

THE SECURITIES ACT

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Order No. 5667

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Section 95(2)(c)

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April 2, 2008

ROYAL HOST REAL ESTATE INVESTMENT TRUST

WHEREAS:

(A) Royal Host Real Estate Investment Trust (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to section 95(2)(c) of *The Securities Act* (Manitoba) R.S.M. 1988 c.S50 (the "Act") that in connection with the proposed purchase by the Applicant of a portion of its outstanding trust units ("**Units**") by way of issuer bid (the "**Proposed Issuer Bid**"), the Applicant be exempt from the requirement in the legislation to obtain a formal valuation of the Units (the "**Valuation Requirements**") in connection with the Proposed Issuer Bid (the "Exemptive Relief Sought").

(B) The Applicant has represented to the Commission that:

1. The Trust is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta with its head office in Calgary, Alberta.
2. The Trust is authorized to issue an unlimited number of Units of which 26,928,586 Units were outstanding as of February 19, 2008.
3. The Trust is a reporting issuer in all Provinces of Canada and, to its knowledge, is not in default of any requirement of the securities legislation of the Jurisdictions.
4. The Units trade on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "RYL.UN".
5. To the knowledge of the Trust and based on publicly available information, the only Unitholder that currently holds greater than 10% of the Units is Clarke Inc. which holds 5,293,568 Units representing approximately 19.66% of the outstanding Units.
6. The Trust intends to acquire up to 5,386,000 Units at a price of \$6.50 per Unit. The Trust anticipates using cash on hand to acquire Units under the Proposed Issuer Bid.
7. All information regarding the number of Units tendered will be kept confidential until the Offer expires.

8. The Trust intends to rely upon the exemptions from the valuation requirement in subsections 1.2(1)(a) and 3.4(b) of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") on the basis that:

(a) there is a published market for the Units, namely the TSX;

(b) during the period of 12 months before February 15, 2008:

(i) the number of outstanding Units was at all times at least 5,000,000, excluding Units beneficially owned or over which control or direction was exercised, by related parties of the Trust and Units that were not freely tradable;

(ii) the aggregate trading volume of the Units on the TSX was approximately 15.9 million;

(iii) there were at least 1,000 trades in Units on the TSX;

(iv) the aggregate trading value based on the price of the trades referred to in paragraph (iii) above was approximately \$111 million; and

(v) the market value of the Units as a class, as determined in accordance with MI 61-101 was approximately \$131 million for the calendar month preceding February 15, 2008.

9. The Trustees considered the anticipated effect of the Offer on the liquidity of the market for beneficial owners of Units who do not deposit Units under the Offer and determined that, based upon the liquidity opinion of National Bank Financial Inc. described below, it is reasonable to conclude that, following the completion of the Offer, there will be a market for beneficial owners of the Units who do not deposit Units under the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. Accordingly, the valuation requirements of MI 61-101 are not applicable in connection with the Offer.

10. Despite the fact that the Trustees of the Trust are of the view that both, as of February 20, 2007 and following the taking up of the Units pursuant to the Offer, there was and will continue to be a liquid market for the Units and there is no legal requirement to obtain a liquidity opinion, the Trust has, on a voluntary basis, obtained such a liquidity opinion of National Bank Financial Inc. to the effect that a liquid market of the Units existed as of February 19, 2008 (being the date on

which the Offer was publicly announced) and it is reasonable to conclude that, on completion of the Offer, there will be a market for Unitholders who do not tender Units to the Offer that is not materially less liquid than the market that existed at the time of making the Offer.

(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 the exemptive relief sought is granted provided that the Applicant can rely on the liquid market exemption under MI 61-101.

BY ORDER OF THE COMMISSION

Deputy Director