

IN THE MATTER OF THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
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  
OXFORD PROPERTIES GROUP INC.

MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Oxford Properties Group Inc. ("Oxford") for a decision pursuant to the securities legislation (the "Legislation") that, in connection with the proposed purchase by Oxford of a portion of its outstanding common shares (the "Shares") pursuant to an issuer bid (the "Offer"), Oxford be exempt from the requirements in the Legislation to: (i) take up and pay for securities proportionately according to the number of securities deposited by each securityholder (the "Proportionate Take-up and Payment Requirement"); (ii) provide disclosure in the issuer bid circular (the "Circular") of such proportionate take-up and payment (the "Associated Disclosure Requirement"); and (iii) obtain a valuation of the Shares and provide disclosure in the Circular of such valuation or a summary thereof and of prior valuations (the "Valuation Requirement");

**AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the Principal Regulator for the Application;

**AND WHEREAS** Oxford has represented to the Decision Makers as follows:

1. Oxford is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation.
2. The authorized capital of Oxford includes an unlimited number of Shares, of which approximately 56,652,862 were issued and outstanding as of February 29, 2000.
3. The Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"). On February 29, 2000, the closing price of the Shares on the TSE was \$11.80 per Share. Based upon such closing price, the Shares had an aggregate market value of approximately \$668,503,772 as at that date.

4. To the knowledge of management of Oxford, the only person or company that owned, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Shares is the Ontario Municipal Employees Retirement System ("OMERS"), which owns approximately 11,228,750 Shares representing approximately 19.9% of the class.

5. Pursuant to the proposed Offer, Oxford proposes to acquire Shares in accordance with the following modified Dutch auction procedure (the "Procedure"), as disclosed in the Circular to be sent by Oxford to each holder of Shares (collectively, the "Shareholders"):

(a) The Circular will specify the maximum aggregate number of Shares that Oxford intends to purchase under the Offer (the "Specified Number").

(b) The Circular also will specify the range of prices (the "Range") within which Oxford is prepared to purchase Shares under the Offer.

(c) Any Shareholder wishing to tender to the Offer will have the right either to: (i) elect to retain his, her or its proportionate interest in Oxford following the Offer (a "Proportionate Tender Election"); or (ii) tender a specified number of Shares, representing all or a portion of the Shareholder's Shares at the Shareholder's discretion (a "Specified Tender Election").

(d) All Shares tendered by Shareholders who fail to specify whether they are making a Proportionate Tender Election or Specified Tender Election will be considered to have been tendered pursuant to a Specified Tender Election.

(e) In addition to having the right to make a Proportionate Tender Election or Specified Tender Election, any Shareholder wishing to tender to the Offer will have the right either to: (i) specify the lowest price within the Range at which the Shareholder is willing to sell the tendered Shares (an "Auction Tender"); or (ii) elect to be deemed to have tendered the Shares subject to the Shareholder's Proportionate Tender Election or Specified Tender Election at the Purchase Price determined in accordance with subparagraph 5(h) below (a "Purchase Price Tender").

(f) All Shares tendered by Shareholders who fail to specify any tender price for such tendered Shares and fail to indicate that they have tendered such Shares pursuant to a Purchase Price Tender will be considered to have been tendered pursuant to a Purchase Price Tender.

(g) On the expiry date of the Offer, each Shareholder who makes a Proportionate Tender Election (collectively, the "Proportionate Tender Group") will be deemed to have tendered that percentage of the Shareholder's Shares equal to that percentage of the outstanding Shares, excluding Shares owned by the Proportionate Tender Group, tendered to the Offer by the Shareholders who made a Specified Tender Election (collectively, the "Specified Tender Group").

(h) The purchase price (the "Purchase Price") of the Shares tendered to the Offer will be the lowest price that will enable Oxford to purchase the Specified Number and will be determined based upon the number of Shares tendered pursuant to an Auction Tender at each price within the Range and tendered pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price within the Range for the purpose of calculating the Purchase Price.

(i) All Shares tendered at prices above the Purchase Price will be returned to the appropriate Shareholders.

(j) All Shares tendered by Shareholders who specify a tender price for such tendered Shares that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Purchase Price, will not be purchased by Oxford and will be returned to the appropriate Shareholders.

(k) Any Shareholder who owns fewer than 100 Shares and, pursuant to a Specified Tender Election, tenders all of such Shareholder's Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender will be considered to have made an "Odd-Lot Tender".

(l) If the aggregate number of Shares validly tendered, or deemed to have been tendered, to the Offer at or below the Purchase Price and not withdrawn is less than or equal to the Specified Number, Oxford will purchase all Shares so deposited pursuant to Specified Tender Elections and such percentage of the Shares of each member of the Proportionate Tender Group as will maintain such Shareholder's proportionate equity interest in Oxford following completion of the Offer.

(m) If the aggregate number of Shares validly tendered, or deemed to have been tendered, to the Offer at or below the Purchase Price and not withdrawn exceeds the Specified Number, Oxford will take up and pay for validly tendered Shares on a *pro rata* basis according to the number of Shares tendered by each member of the Specified Tender Group and deemed to have been tendered by each member of the Proportionate Tender Group, except that Shares tendered pursuant to Odd-Lot Tenders will not be subject to proration.

6. Prior to the expiry of the Offer, all information regarding the number of Shares tendered and the prices at which such Shares are tendered will be kept confidential and the depository for the Offer will be directed by Oxford to maintain such confidentiality until the Purchase Price is determined.

7. Since the Offer is for fewer than all of the Shares, if the number of Shares tendered to the Offer at or below the Purchase Price exceeds the Specified Number, the Legislation would require Oxford to take up and pay for deposited Shares proportionately, according to the number

of Shares deposited by each Shareholder. In addition, the Legislation would require disclosure in the Circular that Oxford would, if Shares tendered to the Offer exceeded the Specified Number, take up Shares proportionately according to the number of Shares tendered by each Shareholder.

8. Oxford has received:

- (a) an opinion (the "Liquidity Opinion") from CIBC World Markets Inc., an independent registered dealer, that there is a liquid market in the Shares for minority Shareholders before the making of the Offer and, following the Offer, minority Shareholders who decline the Offer will have available a market that is not materially less liquid than the market that existed prior to the making of the Offer; and
- (b) a statement from the TSE indicating that it concurs with the Liquidity Opinion.

9. The Circular will:

- (a) disclose the mechanics for the take-up of and payment for, or return of, Shares as described above;
- (b) explain that, by tendering Shares at the lowest price in the Range, a Shareholder can reasonably expect that Shares so tendered will be purchased at the Purchase Price, subject to proration as described above;
- (c) disclose, if known to Oxford after reasonable inquiry, whether OMERS intends to accept or decline the Offer;
- (d) describe the effect that the Offer, if successful, will have on the direct and/or indirect voting interest of OMERS; and
- (e) include the Liquidity Opinion and a statement that the TSE concurs with the Liquidity Opinion.

**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 the Decision Maker with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers in the Jurisdictions pursuant to the Legislation is that, in connection with the Offer, Oxford is exempt from the Proportionate Take-up and Payment Requirement, the Associated Disclosure Requirement and the Valuation Requirement, provided that Shares tendered to the Offer are taken up and paid for, or returned to the Shareholders, in accordance with the Procedure.

**DATED** at Toronto on March 28th, 2000.

"J. A. Geller" "R. Stephen Paddon"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - In connection with a Dutch Auction issuer bid, offeror exempt from the requirement to take up and pay for securities deposited proportionately according to the number of securities deposited to the bid and the associated disclosure requirement - Offereor exempt from the formal valuation requirement on the basis that there is a liquid market for the securities subject to the issuer bid.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 95(7) and 104(2)(c).

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 189(b) and item 9 of Form 33.

Applicable Ontario Rules

*In the Matter of Insider Bids, Issuer Bids and Take-over Bids in Anticipation of a Going Private Transaction (1997)* 20 O.S.C.B. 1219 (March 1, 1997), as amended.