

**CARMA CORPORATION**  
**MATERIAL CHANGE REPORT**

Form 27 - *Securities Act* (Ontario)  
Form 27 - *Securities Act* (British Columbia)  
Form 27 - *Securities Act* (Alberta)  
Form 25 - *The Securities Act, 1988* (Saskatchewan)  
Form 27 - *Securities Act* (Nova Scotia)  
Form 26 - *Securities Act* (Newfoundland)

**1. Reporting Issuer**

Carma Corporation (“Carma”)  
7315-8th Street NE  
Calgary, AB  
T2E 8A2

**2. Date of Material Change**

August 22, 2000

**3. Press Release**

A press release was issued in Calgary, Alberta on August 22, 2000, and is attached as Schedule “A”.

**4. Summary of Material Change**

The Independent Committee and the Board of Directors have concluded that the going private transaction is in the best interests of the Corporation and is fair to the minority shareholders.

**5. Full Description of Material Change**

The Board of Directors of Carma Corporation announced that it has approved the going private transaction whereby all of the shares of the Corporation not already held by Brookfield Properties Corporation (“Brookfield”) will be acquired by Brookfield. The Independent Committee and the Board of Directors have concluded that the going private transaction is in the best interests of the Corporation and is fair to the minority shareholders.

The proposed going private transaction is conditional upon minority shareholder approval and certain regulatory approvals. The special shareholder meeting to approve the transaction is scheduled for September 19<sup>th</sup>, 2000. The Management Proxy Circular and meeting materials, including letters of transmittal, will be mailed to shareholders this week.

1. **Reliance on Confidentiality Provisions of Securities Legislation**

Not applicable.

2. **Omitted Information**

No significant facts remain confidential in, and no information has been omitted from, this report.

3. **Senior Officers**

For further information please contact Alan Norris, President and CEO, at (403) 231-8905.

4. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Calgary, Alberta, this 22nd day of August, 2000.

CARMA CORPORATION

*"Karen Leeds"*

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Karen Leeds

Vice President, Finance and Secretary