

THE SECURITIES ACT

)

Order No. 5595

)

Section 20(1)

)

February 1, 2008

CRYSTAL CITY COMMUNITY PROPERTIES INC.

WHEREAS:

(A) Crystal City Community Properties Inc. (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to section 20(1) of *The Securities Act*, (Manitoba) RSM 1988 c.S50 (the "Act") exempting the Applicant and its directors from the registration and prospectus requirements of section 6 and 37 of the Act in connection with the Offering (as defined below).

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

1. The Applicant was incorporated under the laws of the Province of Manitoba on October 29, 2007 for the purposes of acquiring and renovating the premises formerly known as Crystal City Foods from the Village of Crystal City with the intention of leasing commercial business space to three separate businesses (the "Project").
2. The purpose of the Project is to redevelop the former grocery store in the Village of Crystal City. The former store has been divided into three spaces, one of which is currently occupied by a clothing store, a second space where a restaurant is to open, and a third space which is currently not leased but for which expressions of interest have been received.
3. The Corporation has not as yet issued any shares.
4. The Applicant is authorized to issue an unlimited number of Class "A" Common Voting Shares, Class "B" Non-Voting Shares, Class "C" Preferred Voting Shares and Class "D" Preferred Non-Voting Shares.
5. The Applicant will be offering Class "A" Common Shares at a price of \$500.00 per share. The minimum and maximum subscription for each investor will consist of one Class "A" Common Share. The purchasers of a Class "A" Common Share may, in addition, purchase any number of Class "C" Preferred Shares at a price of \$500.00 per share up to the maximum offering amount. No preferred shares can be purchased unless the purchaser also purchases one Common Share.
6. The Offering will be made only to persons who are ordinarily resident within a 50 kilometer radius of Crystal City and have a substantial connection to Crystal City (the "Eligible Investors").
7. The minimum amount of the Offering for the purposes of closing will be \$90,000 with a maximum of \$100,000. No other classes of shares will be issued during the Offering and all

monies raised in the course of the Offering will be held in trust by Treble Law Office, Crystal City, Manitoba (the "Trustee"). If the minimum subscription amount is not raised the monies will be returned to the purchasers without interest.

8. It is the Applicant's intention to pay a discretionary dividend on both the common and the preferred shares and to redeem the preferred shares on a pro-rata basis once sufficient surplus funds become available. The holders of preferred shares would be entitled to repayment of capital in priority to the holders of common shares.

9. The Project will be financed entirely by equity investment. There is no intention at this time to borrow any money from any source. If the minimum Offering is achieved the proceeds will be used as follows:

Purchase: Lot 21, 22 and 23, Block 3, Plan 59 MLTO	\$ 5,000.00
Pre-Paid Expenses/Supplies	\$ 2,000.00
Estimated building renovation and equipment	\$72,000.00
Contingency fund	\$21,000.00

If the maximum Offering is achieved, excess funds will be used to meet future contingencies and/or invested in diversifying the business.

10. The individuals proposing to act as agents for the Applicant will be directors of the Applicant and in addition are residents or are employed in or near the Village of Crystal City. They are Henry Harms, Keith Melvin, Les McKitrick, Floyd Cudmore, Elfrieda Tiessen, Jack Lewis, Bill McKitrick and Henry Reimer. Currently Raymond John Lewis is the First Director of the Applicant.

11. All Eligible Investors will be provided with a copy of an Offering Memorandum on or before the time of the subscription for shares which complies with Form 26 of The Securities Regulation.

12. Each Eligible Investor will be required to complete a form of declaration acceptable to Commission Staff at the time they subscribe for securities under the Offering confirming receipt of the Offering Memorandum recommending that they obtain advice on the investment and confirming that they qualify as an Eligible Investor.

13. The purchasers will not be able to sell their security for one year subject to the Director consenting to the transfer of security where it is not prejudicial to the public interest.

14. There will be no sales commissions paid directly or indirectly with respect to the trades except for the reasonable and actual costs incurred by individuals permitted to trade in securities under this Order.

15. All advertisements used to promote the Offering will be filed with the Commission Staff at least 5 days before publication along with a list of locations where the advertisement will be placed.

16. The Offering shall be completed within 180 days of the date of this Order authorizing the Offering. Within 14 days of the earlier of the Offering maximum being subscribed for or 180 days from the date of the Order the Applicant shall file a report with the Commission substantially in Form 27 of The Securities Regulation along with declarations completed by 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 section 20(1) of the Act, trades made by the Applicant in connection with the Offering are exempt from sections 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 Investors.
- b) The minimum and maximum amount that an Eligible Investor may subscribe for shall be One (1) Common Share for a total acquisition cost of \$500.00. Holders of one Common Share may, in addition, subscribe for any number of Class "C" Preferred Shares at a price of \$500.00 per share to the maximum offering amount.
- c) The Applicant shall prepare and file with the Commission at least 10 days before its use the Offering Memorandum.
- d) The Applicant shall prepare a declaration in a form acceptable to the Commission staff (the "Declaration") which is to be completed by all Eligible Investors at the time they subscribe for securities pursuant to the Offering which states:
 - i) Type and amount of securities purchased;
 - ii) The purchaser is an Eligible Investor;
 - iii) The purchaser has received all documents they are required to receive pursuant to this Order;
 - iv) The purchaser has received independent expert advice or has declined to receive independent expert advice concerning the Offering;
 - v) The purchase has been made for investment purposes and not for resale;

- vi) 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;
- vii) 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.
- e) 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 normally available under the Act are not available in this instance.
- f) Prior to any sale of shares, a potential purchaser shall be provided with the Offering Memorandum.
- g) No sales 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 this Order.
- h) Any and all forms of advertisements to be used to promote the Offering shall 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.
- i) 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.
- j) 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 to be met, are satisfied. In the event that the closing requirements are not met, the proceeds are to be returned to the purchasers.
- k) The Offering shall be completed within 180 days from the date of this order.
- l) Within 14 days of the earlier of the Offering maximum being subscribed or 180 days 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 the originally signed Declarations for each investor.

BY ORDER OF THE COMMISSION

Deputy Director - Legal

