

THE SECURITIES ACT) Order No. 3402
)
Clause 95(2)(c)) June 27, 2001

CONSOLIDATED PROPERTIES LTD.

WHEREAS:

(A) Consolidated Properties Ltd. (the "Corporation") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to clause 95(2)(c) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") that the Corporation be exempt from the requirements of sections 86, 87, 88, 89 and 91 of the Act in connection with a proposed asset sale transaction whereby the Corporation desires to sell an asset to an arm's length purchaser, part of the consideration of which will be the tendering to the Corporation of 2,000,000 common shares ("Common Shares") of the Corporation at a deemed value of \$0.25 per share, as more particularly described below (the "Transaction");

(B) It has been represented to the Commission by the Corporation that:

1. Consolidated Properties Ltd. was originally incorporated under the *Business Corporations Act* (Alberta) on September 9, 1994, as 624097 Alberta Ltd., changing its name to Consolidated Properties Ltd. on November 24, 1994. Subsequently, on August 26, 1998, the Corporation was continued under the *Canada Business Corporations Act* (the "CBCA").
2. The Corporation's principal executive offices are located at 20th Floor, 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.
3. The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. The issued and outstanding share capital of the Corporation is, at the date hereof, 83,419,680 Common Shares and 1,000,000 Series I Preferred Shares. The Corporation is in the process of carrying out a Normal Course Issuer Bid through the facilities of The Toronto Stock Exchange (the "TSE") in respect of its Common Shares.
4. The Corporation is a reporting issuer, or equivalent, in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan and Manitoba.
5. The common shares of the Corporation are listed on the TSE and trade under the symbol "COP".
6. As at the date hereof, management of the Corporation is not aware of any shareholder of the Corporation who holds greater than 10% of the outstanding

common shares of the Corporation, other than CDS & Co. Ltd. and Aspen Properties Ltd.

7. In August, 1997, the Corporation purchased the subject property for the acquisition cost of \$2,858,600. A portion of the acquisition cost was satisfied through the issuance to the vendors in that transaction (the "Original Vendors") of 664,967 Common Shares at a deemed value of \$1.00 per share. The Corporation has owned and operated the property since that time.

8. The Corporation is currently refocusing its real estate portfolio so as to concentrate on Class B office product in Alberta. The disposition of the subject property, a retail shopping centre in Winnipeg, Manitoba, is in keeping with this strategy.

9. In early 2001, the Corporation placed the subject property for sale at a price of \$3,300,000. The property was recently appraised by an independent valuator, in March 2001, at a value of \$3,265,000.

10. Two other offers have been received by the Corporation for the subject property, both for \$3,000,000. Neither was accepted as the price was below appraised value and list price.

11. On June 14, 2001, the Corporation received a bona fide written offer to purchase the subject property from a corporation owned by certain of the Original Vendors (the "Purchaser") of the property. The aggregate purchase price proposed and accepted by the Corporation is \$3,246,448 (subject to adjustment at closing). Of that amount, \$500,000 is to be satisfied by the transfer to the Corporation of an aggregate of 2,000,000 Common Shares currently owned by the shareholders of the Purchaser. The Corporation proposes to acquire those shares in accordance with subsection 34(1) of the CBCA and to cause the immediate cancellation of such shares upon acquisition in accordance with subsection 39(6) of the CBCA.

12. None of the Purchaser or its shareholders hold individually or in the aggregate, greater than 10% of the voting rights attached to the issued and outstanding Common Shares. None of the principals of the Purchaser or its shareholders are directors or officers of the Corporation.

13. The Corporation believes that the purchase price does not represent a significant discount from the \$3,265,000 appraised value or the \$3,300,000 million initial list price.

14. The property subject of the Transaction does not comprise substantially all of the assets of the Corporation; it is one of 25 properties owned by the Corporation and represents a value of less than 2% of the Corporation's total income producing properties. The sale of the subject property will occur in the normal

course of business of the Corporation, whose business includes the buying and selling of commercial real estate.

15. The deemed value of the Common Shares proposed to be tendered to the Corporation pursuant to the Transaction is \$0.25. The current trading price of the Common Shares on the TSE is \$0.27, and the Common Shares have been trading at a range of between \$0.225 and \$0.30 per Common Share for the previous thirty days. The thirty day average trading price is approximately \$0.275 per Common Share.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. That, pursuant to Clause 95(2)(c) of the Act, the Corporation is exempt from sections 86, 87, 88, 89 and 91 of the Act in connection with the Transaction;

2. That, the fee for this order shall be \$550.00.

BY ORDER OF THE COMMISSION

Director