

June 1, 2006

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,  
NOVA SCOTIA, PRINCE EDWARD ISLAND, NEWFOUNDLAND  
AND LABRADOR, THE YUKON TERRITORY,  
THE NORTHWEST TERRITORIES AND NUNAVUT  
(THE "JURISDICTIONS")**

**AND**

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

**AND**

**IN THE MATTER OF  
ALTUS INVESTORS MANAGEMENT PARTNERSHIP  
(THE "PARTNERSHIP")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Partnership for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for a decision that the issue and trade of units of the Partnership ("**MP Units**") to and among Qualified Persons (as defined below) be exempt from the dealer registration and prospectus requirements (the "**Requested Relief**"), subject to certain terms and conditions.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for the Application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

## Representations

The decision is based on the following facts represented by the Partnership.

1. Altus Group Income Fund (the "**Fund**") is a trust established under and governed by the laws of the Province of Ontario. The Fund completed an initial public offering of its units on May 19, 2005 pursuant to a prospectus dated May 11, 2005 (the "**Prospectus**").

2. Altus Group Limited Partnership ("**Altus LP**") is a limited partnership established under and governed by the laws of the Province of Manitoba. Altus LP has two classes of units outstanding, which are held as follows:

(a) 100% of the outstanding Class A Limited Partnership Units ("**Class A LP Units**"), representing approximately 70% of the outstanding capital of Altus LP, are held indirectly by the Fund;

(b) approximately 67% of the outstanding Class B Limited Partnership Units ("**Class B LP Units**"), representing approximately 20% of the outstanding capital of Altus LP, are held by the Partnership; and

(c) approximately 33% of the outstanding Class B LP Units, representing approximately 10% of the outstanding capital of Altus LP, are held by persons ("**Previous Owners**") who were the previous owners of businesses which, upon completion of the initial public offering of the Fund, were acquired indirectly by Altus LP and amalgamated to form Altus Group Limited.

3. Class A LP Units and Class B LP Units have economic rights that are equivalent in all respects except that Class B LP Units are indirectly exchangeable into units of the Fund and special voting units of the Fund have been granted on a one-for-one basis to the holders of Class B LP Units. Also, distributions on the Class B LP Units are subordinate to distributions on the Class A LP Units for a fixed period of time not to expire before December 31, 2007 (in the case of the Previous Owners) and December 31, 2010 (in the case of the Partnership).

4. Altus Group Limited is a corporation formed under the laws of the Province of Ontario and is the successor entity following the amalgamation of businesses previously known as The Altus Group, The Helyar Group and Derbyshire Viceroy. All of its outstanding common shares are held by Altus LP.

5. The Prospectus describes the Fund, Altus LP, Altus Group Limited and the Partnership. It also describes the partnership agreement of Altus LP (the "Altus LP Partnership Agreement") and the exchange agreement (the "**Exchange Agreement**") among the Fund, Altus LP, the Partnership and the Previous Owners, among others, which sets out the terms of certain exchange rights granted to holders of Class B LP Units, including the Partnership.

6. The Partnership is a general partnership formed under the laws of the Province of Ontario on May 19, 2005. The Partnership is authorized to issue an unlimited number of one class of units

designated as "Management Partnership Units" ("**MP Units**"). Currently, holders of MP Units ("**Partners**") are the Previous Owners and other employees of Altus Group Limited. There are approximately 140 Partners.

7. The Fund carries on the business of providing professional consulting and advisory services to the commercial and residential markets primarily in Canada to be carried on indirectly by the Fund and any future lines of business that the management committee of Altus LP decides to offer (the "**Business**").

8. The employees of Altus LP and its related entities, including Altus Group Limited, are engaged in carrying on the Business and are indirectly employed in furtherance of the interests of the Fund.

9. The Partnership Agreement states that it is intended that the Partners will be restricted to active employees of the Business or related entities of such active employees (being "**Qualified Persons**"). "Qualified Persons" means:

(a) active employees of the Business;

(b) corporations (i) all of the shares of which are directly or indirectly owned or controlled by an active employee or members of his or her family or by a Family Trust (as defined below) of such active employee, (ii) which are controlled by such active employee, and (iii) which are not non-residents of Canada for purposes of the Income Tax Act (Canada) and the regulations thereunder;

(c) family trusts, the sole beneficiaries of which are and continue to be any one or more of an active employee, his or her spouse, estate or issue, or the estate of any of them; and

(d) Carey Anne Yeoman, Maggie Yeoman and Sarah Yeoman (each of whom is a Previous Owner and is a child of an active employee).

10. Transfers of MP Units are prohibited except to other Qualified Persons. If, at any time, a Partner's employment by Altus Group Limited is terminated by reason of his or her death, disability, retirement, voluntary resignation or termination with or without cause, such Partner must offer to sell all of his or her MP Units to other Qualified Persons.

11. Through their MP Units, Partners hold an interest in Altus LP, which in turn controls the Business, the Partners' employer.

12. The Partnership Agreement restricts the business of the Partnership to the holding of an interest in Altus LP, which engages only in the Business, including owning 100% of Altus Group Limited. It is closely related to Altus LP and managed by similar groups of people. The Management Committee of the Partnership is the same as that of Altus LP (except that the General Counsel of Altus LP also serves on the Management Committee of Altus LP) and many

of the same individuals are directors of Altus Group General Partner Corporation (the general partner of Altus LP and a wholly-owned subsidiary of the Fund) and Altus Group Limited.

13. The Partnership provides a mechanism to incentivize employees critical to the success of the Business and, indirectly, Altus LP and the Fund. Its purpose is to provide a mechanism by which employees benefit from their efforts in building and adding value to the Business.

14. The economic success of the Business generally will be measured by the distributions declared by Altus LP. Altus LP pays these distributions to all of its unitholders (although some have agreed to subordinate their right to distributions for the benefit of the Fund).

15. Distributions paid in respect of the Class B LP Units are paid directly to holders thereof, including the Partnership. Employees of Altus LP who are Partners receive the benefit of these distributions through their MP Units, which represent a right to receive distributions of the Partnership.

16. To the extent Altus LP is able to increase distributions based on the success of the Business, all holders of an indirect interest in Altus LP, including employees who are Partners, will benefit from the increased distributions.

17. In addition to permitting transfers of MP Units to other employees of the Business, the Partnership Agreement provides that each year up to 125,000 MP Units may be transferred to Qualified Persons who are not yet Partners. This mechanism ensures the continuous holding of 20% (calculated at the time of the Fund's initial public offering) of the business of the Fund by persons actively involved in such business.

18. Participation in the Partnership is voluntary and participation does not and will not equate to an assurance of future employment.

19. The Partnership is not and has no intention of becoming a reporting issuer in the Province of Ontario or in any other province or territory of Canada.

20. As the MP Units are not transferable, except as described above, no market has developed or will develop for the MP Units.

## **Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (a) Prior to the issuance of or trade in any MP Units to a Qualified Person, the Partnership will deliver to such Qualified Person:

- (i) a copy of the Partnership Agreement,
- (ii) a description of the Partnership found in the Prospectus or then current annual information form of the Fund,
- (iii) a copy of the Altus LP Partnership Agreement, and
- (iv) a copy of the Exchange Agreement;

(b) The Partnership holds units of Altus LP equal to at least 20% of the outstanding capital of Altus LP on the date of closing of the initial public offering of the Fund; and

(c) The first trade in an MP Unit by a person or company who acquires the MP Unit under this Decision shall be deemed to be a distribution or a primary distribution to the public.

"Suresh Thakrar"  
Commissioner  
Ontario Securities Commission

" Paul K. Bates"  
Commissioner  
Ontario Securities Commission