

Strengthening Corporate Governance

Brookfield Properties' board of directors is strongly committed to sound corporate governance practices. The board continuously reviews its corporate governance policies and benchmarks them against evolving legislation and acknowledged leaders in the area. During 2006, the company continued a number of initiatives to further improve its corporate governance practices, the most significant of which is that investors are now represented by a majority of independent directors on the board.

Governance Policies

Brookfield Properties' shareholder-friendly corporate governance policies include:

- The board has a majority of independent directors and a lead independent director
- The full board is elected annually; shareholders have cumulative voting rights in director elections
- The company does not have a poison pill in place
- The company expenses stock option grants on its income statement
- The positions of CEO and Chairman are separated
- The company has publicly-disclosed board guidelines
- Outside directors meet without the CEO or management present
- The audit committee is comprised solely of independent directors

NYSE Rules

The charters for the board of directors and each of the standing committees are in compliance with New York Stock Exchange rules on corporate governance, the provisions of the Sarbanes-Oxley Act of 2002 and Canadian securities laws. Brookfield Properties, a Canadian company, has chosen to comply with NYSE rules as they apply to U.S. domestic companies and we have filed with the New York Stock Exchange the most recent Annual CEO Certification as required by section 303A.12(a) of the NYSE Listed Company Manual. However, the company has elected to rely on an exemption from the NYSE rules with respect to certain independence requirements for some of its committees. The board believes that it has an appropriate mix of directors on its committees to effectively oversee the business plan and management's performance.

The board endeavors to maintain a watchful eye on governance developments as the regulatory and business climates continue to evolve, and to adopt measures as appropriate in order to ensure that the company's commitment to good corporate governance remains effective and strong.

Committee Membership

Audit Committee	Governance & Nominating Committee	Human Resources & Compensation Committee
Paul D. McFarlane, Chair William T. Cahill Allan S. Olson Robert L. Stelzl	Allan S. Olson*, Chair William T. Cahill Roderick D. Fraser Samuel P.S. Pollock	Jack L. Cockwell, Chair Paul D. McFarlane Linda D. Rabbitt William C. Wheaton

* *Lead independent director*

Board of Directors



Gordon E. Arnell
London, United Kingdom
Chairman
Brookfield Properties Corporation

Chairman of Brookfield Properties since 1995; President 1990-1995; CEO 1990-2000; previously held senior executive roles at Oxford Development Group Ltd. and Trizec Corporation Ltd.



J. Bruce Flatt
Toronto, Ontario
Managing Partner and CEO
Brookfield Asset Management Inc.

Current position since 2002; President and CEO of Brookfield Properties Corporation 2000-2001; President and COO 1995-2000; held other senior management positions since 1992.



William T. Cahill
Ridgefield, Connecticut
Senior Credit Officer
Citibank Community Development

Current position since 2002. Previous positions include Managing Director, Citigroup Real Estate Inc., OREO 1996-2002 and Senior Asset Manager 1991-1996. Vice President and Senior Asset Manager, Mellon Real Estate Investment Advisors Inc., 1983-1991.



Roderick D. Fraser, Ph.D., O.C.
Edmonton, Alberta
President Emeritus
University of Alberta

President and Vice-Chancellor, University of Alberta 1995-2005; Dean of the Faculty of Arts and Science and Vice-Principal (Resources), Queen's University, Kingston. Officer of the Order of Canada. Director, Canada-U.S. Fulbright Program, the Aga Khan University and the Alberta Ballet.



Richard B. Clark
New York, New York
President and CEO
Brookfield Properties Corporation

Current position since 2002; President and CEO of U.S. operations 2000-2002; senior positions for Brookfield Properties and predecessor companies including COO, EVP and Director of Leasing. NAREIT and REBNY Executive Committee; Former Chairman, Real Estate Roundtable Tax Policy Advisory Committee.



Paul D. McFarlane
Mississauga, Ontario
Corporate Director

Retired from CIBC in 2002 after more than 40 years' service in numerous branch, regional and head office positions, most recently as Senior Vice President, Special Loans, Head Office, from 1994 until retirement.



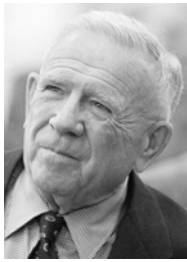
Jack L. Cockwell
Toronto, Ontario
Group Chairman
Brookfield Asset Management Inc.

Current position since 2002; President and CEO 1991-2001; senior executive of predecessor companies from 1969. Governor, Royal Ontario Museum and Ryerson University; Director, C.D. Howe Institute and Astral Media Inc.



Allan S. Olson
Edmonton, Alberta
President and CEO
First Industries Corporation

Current position since 1991. President and CEO, Churchill Corp. 1989-1990 and Banister Construction Group 1990-1991. Various positions at Stuart Olson Construction including President and CEO 1965-1989. Chairman, Summit REIT and Director, Ipsco Steel.



Samuel P.S. Pollock, O.C.

Toronto, Ontario

President of 96345 Canada Inc.

Chairman, Toronto Blue Jays 1995–2000; Chairman, John Labatt Ltd. 1991–1995; President, Carena Investments 1978–1991; Vice President and General Manager, Montreal Canadiens 1964–1978. Officer, Order of Canada and Member, Order of Quebec. Inducted to Hockey Hall of Fame and Canadian Sports Hall of Fame. Named Great Montrealer in 1978.



Robert L. Stelzl

Los Angeles, California

Retired from Colony Capital after 14 years of service as principal and member of the investment committee. President, Bren Investment Properties 1982–1989; senior management positions with several international real estate companies including Cadillac Fairview and Cabot, Cabot and Forbes. Former Chairman, Aman Hotels.



Linda Rabbitt

Bethesda, Maryland

*CEO, Founder and Chairman
Rand Construction Corporation*

Current position since 1989. Executive Vice President, co-founder and co-owner Hart Construction Co., 1985–1989. Director, Washington Performing Arts Society, Greater Washington Board of Trade and Watson Wyatt & Co. Holdings. Trustee, George Washington University and Federal City Council.



William C. Wheaton, Ph.D.

Hamilton, Massachusetts

*Professor of Economics
Massachusetts Institute of Technology*

MIT faculty member since 1972; Research Director MIT Center for Real Estate, 1992–2005, founded by Mr. Wheaton in 1984; Principal and Co-Founder, Torto Wheaton Research. Co-author, *Urban Economics and the Real Estate Markets* (1996).



John E. Zuccotti

New York, New York

*Co-Chairman
Brookfield Properties Corporation*

Current position since 2002. Chairman, Real Estate Board of New York 2004–2006; Senior Counsel, Weil, Gotshal and Manges since 1998; Deputy Chairman Brookfield Properties 1999–2002; President and CEO, Olympia & York Companies U.S.A. 1990–1996; Partner, Brown & Wood 1986–1990 and Tufo & Zuccotti 1978–1986. First Deputy Mayor of the City of New York 1975–1977. Chairman, New York City Planning Commission 1973–1975. Trustee Emeritus, Columbia University.

Officers

CORPORATE

Richard B. Clark
President and Chief Executive Officer

Lawrence F. Graham
Executive Vice President, Development

G. Mark Brown
Senior Vice President, Finance

Kathleen G. Kane
Senior Vice President and General Counsel and Secretary

Craig J. Laurie
Senior Vice President and Chief Financial Officer

Melissa J. Coley
Vice President, Investor Relations and Communications

Rael L. Diamond
Vice President and Controller

P. Keith Hyde
Vice President, Taxation

Stephanie A. Schembari
Vice President, Human Resources

PROPERTY OPERATIONS

UNITED STATES

Dennis H. Friedrich
President and Chief Operating Officer

Edward F. Beisner
Senior Vice President and Controller

Brett M. Fox
Senior Vice President and Corporate Counsel

James E. Hedges
Senior Vice President, Acquisitions and Dispositions

Sabrina L. Kanner
Senior Vice President, Design and Construction

Daniel M. Kindbergh
Senior Vice President, Operations

Jeremiah B. Larkin
Senior Vice President, Director of Leasing

Paul H. Layne
Executive Vice President, Houston

Anthony J. Manos
Senior Vice President, Southern California

Sarah B. Queen
Senior Asset Manager

Paul L. Schulman
Senior Vice President, Leasing and Asset Management, Washington, D.C.

Joshua J. Sirefman
Senior Vice President, Development

David Sternberg
Senior Vice President, Midwest and Mountain Region

Andrew W. Osborne
Vice President, Acquisitions and Dispositions

CANADA

Thomas F. Farley
President and Chief Operating Officer

Stefan J. Dembinski
Senior Vice President, Asset Management

Robert K. MacNicol
Senior Vice President, Office Leasing, Eastern

Ian D. Parker
Senior Vice President, Asset Management, Western

Deborah R. Rogers
Senior Vice President, Legal, Eastern

Ryk Stryland
Senior Vice President, Development

T. Jan Sucharda
Senior Vice President, Investments

T. Nga Trinh
Senior Vice President and Controller

N. Dwight Jack
Vice President, Office Leasing, Western

RESIDENTIAL OPERATIONS

Alan Norris
President and Chief Executive Officer