

**Number and Designation of  
and Rights, Privileges, Restrictions  
and Conditions Attaching to the  
Class AAA Preference Shares, Series Y**

**7. CLASS AAA PREFERENCE SHARES, SERIES Y**

**Brookfield Office Properties Inc. (the “Corporation”)**

The twenty-fifth series of Class AAA Preference Shares shall consist of 2,847,711 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series Y which replace the “Cumulative Redeemable Preferred Shares Series M” of BPO Properties Ltd. (the Class AAA Preference Shares, Series Y shall hereinafter be referred to as the “**Series M Preferred Shares**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

**1. Dividends**

1.1 The holders of the Series M Preferred Shares shall be entitled to receive as and when declared by the Board of Directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends as follows:

- (a) an initial dividend (the “**Initial Dividend**”) in respect of the period from and including the date of initial issue of the Series M Preferred Shares to but excluding May 14, 1987 (the “**Initial Dividend Period**”), payable on May 14, 1987 (the “**Initial Dividend Payment Date**”) in an amount per Series M Preferred Share equal to the amount obtained (rounded to five decimal places) when
  - (i) \$25 multiplied by 7.84%  
is multiplied by
  - (ii) the number of days in the Initial Dividend Period divided by 365;  
and
- (b) dividends payable quarterly (the “**Quarterly Dividends**”) on the 14th day of each of the months of February, May, August and November in each year (the “**Dividend Payment Dates**”) commencing with August 14, 1987 in respect of the period from and including the immediately preceding Dividend Payment Date to but excluding the next succeeding Dividend Payment Date in an amount per Series M Preferred Share calculated in accordance with clause 1.2 hereof.

Dividends shall accrue on a day-to-day basis.

1.2 The Quarterly Dividend to be paid per Series M Preferred Share on any Dividend Payment Date shall be the amount obtained when the Quarterly Dividend Rate is multiplied by \$25.00.

For the purpose of the calculation of Quarterly Dividends on the Series M Preferred Shares on any Dividend Payment Date:

- (a) “Quarterly Dividend Rate” means
  - (i) 1.96%, in the case of dividends payable on or before November 14, 1990; and
  - (ii) one-quarter of seventy percent (70%) of the Average Prime Rate for the three calendar months ending on the last day of the calendar quarter prior to the month during which the Dividend Payment Date for which the determination is being made falls, in the case of dividends payable after November 14, 1990.
- (b) “**Banks**” means The Toronto-Dominion Bank and Bank of Montreal collectively, and the term “**Bank**” means one of the Banks and, for the purposes of this definition, “**Banks**” shall include any bank with which one or more of such Banks may merge and any bank which may become a successor to the business of one of such Banks.
- (c) “**Daily Prime Rate**” means, for either Bank, on any day, the annual prime commercial lending rate of interest established and announced as the reference rate of interest used by such Bank on such day to determine the rates of interest on Canadian dollar loans to customers in Canada and designated by such Bank as its prime rate.
- (d) “**Average Daily Prime Rate**” means, for any day, the arithmetic average, rounded to the nearest one-one hundredth of one percent (0.01%), of the Daily Prime Rates of the Banks on such day; provided that, if on such day there shall be no Daily Prime Rate for one (but not both) of the Banks, the Average Daily Prime Rate for such day shall be the Daily Prime Rate of the other of such Banks and further provided that if on such day there shall be no Daily Prime Rate for either of the Banks, the Average Daily Prime Rate for such day shall be 1.50% above the average yield per annum on 91 day Government of Canada Treasury Bills as reported by the Bank of Canada for the weekly tender immediately preceding such day.
- (e) “**Average Prime Rate**” means, for any period, the arithmetic average (rounded to the nearest one-one-hundredth of one percent (0.01%)) of the Average Daily Prime Rate for each day during such period.

In any case where dividends are payable for a period (the “**Dividend Payment Period**”) that ends on a date other than the day immediately preceding the Initial Dividend

Payment Date or a Dividend Payment Date, dividends shall be paid in the amount per Series M Preferred Share obtained when

- (i) \$25.00 multiplied by seventy percent (70%) of the Average Prime Rate for the period of ninety days ending on a date which is 45 days before the end of such Dividend Payment Period,  
  
is multiplied by
- (ii) the number of days in such Dividend Payment Period divided by 365.

1.3 Payment of any dividends may be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation's obligation to pay the dividends unless the cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.4 If on any Dividend Payment Date, the dividend payable on such date is not paid in full on all the Series M Preferred Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by Board of Directors of the Corporation on which the Corporation shall have sufficient moneys or property properly applicable to the payment of the same. The holders of Series M Preferred Shares shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

## 2. **Information and Voting Rights**

The holders of the Series M Preferred Shares shall be entitled to receive all financial statements and other information sent by the Corporation to the holders of its Common Shares but they shall not, as such, except as expressly provided herein, have the right to receive notice of, or to attend or to vote at any meetings of shareholders of the Corporation unless the Corporation shall have failed to pay in the aggregate eight Quarterly Dividends (which term, for the purposes of this clause 2, shall include the Initial Dividend) on the Series M Preferred Shares in which case, and so long thereafter as any dividends on the Series M Preferred Shares continue to be in arrears, the holders of the Series M Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation other than any meetings of the holders of any other class or series of shares of the Corporation held separately as a class or series but shall have no vote thereat, and shall be entitled, voting separately as a class together with all other holders of Series G, J, K, M and N Preferred Shares having such right, to elect two members of the Board of Directors of the Corporation and for such purpose the holders of the Series M Preferred Shares shall have one vote for each Series M Preferred Share held.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of all persons who may be directors of the Corporation at any time when the right to elect directors shall accrue to the holders of the Series M Preferred Shares as provided in this clause, or who may be appointed as directors after such right shall have accrued and before a

meeting of shareholders shall have been held, shall terminate upon the election of new directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than 21 days' notice. Any such general meeting shall be called by the Secretary of the Corporation upon the written request of the holders of at least 10% of the outstanding Series M Preferred Shares and in default of the calling of such general meeting by the Secretary within 5 days after the making of such request it may be called by any holder of Series M Preferred Shares.

Any vacancy occurring among members of the Board of Directors elected to represent the holders of Series G, J, K, M and N Preferred Shares in accordance with the foregoing provisions of this clause may be filled by the Board of Directors with the consent and approval of the remaining director elected to represent the holders of Series G, J, K, M and N Preferred Shares but if there be no such remaining director the Board of Directors may elect two holders of Series G, J, K, M and N Preferred Shares to fill the vacancy or vacancies. Whether or not such vacancies are so filled by the Board of Directors, the holders of at least 10% of the outstanding Series M Preferred Shares shall have the right to require the Secretary of the Corporation to call a meeting of the holders of Series G, J, K, M and N Preferred Shares for the purpose of filling the vacancies or replacing all or any of the persons filling such vacancies who have been appointed by the directors when there is no director in office who has been elected to represent the holders of Series G, J, K, M and N Preferred Shares and the provisions set forth in the immediately preceding paragraph shall apply in respect of the calling of such meeting.

Notwithstanding anything contained in the articles or by-laws of the Corporation, the term of office of the directors elected by the holders of Series G, J, K, M and N Preferred Shares shall terminate forthwith when all arrears of dividends have been paid on the Series G, J, K, M and N Preferred Shares then outstanding and the vacancies thereby created may be filled by the remaining directors of the Corporation.

3. **Purchase for Cancellation**

Subject to the provisions of the *Canada Business Corporations Act* and other laws governing the Corporation, as now existing or hereafter amended, (such laws being hereinafter referred to as the "Act") and the articles of the Corporation, the Corporation may at any time or times purchase (if obtainable) the whole or any part of the outstanding Series M Preferred Shares either on the open market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders to all the holders of record of Series M Preferred Shares outstanding or in any other manner, at the lowest price or prices at which, in the opinion of the directors of the Corporation, such shares are then obtainable but not exceeding \$25.00 per share together, in each case, with an amount equal to all accrued and unpaid dividends thereon up to the date of purchase which, for greater certainty, shall include dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of purchase, and the costs of purchase.

In the case of purchase of Series M Preferred Shares by tender, the Corporation shall give notice of its intention to invite tenders to all the holders of the Series M Preferred Shares by giving notice of such invitation to each holder of Series M Preferred Shares in accordance with the provisions from time to time of the by-laws of the Corporation respecting notice to shareholders. If upon any invitation for tenders under the provisions of this clause 3, the Corporation shall receive tenders of Series M Preferred Shares at the same price, which shares when added to any Series M Preferred Shares tendered at a lower price or prices aggregate a number greater than the number for which the Corporation is prepared to accept tenders, the Series M Preferred Shares so tendered at the same price which the Corporation determines to purchase shall be purchased as nearly as may be pro rata (disregarding fractions) in proportion to the total number of Series M Preferred Shares so tendered by each of the holders of Series M Preferred Shares who submitted tenders at such price. Any Series M Preferred Shares so purchased shall be cancelled and not reissued. If part only of the Series M Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

4. **Redemption at the Option of the Corporation**

Series M Preferred Shares shall not be redeemable at the option of the Corporation prior to March 4, 1991. Subject to the provisions of the Act and the Articles of the Corporation, the Corporation may, upon giving notice as hereinafter provided, at any time on or after March 4, 1991, redeem the whole or from time to time any part of the then outstanding Series M Preferred Shares on payment for each share to be redeemed of a price of \$25.00 together, in each case, with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption, which, for greater certainty, shall include dividends calculated in accordance with clause 1 hereof during the period from and including the immediately preceding Dividend Payment Date to but excluding the date fixed for redemption, (the whole constituting and being herein referred to as the “**Redemption Price**”). If the Corporation desires to redeem only part of the Series M Preferred Shares, the Series M Preferred Shares to be redeemed shall be selected by lot in single shares or in units of 10 shares or less in such manner as the Board of Directors of the Corporation may determine or pro rata disregarding fractions.

Any Series M Preferred Shares which are so redeemed shall be cancelled and not reissued.

5. **Manner of Redemption**

In the case of any redemption of Series M Preferred Shares pursuant to clause 4 hereof, the Corporation shall, at least 30 days before the date specified for redemption, give notice in writing to each person who at the date of the giving of such notice is the registered holder of Series M Preferred Shares to be redeemed, of the intention of the Corporation to redeem such Series M Preferred Shares. Any such notice shall be validly and effectively given on the date it is delivered to the holder of Series M Preferred Shares for whom it is intended or is sent by prepaid first class mail addressed to such holder at his address as it appears on the books of the Corporation, or in the event of the address of such holder not so appearing, then to the address of such holder last known to the Corporation, provided however, that the accidental

failure or omission to give such notice as aforesaid to one or more holders shall not affect the validity of the redemption, but upon the failure or omission being discovered, notice shall be given forthwith to such holder or holders and shall have the same force and effect as if given in due time. Such notice shall set out the date (the “**Redemption Date**”) on which the redemption is to take place, the Redemption Price and, unless all the Series M Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series M Preferred Shares so held which are to be redeemed. On and after the Redemption Date, the Corporation shall pay or cause to be paid to the holders of the Series M Preferred Shares so called for redemption the Redemption Price therefor on presentation and delivery, at the registered office of the Corporation or at such other place or places within Canada designated in such notice, of the certificate or certificates representing the Series M Preferred Shares so called for redemption. Payment of the Redemption Price shall be made by cheque of the Corporation or its paying agent and such payment shall be a full and complete discharge of the Corporation’s obligation to pay the Redemption Price owed to the holders of Series M Preferred Shares so called for redemption unless the cheque is not honoured when presented for payment. From and after the Redemption Date, the holders of Series M Preferred Shares called for redemption shall not be entitled to exercise any of the rights of holders of Series M Preferred Shares in respect of such shares except the right to receive the Redemption Price therefor, provided that if payment of such Redemption Price is not duly made by or on behalf of the Corporation in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. If part only of the Series M Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance of such shares shall be issued at the expense of the Corporation.

The Corporation shall have the right, at any time after giving notice of its intention to redeem any Series M Preferred Shares, to deposit the aggregate Redemption Price of the Series M Preferred Shares so called for redemption or of such of the Series M Preferred Shares represented by certificates as have not at the date of such deposit been delivered by the holders thereof in connection with such redemption, in a special account in any chartered bank or any trust company in Canada (including any affiliate of the Corporation) to be paid without interest to or to the order of the respective holders of the Series M Preferred Shares called for redemption, upon presentation and delivery to such bank or trust company of the certificates representing such Series M Preferred Shares. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Series M Preferred Shares in respect whereof such deposit shall have been made, shall be and shall be deemed to be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited upon presentation and delivery of the certificates representing the Series M Preferred Shares held by them respectively. Any interest allowed on any such deposit shall belong to the Corporation. Redemption moneys in respect of any Redemption Date held on deposit to a special account for a period of three years from the applicable Redemption Date may be returned to the Corporation. Redemption moneys which remain unclaimed (including moneys returned to the Corporation from a special account after three years) for a period of six years from the Redemption Date may be reclaimed and used by the Corporation for its own purposes.

6. **Restrictions on Dividends, Retirement and Issue of Shares**

Subject to the provisions of the Act, as long as any Series M Preferred Shares are outstanding, the Corporation shall not, without prior approval of the holders of such outstanding Series M Preferred Shares given in the manner hereinafter specified:

- (a) declare or pay or set apart for payment any dividends on the Common Shares or on shares of any other class of the Corporation ranking as to dividends junior to the Series M Preferred Shares (other than stock dividends in shares of the Corporation ranking as to capital and dividends junior to the Series M Preferred Shares); or
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to capital and dividends junior to the Series M Preferred Shares redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of the Common Shares or shares of any other class of the Corporation ranking as to capital junior to the Series M Preferred Shares; or
- (c) redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of less than all of the Series M Preferred Shares; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption or purchase or otherwise reduce or make any return of capital in respect of any shares of any other class or series of the Corporation ranking as to capital *pari passu* with the Series M Preferred Shares; or
- (e) issue any additional Class AAA preference Shares (other than pursuant to the exercise of existing rights to convert outstanding shares of the Corporation into Class AAA Preference Shares of an existing series) or any shares ranking as to dividends or capital prior to or *pari passu* with the Class AAA Preference Shares;

unless at the date of such declaration, payment, setting apart for payment, redemption, call for redemption or purchase or reduction or return of capital, as the case may be, all accrued and unpaid cumulative dividends up to and including the dividend payment for the last completed period for which such dividends shall be payable, shall have been declared and paid or set apart for payment on the Series M Preferred Shares and any accrued and unpaid cumulative dividends which have become payable and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment on all other shares ranking as to dividends prior to or *pari passu* with the Series M Preferred Shares.

7. **Liquidation, Dissolution and Winding-Up**

In the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, the holders of the Series M Preferred Shares shall be entitled to be paid and to receive \$25.00 per share plus an amount equal to all accrued and unpaid dividends thereon up to the date of payment, which for greater certainty, shall include

dividends calculated in accordance with clause 1 during the period from and including the immediately preceding Dividend Payment Date (which term shall, for the purposes of this clause, include the Initial Dividend Payment Date) to but excluding the date of payment before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of the Common Shares or of shares of any other class of the Corporation ranking as to capital junior to the Series M Preferred Shares. Upon payment to the holders of the Series M Preferred Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

8. **Interpretation**

In the event that any date on which any dividend on Series M Preferred Shares is payable by the Corporation, or on or by which any other action is required to be taken by the Corporation hereunder, is not a Business Day, then such dividend shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day.

For the purposes of these share provisions, “**Business Day**” means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the jurisdiction in which the Corporation’s registered office is located.

In the event, of the non-receipt of a cheque by the holder of Series M Preferred Shares entitled to such cheque, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non receipt, loss or destruction and indemnity reasonably satisfactory to the Corporation, shall issue to such holder a replacement cheque for the amount of such cheque.

9. **Mail Service Disruption**

If the directors of the Corporation determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder, or is required to send any cheque or any share certificate to the holder of any Series M Preferred Share, whether in connection with the redemption of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

- (a) give such notice by means of publication once in each of two successive weeks in one daily English language newspaper of general circulation published in each of the Provinces of Canada and once in a daily French language newspaper of general circulation published in Montreal and notice so published shall be deemed to have been given on the date on which the first publication has taken place in the last of the Provinces of Canada;
- (b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such holder by the Transfer Agent for the Series M Preferred Shares at its principal offices in the cities of Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax, and such cheque and/or certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors of the Corporation determine that mail service is no longer

interrupted or threatened to be interrupted such cheque or share certificate, if not theretofore delivered to such holder, shall be sent by mail as herein provided. In the event that the Corporation is required to mail such share certificate, such mailing shall be made by prepaid mail to the registered address of each person who at the date of mailing is a registered holder and who is entitled to receive such certificate.

10. **Amendment**

Subject to the exception provided for in this clause 10, the provisions contained in clauses 1 to 11 both inclusive (including this clause) attaching to the Series M Preferred Shares or any of them may be deleted, varied, modified, amended or amplified by Articles of Amendment but only with the prior approval of the holders of the Series M Preferred Shares given in accordance with clause 11 hereof, in addition to any vote, authorization, confirmation or approval required by the Act. After November 14, 1990 holders of Series M Preferred Shares will not be entitled to vote separately as a series, nor shall such holders be entitled to dissent upon a proposal to amend the articles of the Corporation to reclassify and change the Series M Preferred Shares as and into \$25.00 Floating Rate Cumulative Redeemable Preferred Shares Series J (“**Series J Preferred Shares**”) provided that such proposal provides that the Series M Preferred Shares are to be reclassified and changed as and into Series J Preferred Shares on a one-for-one basis and the rights, privileges, restrictions and conditions attaching to the Series J Preferred Shares at such time are identical to the rights, privileges, restrictions and conditions attaching to the Series J Preferred Shares on the date hereof and the Series J Preferred Shares are otherwise as constituted on the date hereof.

11. **Approval of Holders of Series M Preferred Shares**

The approval of the holders of Series M Preferred Shares required as to any and all matters referred to herein (in addition to or as distinct from any vote, authorization, confirmation or approval required by the Act) may be given by an instrument or instruments in writing signed by the holders of all of the issued and outstanding Series M Preferred Shares or by a resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Series M Preferred Shares duly called for that purpose and held in accordance with the provisions of clause 4 of the provisions attaching to the Class AAA Preference Shares as a class, mutatis mutandis, with Series M Preferred Shares having one vote for such purposes for each Series M Preferred Share held.