

THE SECURITIES ACT

)

Order No. 4807

Section 20(1)

)

June 22, 2005

AMENDED AND RESTATED

CALLOWAY REAL ESTATE INVESTMENT TRUST

WHEREAS:

(A) Application has been made by Calloway Real Estate Investment Trust (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of The Securities Act, R.S.M. 1988, c. S50 (the "Act") that certain trades in securities of the Applicant shall be exempt from sections 6 and 37 of the Act.

(B) It has been represented to the Commission that:

1. The Applicant is an unincorporated closed-ended trust established December 4, 2001 under the laws of Alberta, whose principal office is located at #310, 855-8th Avenue S.W., Calgary, Alberta, T2P 3P1.
2. The Applicant may issue an unlimited number of trust units ("Trust Units"). Trust Units are listed and posted for trading on the Toronto Stock Exchange. As of June 13, 2005 there were 36,904,970 Trust Units outstanding with a quoted market value of \$756,543,685 (\$20.50 per Trust Unit).
3. The Applicant is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.
4. Pursuant to a private placement offering (the "Offering"), up to 11,336,000 Subscription Receipts of the Applicant (the "Subscription Receipts") will be offered for issuance and sale to residents of Manitoba, British Columbia, Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (collectively, the "Selling Jurisdictions").
5. The Offering of the Subscription Receipts in the Province of Manitoba will be:
 - (a) pursuant to an amended and restated Agency Agreement dated June 9, 2005, between the Applicant and CIBC World Markets Inc., Scotia Capital Inc, Desjardins Securities Inc., RBC Dominion Securities Inc., Merrill Lynch Canada Inc. and National Bank Financial Inc. (collectively, the "Agents"); and

(b) by way of private placement to accredited investors pursuant to Multilateral Instrument 45-103.

6. The Subscription Receipts will be issued pursuant to, and the exercise thereof shall be governed by, the provisions of a Subscription Receipt Agreement (the "Subscription Receipt Agreement") to be entered into between the Applicant and Computershare Trust Company of Canada, or such other subscription receipt and escrow agent as may be acceptable to the Applicant and the Agents (the "Subscription Receipt Agent").

7. Under the Agency Agreement, the Applicant has agreed to issue and sell, and the Agents have agreed to act as agent for the Applicant on a best efforts basis with respect to the Offering of, the Subscription Receipts at a price of \$19.85 per Subscription Receipt and subject to the terms and conditions of the Agency Agreement, including the payment by the Applicant to the Agents of a fee (the "Agents' Fee") equal to 2% of the gross proceeds of the Offering, the closing of which is expected to take place on or about June 22, 2005.

8. The net proceeds from the sale of the Subscription Receipts, after deduction of the Agents' Fee (the "Escrowed Funds") will be held by the Subscription Receipt Agent pending satisfaction of the Exchange Conditions (as hereinafter defined).

9. The proceeds will be used to fund a portion of the cash component of the purchase price of the previously announced acquisition of 35 shopping centres developed by FirstPro Shopping Centres and owned by FirstPro and Wal-Mart and 10 parcels of development lands from FirstPro (the "Acquisition")

10. Each Subscription Receipt will be automatically exchanged (the "Automatic Conversion") for one Trust Unit of the Applicant (collectively, the "Underlying Trust Units") without payment of any consideration in addition to the issue price of such Subscription Receipts, upon the satisfaction of certain conditions as set out in the Agency Agreement and the Subscription Receipt Agreement including the execution and delivery by the Applicant of a written notice to the Subscription Receipt Agent that the previously announced acquisition of the Applicant (the "Acquisition") has closed (the "Exchange Conditions").

11. If the Exchange Conditions are not satisfied on or before July 29, 2005 (the "Escrow Deadline"), the Subscription Receipt Agent and the Applicant will refund to each holder of Subscription Receipts (a "Holder") an amount equivalent to the issue price therefor and the Holder's pro rata share of interest and other income earned on the Escrowed Funds, less any applicable withholding taxes, and the Subscription Receipts will be cancelled.

12. The Subscription Receipt Agreement contains, among other things, a description of the Automatic Conversion and the Exchange Conditions.

13. The Applicant is not in default under any requirement of the Act, or the Regulations or Rules made thereunder.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to Subsection 20(1) of the Act all trades in connection with the Automatic Conversion of the Subscription Receipts into the Underlying Trust Units shall be exempt from Sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal