent W. Aitken
Member

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and sections:- *Securities Act*, sections 48, 76 and 171

Other (specify):-

BCI#45-513

BC INSTRUMENT 45-513 (Previously BOR#97/3)

Resale Relief For Eligible Real Estate Securities

Order Under Sections 48 and 76 of the *Securities Act*

Definitions

1. In this Instrument

“developer” means “developer” as defined in Part 2 of the *Real Estate Act*, R.S.B.C. 1996, c. 397;

“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;

“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 that does not include, or purport to include, any rental or cash flow guarantee or other financial commitment;

“eligible seller” means a seller, other than a developer or an agent acting on a developer's behalf;

“rental management agreement” means an agreement, other than a rental pool agreement, under which a person manages the generation of revenue from real property for another person;

“rental pool” for a particular property means an arrangement under which revenues from, and/or expenses of, that property and other properties are pooled and shared among the properties' owners according to their proportionate interests in the pool; and

“rental pool agreement” means the agreement or agreements creating or giving rise to a rental pool.

Interpretation

2. Unless otherwise defined in this Instrument, terms used in this Instrument that are defined or interpreted in the *Securities Act* or *Securities Rules* should be read in accordance with the *Securities Act* or *Securities Rules*.

Registration and Prospectus Exemption for Trades in an Eligible Real Estate Security

3. An intended trade by an eligible holder, or an agent acting on the eligible holder's behalf, in an Eligible Real Estate Security is exempt from the requirements of sections 34(1)(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.

Resale Restrictions for Subsequent Trades in an Eligible Real Estate Security

4. A subsequent trade in an Eligible Real Estate Security acquired under this order is deemed to be a distribution unless

(a) the seller is an eligible seller, and

(b) the seller, or any agent acting on the seller's behalf, does not advertise the expected economic benefits of any rental pool agreement or rental management agreement to a prospective purchaser.

Subsequent trade in an Eligible Real Estate Security may not require registration

5. A subsequent trade in an Eligible Real Estate Security acquired under this order is exempt from the requirements of section 34(1)(a) of the *Securities Act* if

(a) the seller is an eligible seller, and

(b) the seller, or any agent acting on the seller's behalf, does not advertise the expected economic benefits of any rental pool agreement or rental management agreement to a prospective purchaser.