

THE SECURITIES ACT) Order No. 2914
)
Section 20) May 10, 2000

AMENDED AND RESTATED

BS8MG LTD.

WHEREAS:

(A) BS8MG Ltd. (the "Applicant") 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 Applicant and its directors from the registration and prospectus requirements of sections 6 and 37 of the Act in connection with the Offering (as defined below) and Informational Meetings (as defined below).

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

1. A number of individuals residing in Beausejour, Manitoba believe that it would be in the best interests of Beausejour to construct a Motel in the area. Beausejour currently has the third largest convention facility in Manitoba but only has six motel units creating an obvious lack of overnight accommodations.

2. This group wishes to raise funds to provide financing for the development and construction of a Super 8 Motel in Beausejour. The entire project cost is approximately \$2,000,000.00 which will be made up of the proceeds from the Offering (as defined below) and any additional funds required will be borrowed from a local lending institution. It is proposed that the Motel be a three-storey, elevated, 40 room facility with an indoor pool, hot tub and sauna.

3. The Applicant has been established for the development and construction of the project and intends to issue class A common shares ("Common Shares") and preferred shares ("Preferred Shares"). Each Common Share will have one vote and the Preferred Shares will be entitled to dividends at the discretion of the Directors but will not have a vote. The Common Shares will be offered at \$100.00 per share and the Preferred Shares will be offered at \$100.00 per share. A minimum subscription will consist of one common share and 499 preferred shares for a total acquisition cost of \$50,000.00 (the "Offering"). The minimum amount of the offering will be \$900,000.00 and the maximum will be \$2,000,000.00.

4. Gerald C. Hawranik, Randy P. Bilek, Douglas Sobering and Lorne Hachkowski are area residents who intend to be the officers and directors of the issuer who would be engaged in the selling of securities of the corporation to the public pursuant to any order that is granted (the "Directors"). All have a substantial tie to

Beausejour and have contributed substantially to Beausejour through community and volunteer work. All are either employed in a business in Beausejour or own a business in Beausejour and reside within Beausejour or a few miles from Beausejour. Each of these individuals intends to purchase at least one common share and 499 preferred shares in the issuer at an acquisition cost of \$50,000.00.

5. All monies raised in the course of the Offering will be held in trust by the law office of Wasylyn and McGonigal of Beausejour (the "Trustee"). If the minimum subscription amount is not raised the monies being held in trust will be returned to purchasers.

6. A feasibility study and the proforma financial statement (the "Study") have been prepared by Ken Boyko of Matrix Management Consultants in Winnipeg.

7. In order to approach investors the corporation wishes to hold two public informational meetings, one in January, 2000 and the second in February or March, 2000. The Officers and Directors will conduct the meetings to discuss the project with potential investors on a one-on-one basis (the "Informational Meetings"). The Applicant also desires to advertise the time, date and location of the Informational Meetings.

8. The Offering will be limited to investors who have a substantial connection to the Beausejour, Brokenhead, Lac du Bonnet and Garson areas, all of which are within approximately a 60 km radius of Beausejour (the "Eligible Investors").

(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 that trades in by the Applicant in connection with the Offering and acts in furtherance of trades in connection with the Informational Meetings are exempt from section 6 and 37 of the Act provided that:

(a) The Applicant's securities being sold pursuant to the Offering shall only be made available to Eligible Purchasers;

(b) The minimum amount that a purchaser may subscribe for shall be one common share and 499 preferred shares for a total acquisition cost of \$50,000.00;

(c) The Applicant shall prepare and file with the Commission at least 10 days before its use a term sheet which describes the Offering (the "Term Sheet");

(d) The Applicant shall file with the Commission a copy of the Study at least 10 days prior to its use;

(e) The Applicant shall prepare a declaration in a form acceptable to Commission staff (the "Declaration") which is to be completed by all purchasers at the time they subscribe for securities pursuant to the Offering which states:

- 1) type and amount of securities purchased;
- 2) the purchaser is an Eligible Investor;
- 3) the purchaser has received all of the documents they are required to receive pursuant to this order;
- 4) the purchaser has received independent expert advice or has declined to receive independent expert advice concerning the Offering;
- 5) the purchase has been made for an investment purposes and not for resale;
- 6) the purchaser is aware that the effect of this order is that the purchaser will not have all rights and remedies established by the Act, which the purchaser may otherwise have;
- 7) the purchaser is aware that securities purchased pursuant to the Offering may not be sold for a period of 12 months from the date of purchase without the prior written approval of the director of the Commission.

(f) Both the Term Sheet and the Study shall contain a statement to the effect that the Offering is being conducted pursuant to this order and as such the protections normally available under the Act are not available in this instance.

(g) Prior to any sale of Common Shares or Preferred Shares a potential purchaser shall be provided with

- 1) A copy of the Term Sheet;
- 2) a copy of the Study; and
- 3) a copy of this Order;

(h) No sales or commissions are paid directly or indirectly with respect to trades in securities of the issuer except for reasonable and actual costs incurred by individuals permitted to trade securities pursuant to the order;

(i) That any and all forms of advertisements to be used to promote the Offering be filed with the Commission a minimum of five (5) days before publication along with a list of locations where the advertisement will be placed.

(j) Commission staff shall be notified a minimum of five (5) days before any Informational Meeting advising as to the time, date and place of the meeting.

(k) Any resale of the securities purchased in the Offering within 12 months of purchase will not be permitted without prior written consent of the Director of the Commission.

(l) The proceeds from the Offering will be held by the Trustee or such other trustee as may be acceptable to Commission staff until all conditions precedent to closing, including the minimum offering amount being met, are satisfied. In the event the closing requirements are not met the proceeds are to be returned to the purchasers.

(m) The Offering shall be completed within 180 days from the date of the order.

(n) Within 14 days of the earlier of the Offering maximum being subscribed or 180 days from the date of this order, the Applicant shall file a report of the details of the Offering with the Commission containing the information described in Form 27 to the *Securities Regulation* along with Declarations for each investor;

BY ORDER OF THE COMMISSION

Director – Legal