

THE SECURITIES ACT ) Order No. 4128  
 )  
Section ) May 7, 2003

VENSTAR HOSPITALITY LANGLEY LIMITED PARTNERSHIP

WHEREAS:

(A) Venstar Hospitality Langley Limited Partnership ("Venstar") has applied 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") exempting the offering (the "Offering") by Venstar of a minimum of 125 Class "A" Limited Partnership Units ("Class A Units") and up to a maximum of 354 Class A Units at a price of \$10,000 per unit (the "Offered Units") from the requirements of sections 6 and 37 of the Act.

(B) Venstar has represented to the Commission that:

1. Venstar was formed pursuant to a limited partnership agreement dated March 17, 2003 among Venstar Hospitality Langley Ltd. (the "General Partner") and Venstar Inc., the initial limited partner and Venstar. Venstar was registered under the Partnership Act (Alberta) pursuant to a certificate of limited partnership dated March 17, 2003. Venstar Inc., is a public company listed on the TSX Venture Exchange (VSR.A).
2. The head and registered office of Venstar is located at Suite 100, 10325 Bonaventure Drive, SE, Calgary, Alberta T2J 7E4.
3. The securities of Venstar have not been offered to the public by prospectus nor are any if its securities listed on any stock exchange.
4. Venstar is authorized to issue up to 354 Units.
5. Venstar was formed to acquire, develop, own and operate a Super 8 Motel located in the Langley Township, British Columbia (the "Project"). Pursuant to a letter dated March 11, 2003, the owner of franchise rights for Super 8 Motels in Canada has indicated their intent to transfer the Langley Township Super 8 Motel franchise to Venstar. Following closing of that acquisition, Venstar will be subject to a franchise agreement that will entitle Venstar to use the "Super 8" trademarks and logos, as well as take advantage of group advertising, national and international reservation referral systems and the expertise that the Super 8 system has developed in operating hotels. Full details of the Project are set forth in the offering memorandum (the "Offering Memorandum") prepared by Venstar pursuant to Multilateral Instrument 45-103 ("MI 45-103"), which is now in force in British Columbia and Alberta.

6. The Offering is being made in Alberta and British Columbia in accordance with the requirements of sections 4.1 and 5.1 of MI 45-103 now in force in British Columbia and Alberta; in the province of Ontario in reliance upon OSC Rule 45-501, section 2.3 (Accredited Investor); and in Saskatchewan pursuant to sections 39(1)(y) and 81(1)(s) of the *Securities Act* (Saskatchewan). The minimum subscription is \$10,000.

7. If the minimum Offering of \$1,250,000 is not raised on or before July 18, 2003, subscription funds will be returned as soon as possible without interest or deduction, except where an investor has agreed to an extension of that date.

8. Investors in Alberta, British Columbia, Ontario and Saskatchewan will be provided with the Offering Memorandum prepared in accordance with the form requirements of Form MI 45-103F1.

9. The Commission has published for comment proposed Multilateral Instrument 45-103 - Capital Raising Exemptions ("Proposed MI 45-103"), which will, if and when adopted, provide for the same (or substantially similar) prospectus and registration exemptions that are now available in Alberta and British Columbia pursuant to MI 45-103.

10. Venstar proposes to sell Class A Units in Manitoba to "eligible investors" (as defined in Proposed MI 45-103) and investors whose aggregate acquisition cost does not exceed \$10,000.

11. As MI 45-103 has only been adopted as a rule in the Provinces of British Columbia and Alberta, the exemptions available thereunder are not available to Venstar in the Province of Manitoba.

(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, trades in the Class A Units pursuant to the Offering are exempt from sections 6 and 37 of the Act, provided that:

a) the Offering Memorandum shall contain a statement to the effect that the Offering is being conducted pursuant to this order and as such the protections that are normally available under the Act are not available in this instance;

b) Venstar shall grant contractual rights of action as described in section 4.3 of Proposed MI 45-103 to every purchaser resident in Manitoba;

c) the purchaser purchases the Class A Units as principal and, at the same time or before the purchaser signs the agreement to purchase a security:

- i. Venstar will deliver to the purchaser the Offering Memorandum and a copy of this order;
  - ii. Venstar will obtain a signed risk acknowledgement from each purchaser in compliance with section 4.5(1) of Proposed MI 45-103;
  - iii. if the purchaser's aggregate cost is greater than \$10,000, each "eligible investor" will certify that it is an "eligible investor" as defined in Proposed MI 45-103;
- d) Venstar will retain the signed risk acknowledgement referred to in section 4.5(2) of Proposed MI 45-103 for eight years following closing of the Offering;
- e) Venstar will hold in trust all consideration received from Manitoba resident purchasers in connection with the purchase of Class A Units until midnight on the second business day after the purchaser signs the agreement to purchase the Class A Units;
- f) Venstar will return all consideration to a purchaser promptly if the purchaser exercises the right to cancel the agreement to purchase the Class A Units by delivering a notice to Venstar not later than midnight on the second business day after the purchaser signs the relevant agreement;
- g) Venstar will conclude the Offering within 180 days from the date of the order sought herein;
- h) Venstar will file a Form 45-103F4 report as contemplated by Proposed MI 45-103 with the Commission on or before the tenth day after the closing of the Offering;
- i) Venstar will file a copy of the Offering Memorandum and any update of a previously filed offering memorandum with the Commission on or before the tenth day after each distribution under the Offering Memorandum or any update thereto.
- j) If the minimum offering of \$1,250,000 is not raised on or before July 18, 2003, subscription funds will be returned as soon as possible without interest or deduction, except where an investor has agreed to an extension of that date.

**2. THAT**, the fee for this order shall be \$1,000.

BY ORDER OF THE COMMISSION

Deputy Director - Legal

