

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to be no longer a reporting issuer under the Act;

## **Applicable Alberta Statutory Provisions**

*Securities Act*, R.S.A., 2000, c.S-4, section 153

IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ALBERTA, SASKATCHEWAN AND ONTARIO

AND

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

AND

IN THE MATTER OF URBCO INC

**MRRS DECISION DOCUMENT**

1. WHEREAS the Canadian securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, Saskatchewan and Ontario (the “Jurisdictions”) has received an application from Urbco Inc. (“Urbco” or the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Filer be declared to no longer be a reporting issuer, or the equivalent thereof, under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS the Filer has represented to the Decision Makers that:
  - 3.1 Urbco was incorporated under the laws of Alberta, with its head office in Calgary, Alberta;
  - 3.2 The authorized capital of Urbco consisted of an unlimited number of common shares and an unlimited number of preferred shares of which 10,341,691 Urbco Common Shares, no preferred shares and no public debt securities were issued and outstanding prior to the date of the arrangement agreement described below;
  - 3.3 pursuant to the terms and conditions of an arrangement agreement dated April 12, 2002 (the “Arrangement Agreement”) among Urbco, 981891 Alberta Ltd. (“Albertaco”), Northern Property Limited Partnership (the “Partnership”), NewNorth Projects Ltd. (“NewNorth”), Northern Property Trust (NP Trust”) and Northern Property Real Estate Investment Trust (“NPR”):

- 3.3.1 the Articles of Incorporation of Urbco were amended to convert all of the issued and outstanding Urbco common shares (“Urbco Common Shares”) into:
  - 3.3.1.1 Urbco non-voting preferred shares (“Urbco Non-Voting Preferred Shares”) having an aggregate redemption value equal to:
    - 3.3.1.1.1 the cash payment to be made to the Urbco shareholders (the “Shareholders”);
    - 3.3.1.1.2 the aggregate principal amount of the NewNorth debentures (“NewNorth Debentures”);
    - 3.3.1.1.3 the aggregate value of the NewNorth shares (“NewNorth Shares”) as determined by the board of directors; and
  - 3.3.1.2 new Urbco Common Shares;

on the basis of one Urbco Non-Voting Preferred Share and one new Urbco Common Share for each existing Urbco Common Share;
- 3.3.2 NPR acquired Albertaco preferred shares (“Albertaco Preferred Shares”) having an aggregate redemption value equal to the aggregate redemption value of the Urbco Non-Voting Preferred Shares;
- 3.3.3 Albertaco acquired all the NewNorth Debentures and NewNorth Shares;
- 3.3.4 Albertaco acquired the Urbco Non-Voting Preferred Shares from the Urbco Shareholders in exchange for a combination of cash, the transfer and assignment of the NewNorth Shares and the transfer and assignment of the NewNorth Debentures;
- 3.3.5 Albertaco and Urbco amalgamated and now continue as one corporation under the name “Urbco Inc.”;
- 3.3.6 pursuant to the amalgamation of Albertaco and Urbco, the issued and outstanding securities of Urbco and Albertaco were exchanged as follows:
  - 3.3.6.1 each Albertaco Preferred Share was exchanged for one non-voting preferred share of amalgamated Urbco;
  - 3.3.6.2 the one outstanding Albertaco common share was exchanged for one new Urbco common share of amalgamated Urbco (“Urbco Common Share”);
  - 3.3.6.3 each existing Urbco Common Share was exchanged for one new Urbco Common Share of amalgamated Urbco;

- 3.3.6.4 the Urbco Common Shares were consolidated on a basis determined by the board of directors so that, after giving effect to the number of units of NPR (“Units”) issued under the Public Offering, the exchange of Urbco Common Shares for Units of NPR or Class B LP Units under the Arrangement occurred on a one for one basis (as more particularly described in the Arrangement Agreement); and
  - 3.3.6.5 each Urbco Non-Voting Preferred Share was cancelled without any repayment of capital in respect thereof;
  - 3.3.7 amalgamated Urbco redeemed for cash the non-voting preferred shares of amalgamated Urbco and repurchased the one Urbco Common Share of amalgamated Urbco owned by NPR for a nominal amount;
  - 3.3.8 all of the right, title and interest in the new Urbco Common Shares of holders, other than Dissenting Shareholders (as that term is defined in the Arrangement Agreement), who were resident in Canada and who met the applicable qualifications, and properly elected to receive Class B LP Units under the Arrangement, were exchanged for Class B LP Units of the Partnership on the basis of one Class B LP Unit for each such Urbco Common Share (as those terms are defined in the Arrangement Agreement);
  - 3.3.9 all of the right, title and interest in the new Urbco Common Shares of the remaining holders (other than Dissenting Shareholders) were exchanged for Units of NPR on the basis of one Unit for each such Urbco Common Share;
  - 3.3.10 NPR transferred all its Urbco Common Shares to NP Trust in exchange for Series 1 Trust Notes (as defined in the Arrangement Agreement);
  - 3.3.11 NP Trust transferred all such Urbco Common Shares to the Partnership in exchange for a Partnership Loan (as defined in the Arrangement Agreement);
  - 3.3.12 NPR issued to the holders of Class B LP Units for no consideration one Special Voting Unit (as defined in the Arrangement Agreement) for each Class B LP Unit held; and
  - 3.3.13 all outstanding Options which had not been exercised prior to the Effective Date were cancelled and the Optionholders who did not exercise their Options but instead became parties to the Arrangement Agreement received that number of Units of NPR or cash, at their election, equal to the difference between the fair value of the Options immediately prior to the Arrangement and the exercise price of their Options (as those terms are defined in the Arrangement Agreement);
- 3.4 an arrangement resolution to approve the arrangement (the “Arrangement”) as set out in the Urbco information circular dated April 15, 2002 and on the terms and conditions disclosed in the Arrangement Agreement was approved by Urbco

Shareholders at a special meeting held on May 13, 2002, and was approved by the Court of Queen's Bench of Alberta on May 17, 2002;

- 3.5 the Arrangement was effected pursuant to articles of arrangement dated May 30, 2002 (the "Effective Date") and as a result thereof the Filer became a reporting issuer, or the equivalent thereof, in the Jurisdictions on the Effective Date;
  - 3.6 the Filer is a reporting issuer or the equivalent thereof in each of the Jurisdictions and is not in default of any of the requirements under the Legislation; and
  - 3.7 the Filer does not intend to make an offering of its securities to the public and none of its securities are listed or quoted on any exchange or quotation system in Canada or trade over-the-counter;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
  5. 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;
  6. THE DECISION of the Decision Makers under the Legislation is that the Filer is hereby declared to no longer be a reporting issuer in each of the Jurisdictions.

DATED this 27<sup>th</sup> day of September, 2002

"original signed by"

Patricia M. Johnston

Director, Legal Services & Policy Development