

June 5, 2009

In The Matter Of
The Securities Legislation Of
Manitoba and Ontario
(the "Jurisdictions")
and
In The Matter Of
The Process for Exemptive Relief
Applications in Multiple Jurisdictions
and
In the Matter Of
Exchange Industrial Income Fund
(the "Filer")

Decision

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**"):

- (a) exempting the Filer from the requirement under Item 14.2 of Form 51-102F5 to National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") to include in an information circular (the "**Information Circular**") to be sent to the holders (the "**Unitholders**") of Class A trust units ("**Units**") of the Fund in connection with a proposed plan of arrangement (the "**Arrangement**") involving, among others, the Fund and HMY Airways Inc. ("**HMY**") certain financial statements prescribed by National Instrument 41-101 - *General Prospectus Requirements* ("**NI 41-101**"), provided that certain alternative financial statements are included in the Information Circular (the "Exemption Sought"); and
- (b) that the Application and this Decision be kept confidential and not be made public (the "**Confidentiality Request**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

1. The Manitoba Securities Commission is the principal regulator for this application,
2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, the Northwest Territories and Nunavut, and
3. the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

The Fund

1. The Fund is a trust formed under the laws of the Province of Manitoba on March 22, 2004 pursuant to a declaration of trust dated March 22, 2004, as amended and/or restated by the amended and restated declaration of trust dated May 3, 2004 and the amending agreements dated December 31, 2004, June 24, 2005 and May 22, 2007.
2. The head office of the Fund is located in Winnipeg, Manitoba.
3. The Fund is a diversified, acquisition-oriented income trust focused on acquisition opportunities in the manufacturing and transportation sectors, in particular companies that are suited for public markets, except for their size. The Fund currently owns subsidiary entities operating in the aviation and manufacturing sectors, as well as a subsidiary entity responsible for the management of the Fund.
4. The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "EIF.UN" and the Fund is a reporting issuer (or equivalent) in each jurisdiction of Canada (other than the Yukon Territory).
5. The authorized capital of the Fund is comprised of an unlimited number of Units, of which there are approximately 8,896,000 Units currently issued and outstanding on the date hereof.

6. To its knowledge, the Fund is not in default of any of its obligations as a reporting issuer pursuant to applicable securities legislation in any of the jurisdictions in which it is a reporting issuer or its equivalent.
7. HMY was originally named "Hoho International Airways Inc." and, after a number of name changes, was renamed "HMY Airways Inc". HMY is a corporation incorporated under the laws of Canada on January 24, 2002 and continued under the laws of British Columbia on March 31, 2009, with its head office located in Vancouver, British Columbia. HMY is expected to be continued under the *Canada Business Corporations Act*.
8. HMY is a wholly-owned subsidiary of Ho International Airways Inc. ("**HIA**").
9. Pursuant to an internal reorganization of HMY and HIA, effective April 30, 2009: (i) HMY acquired from HIA all of the issued and outstanding shares of Harmony Vacations Inc. ("**HVI**"), a private corporation that was an affiliate of HMY by virtue of HMY and HVI being under common control of HIA, in exchange for common shares of HMY ("**HMY Common Shares**"); and (ii) HVI was subsequently dissolved.
10. No securities of HMY are listed on any stock exchange and HMY is not a reporting issuer in any jurisdiction.
11. The authorized capital of HMY is comprised of 1,000 HMY Common Shares, 999,000 Class A preferred shares and 1,000,000 Class B preferred shares of which there are currently 171 HMY Common Shares and 136,260 Class A preferred shares (collectively, the "**HMY Shares**") issued and outstanding on the date hereof.
12. On April 1, 2009, the Fund and HIA entered into a letter of intent pursuant to which the parties agreed to implement the Arrangement involving, among other things, the acquisition by HMY of all of the issued and outstanding Units from Unitholders in exchange for HMY Shares, the dissolution of the Fund, an internal reorganization of the subsidiary entities of the Fund (which will become subsidiary entities of HMY), a change in the name of HMY (HMY following the completion of the Arrangement is for the purposes of this decision hereinafter referred to as "**EIG Corp**") and the listing of the common shares of EIG Corp. on the TSX. The Arrangement will be a "reverse take-over" and a "restructuring transaction" as those terms are defined in NI 51-102.
13. The Information Circular detailing the Arrangement is anticipated to be mailed to Unitholders in June, 2009 following receipt of an interim order of the Court of Queen's Bench (Manitoba) for a meeting of Unitholders which meeting is expected to take place during the third quarter of 2009.
14. Item 14.2 of Form 51-102F5 requires the Information Circular to contain, among other things, information sufficient to enable a reasonable Unitholder to form a reasoned judgment concerning the nature and effect of the Arrangement and the expected resulting entity or entities and the disclosure (including financial statement disclosure) for HMY prescribed by the appropriate prospectus form for HMY.

15. The appropriate prospectus form for HMY is Form 41-101F1 – Information Required in a Prospectus (the "**General Prospectus Form**"), which would require the inclusion of the following audited annual consolidated financial statements of HMY:

- (a) an income statement, a statement of retained earnings and a cash flow statement for the three most recently completed years ended more than 120 days before the date of the Information Circular;
- (b) a balance sheet as at the end of the two most recently completed financial years described in paragraph (a); and
- (c) notes to the financial statements,

provided that, if the Information Circular includes financial statements for a financial year of HMY ended less than 90 days prior to the date of the Information Circular, the Information Circular does not have to include the income statement, the statement of retained earnings and the cash flow statement for the third most recently completed financial year ended more than 120 days prior to the date of the Information Circular and the balance sheet for the second most recently completed financial year of HMY ended more than 120 days prior to the date of the Information Circular.

16. The year end of HMY is April 30. The Fund intends to finalize and send the Information Circular to Unitholders within 90 days of April 30, 2009 and intends to include audited annual consolidated financial statements of HMY for the year ended April 30, 2009. Accordingly, NI 51-102 (and the General Prospectus Form) would permit the Fund to include the following audited annual consolidated financial statements of HMY:

- (a) an income statement, a statement of retained earnings and a cash flow statement for the three most recently completed years ended April 30, 2009, April 30, 2008 and April 30, 2007;
- (b) a balance sheet as at April 30, 2009 and April 30, 2008; and
- (c) notes to the financial statements.

17. Subject to the receipt of the Exemption Sought, the Information Circular will include the following audited annual consolidated financial statements of HMY:

- (a) an income statement, a statement of retained earnings and a cash flow statement for the two most recently completed years ended April 30, 2009 and April 30, 2008;
- (b) a balance sheet as at April 30, 2009 and April 30, 2008; and
- (c) notes to the financial statements.

18. HMY and HVI each ceased active business operations in 2007 and divested most of their respective assets in the fall of 2008. As a result, the financial results for the year ended April 30, 2007 would not provide any meaningful additional information to Unitholders with respect to HMY and HVI.
19. Because HMY and HVI ceased active business operations in 2007, the current business carried on by HMY is fundamentally different from the business conducted during the year ended April 30, 2007, and the financial statements of HMY and HVI for the year ended April 30, 2007 would not assist Unitholders or other potential securityholders of the Fund with their assessment of the current business of HMY.
20. The inclusion of annual consolidated financial statements of HMY or HVI for the year ended April 30, 2007 would arguably be misleading and/or confusing to Unitholders who are attempting to assess the financial condition and business of EIG Corp. on a go forward basis to the extent that such financial statements leave Unitholders with the impression that HMY or HVI is still carrying on active business operations.
21. The only business to be carried on by EIG Corp. and its subsidiary entities following the completion of the Arrangement is the business carried on by the Fund and its subsidiary entities immediately prior to the Arrangement.
22. None of the directors or officers of HMY are expected to continue as a director or officer of EIG Corp.
23. The Information Circular will:
 - (a) contain disclosure in accordance with Form 51-102F5 and, in respect of HMY, in accordance with the General Prospectus Form;
 - (b) include or incorporate by reference, among other things, financial statement disclosure in respect of the Fund in compliance with Form National Instrument 44-101F1 – Short Form Prospectus and the pro forma financial statements of EIG Corp. in compliance with the General Prospectus Form;
 - (c) contain qualitative disclosure of the differences between the taxation of a trust and the taxation of a corporation; and
 - (d) contain a comparison of the distribution policy of the Fund prior to the Arrangement to the dividend policy as it relates to distributable cash of the EIG Corp following the completion of the Arrangement.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that:

- (a) the Exemption Sought is granted provided that the Filer include in the Information Circular:
- (i) the financial statements described in paragraphs 17 above;
 - (ii) a pro forma income statement for EIG Corp. for the year ended December 31, 2008 after giving effect to the Arrangement; and
 - (iii) a pro forma balance sheet and income statement for EIG Corp. as at and for the three-month period ended March 31, 2009 after giving effect to the Arrangement; and
- (b) the Confidentiality Request is granted until the earliest to occur of: (i) the date on which the Filer publicly announces that it has entered into a definitive agreement in respect of the Arrangement; (ii) the date that the Filer advises the Decision Maker that there is no longer any need for the Application and this decision to remain confidential; and (iii) 90 days from the date of this decision document.



Chris Besko
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The Manitoba Securities Commission