

**IN THE MATTER OF THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA, MANITOBA, ONTARIO,  
QUEBEC AND NEWFOUNDLAND**

**AND**

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

**AND**

**IN THE MATTER OF  
BFC CONSTRUCTION CORPORATION**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba, Ontario, Quebec and Newfoundland (the "Jurisdictions") has received an application from BFC Construction Corporation ("BFC ") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the proposed purchase by BFC of a portion of its outstanding common shares (the "Shares") pursuant to an issuer bid (the "Offer"), BFC 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"); and (ii) provide disclosure in the issuer bid circular (the "Circular") of such proportionate take-up and payment (the "Associated Disclosure 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 this application;

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

1. BFC is a reporting issuer or the equivalent in each of the Jurisdictions. It is not in default of the Legislation in the Jurisdictions.
2. The authorized capital of BFC consists of 20,000,000 Shares, As at October 8, 1999, 8,275,372 Shares were issued and outstanding.
3. The Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"), The Montreal Exchange, The Alberta Stock Exchange and the American Stock Exchange. On October 8, 1999, the closing price of the Shares on the TSE was \$9.50 per Share. Based upon such closing price, the Shares had an aggregate market value of approximately \$78,616,034 as at that date.

4. BFC has made up to a maximum of \$40,000,000 available to purchase Shares under the Offer. BFC proposes to purchase up to a maximum of 4,444,444 Shares, representing approximately 53.7% of the outstanding Shares pursuant to the Offer.

5. The Offer has been made pursuant to the following procedure (the "Dutch Auction Procedure"):

(a) the Circular specifies that the maximum aggregate number of Shares that BFC intends to purchase under the Offer is 4,444,444 Shares and that the maximum aggregate amount BFC will expend to purchase Shares under the Offer is \$40,000,000;

(b) the Circular specifies the range of prices (the "Range") within which BFC is prepared to purchase Shares under the Offer;

(c) holders of Shares ("Shareholders") wishing to tender to the Offer will be able to specify the lowest price within the Range at which they are willing to sell their Shares;

(d) any Shareholder wishing to tender all or a portion of his, her or its Shares will be able to so elect;

(e) any Shareholder who owns no more than 100 Shares and tenders all of his, her or its Shares to the Offer will be considered to have made an "Odd-Lot Tender";

(f) the purchase price (the "Purchase Price") of the Shares tendered to the Offer will be the lowest price within the Range that will enable BFC to purchase tendered Shares having an aggregate Purchase Price not exceeding \$40,000,000;

(g) if the aggregate Purchase Price for Shares tendered to the Offer is less than or equal to \$40,000,000, BFC will purchase all Shares so deposited;

(h) if more Shares are tendered for purchase at the Purchase Price than can be purchased for \$40,000,000, the tendered Shares will be purchased on a *pro rata* basis according to the number of Shares tendered (or deemed to be tendered) by the tendering Shareholders (with fractions rounded to the nearest whole Share), except that Odd-Lot Tenders will not be subject to proration;

(i) all Shares tendered at prices above the Purchase Price will, be returned to the appropriate Shareholders; and

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

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 will be directed by BFC to maintain such confidentiality until the Purchase Price is determined.

7. Trimac Corporation ("Trimac"), which owns approximately 1,865,104 Shares representing approximately 22.5% of the outstanding Shares, has committed to BFC not to tender any Shares owned by it under the Offer and this will be disclosed in the Circular.

8. The Circular will:

(a) disclose the mechanics for the take-up of and payment for, or the return of, Shares as described in paragraph 5 above;

(b) explain that, by tendering Shares at the lowest price in the Range, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration as described in paragraph 5 above; and

(c) disclose that Trimac will not tender any Shares to the Offer;

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, BFC is exempt from the Proportionate Take-up and Payment Requirement and the Associated Disclosure Requirement, provided that Shares deposited to the Offer are taken up and paid for, or returned to the Shareholders, in accordance with the Dutch Auction Procedure.

Dated on "November 16", 1999