

News Release

CHIP Hospitality Selects Rogers / Fusepoint Offering to Manage Critical IT Services for Hotel and Resort Operations across Canada

Compliance and legislative requirements spur company to seek secure and scalable outsourced network solutions

TORONTO, ON – March 20, 2007 – In partnership, CHIP Hospitality today announced it has selected Rogers Business Solutions and Fusepoint Managed Services Inc. to fully manage all mission-critical IT infrastructure and applications related to the hotel management company's centralized network system.

CHIP Hospitality is the exclusive management company to parent company CHIP REIT (Canadian Hotel Income Properties Real Estate Investment Trust), and employs approximately 5,000 hotel staff who service more than 7,000 rooms and almost 50 food and beverage operations. Operating with a relatively small IT staff and always mindful of securities regulations and corporate compliance legislation like Ontario's Bill 198 and the Sarbanes-Oxley (SOX) Act in the United States, the decision was made to identify and outsource critical IT operations to a managed service provider.

"Because we are public and rely on a relatively small internal IT group, we were constantly challenged to stay in compliance with new regulations," said Peter Smolik, CISSP, Director, IT, CHIP Hospitality LP. "Looking down the road, we saw an opportunity to effectively parcel out IT activity to a provider who could offer professional services and scale on demand. When it came time to select a managed services provider, key requirements of performance reliability, knowledge of compliance issues, and managed services capabilities all tipped in Fusepoint's favour."

Fusepoint and Rogers will deliver a fully managed environment, ensuring the security and availability of CHIP Hospitality's centralized network while safeguarding revenue-driving applications including CHIP's accounting system for all hotel and resort properties, Microsoft Exchange and communications systems, and hospitality-specific sales and catering systems – including contract management and orders, among others.

"Regulatory compliance demands continue to fuel the need for secure, yet scalable, managed services," said George Kerns, president and CEO of Fusepoint Managed Services. "The only constant is change, and many IT departments find themselves understaffed and overwhelmed by the notion of keeping current with security and legislative requirements. Together with Rogers, our new business relationship with CHIP's IT team will empower them to think and operate proactively, not reactively."

"With a steady rise in security threats, we see tremendous growth in the Canadian managed services environment," said Sarah Talacek, Vice-President, Marketing, "Rogers Business Solutions customers are increasingly looking to technology partners to provide complete end-to-end solutions, and Fusepoint's experience in managed services makes them a powerful solutions partner. Together, we're well positioned to meet the security and performance needs of our customers."



“Hotels run 24 hours a day, seven days a week, and we can’t tolerate any type of downtime – or even a small service hiccup for that matter,” continued Smolik. “Not only is it a question of availability, but it’s also a question of responsiveness. Systems need to be fast. We’re in the service industry.”

About CHIP Hospitality

CHIP Hospitality is one of Canada’s leading hotel management companies and currently manages more than 30 hotels and resorts in Canada with more than 7,000 rooms. The company manages independent hotels and hotels operating under major franchise brands including some Delta Hotels, Crowne Plaza, Radisson, Residence Inn by Marriott, Holiday Inn, Hilton, Quality, Gouverneur, Best Western, Ramada and Coast properties. A subsidiary of CHIP REIT, CHIP Hospitality uses management strategies, upgrades, repositioning and franchising to improve the operating performance of the properties in its portfolio to create value for its investors and owners. CHIP REIT units trade on the TSX under the symbol HOT.un, HOT.db and Hot.db.a.

About Fusepoint Managed Services

Fusepoint is a leading provider of managed IT solutions for companies with applications that demand the highest levels of security and availability. Unrivalled technical expertise, state-of-the-art data centres and outstanding customer support allow Fusepoint to ease clients through all pivotal phases of their IT initiatives - system planning, application development, implementation, infrastructure management and hosting.

Founded in 1999, Fusepoint is a privately held company with offices and data centres in Vancouver, Toronto, Montreal and Quebec City. Through our proven record of success we have built a loyal customer base and developed solid strategic partnerships with industry leaders such as Rogers, Microsoft, SUN, Cisco, Dell, Oracle and HP.

Fusepoint’s managed IT solutions are SLA-guaranteed, scalable and designed to reduce cost structures while mitigating risk of service disruption. Fusepoint is also SAS 70 and CICA 5900 compliant, which means our processes are rigorously audited by an accredited third party each year and consistently operate at the highest levels within the industry.

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