

THE SECURITIES ACT	)	Order No. 3749
	)	
Section 20	)	May 16, 2002

Lanesborough Real Estate Investment Trust

WHEREAS:

(A) Lanesborough Real Estate Investment Trust (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 from the requirements of sections 6 and 37 of the Act as they relate to the issuance of options to acquire securities of the Trust.

(B) It has been represented to the Commission that:

1. The Applicant is an unincorporated investment trust governed by the laws of the Province of Manitoba pursuant to a Declaration of Trust dated as of April 23, 2002.
2. The Corporation's principal place of business is located at 2600 - Seven Evergreen Place, Winnipeg, Manitoba, R3L 2T3.
3. The authorized capital of the Applicant consists of an unlimited number of Trust Units. The issued capital of the Applicant will consist of 500,000 Units subsequent to the Plan of Arrangement (defined herein).
4. The Units of the Applicant are expected to be listed on the TSX Venture Exchange subsequent to the Plan of Arrangement (defined herein).
5. The Applicant is presently involved with a proposed arrangement (the "Plan of Arrangement") pursuant to section 192 of the *Canada Business Corporation Act* with Wireless One Inc. ("Wireless"), whereby the Applicant is to acquire all of the issued capital stock of Wireless pursuant to the Arrangement Agreement between the parties dated the 23rd day of April, 2002.
6. The Applicant intends to enter into a Services Agreement with Shelter Canadian Properties Limited ("Shelter"), a company of which the chief executive officer of the Applicant, Arni Thorsteinson, has been the President since 1990.
7. In lieu of remuneration, initially for the management functions to be provided by Shelter, subject to approval from the Commission and the Exchange, the Applicant desires to issue Shelter options (the "Service Options") to acquire 50,000 Units at \$1.00 per Unit, expiring three years from the date of issuance.

8. In order to facilitate the acquisition of Kenaston Place and Kenaston Village Mall (the "Property") by the Trust, Shelter granted a \$2,900,000 principal amount loan to the Trust (the "Shelter Loan"). The Shelter Loan is due and payable on June 30, 2002 and is a participating loan which accrues interest in an amount equivalent to the net income received by the Trust from its ownership of the Property after payment of all expenses and debt servicing. It is intended that the Trust will raise sufficient funds from a contemplated public offering of debentures to repay the Shelter Loan. As an inducement to Shelter to grant the Shelter Loan on the terms described above, the Trust agreed, subject to receipt of required regulatory and Exchange approval, to grant Shelter options to acquire up to 75,000 units at a price of \$2.00 per unit, each option exercisable for a period of five years from the date of grant (the "Loan Options").

9. The Applicant believes that the issuance of the Services Options and the Loan Options (collectively, the "Options") is in the best interests of the Applicant and its Unitholders.

(C) In the opinion of the Commission 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, the issuance of the Options to Shelter is exempt from sections 6 and 37 of the Act;
2. **THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy-Director