

***Truro Investment Co-operative Ltd***  
***Offering Document***  
***September 2004***

Form 1  
**Offering Document**

(Pursuant to the *Community Economic-Development Corporations Regulations*)  
[This document is to be used only by Associations and Corporations as defined herein that are community economic-development corporations.]

**Glossary**

In this offering document:

1. “Act” means the *Securities Act*;
2. “Association” means an association as defined in the *Co-operative Associations Act*;
3. “CEDC” means a Community Economic-Development Corporation, as defined herein;
4. “Community Economic-Development Corporation” means a Corporation or Association that meets the criteria prescribed by the regulations made pursuant to the *Equity Tax Credit Act* and is registered as a Community Economic-Development Corporation by the Minister of Finance pursuant to Section 11 of the *Equity Tax Credit Act*;
5. “Community Economic-Development Plan” means the community economic-development plan proposed by the Issuer which contains the information prescribed by the regulations made pursuant to the *Equity Tax Credit Act*;
6. “Corporation” means a corporation incorporated pursuant to the laws of the Province of Nova Scotia, another province of Canada or Canada that has its head office located in the Province of Nova Scotia;
7. “Finders” means persons who, for compensation or without compensation, act as intermediaries in obtaining selling agents or otherwise make introductions in furtherance of this Offering;
8. “Issuer” means Truro Investment Co-operative Ltd.
9. “Investee Corporation” means a corporation in which the Issuer proposes to invest all or substantially all of the proceeds of the offering and where all or substantially all of the fair market value of the corporation’s property is attributable to property used in an active business. In this case the investee corporation is the Marigold Cultural Centre Co-operative Ltd.
10. “Offering” means this offering of Shares of the Issuer;

11. “Promoter” has the same meaning as in the Act, except that pursuant to subsection 3(3) of the *Community Economic-Development Corporations Regulations* no individual shall be considered as a promoter unless a promoter at the time the offering document is filed with the Director of Securities;

12. “Securities Rules” means the rules of the Nova Scotia Securities Commission made pursuant to the Act;

13. “Security holder” means a person or company who purchases Shares under this Offering;

14. “Shares” in this case, mean fully paid, newly-issued voting shares that are non-redeemable, non-convertible, and not restricted in profit sharing or participation upon dissolution. Individuals must purchase a minimum of 1 share, for a total value of \$5000. Shares of the Issuer that may attract a 30% tax credit against provincial taxes payable and potentially a provincial government guarantee on the last 20% of the investment for the first 4 years after purchase. Please see Section 10(J).

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## **CAUTIONS**

The Nova Scotia Securities Commission has not assessed:

the reasonableness or merit of the Issuer or the Offering;

whether the Issuer has sufficient financing and managerial expertise to accomplish its stated objectives;

whether management of the Issuer has the reputation and commitment to conduct the Issuer's business with integrity and in the best interest of the Security holders;

whether the Promoters and management of the Issuer are receiving unconscionable benefits at the expense of the Security holders; or

whether any financial forecast or projection contained in this offering document has a reasonable basis;

Investment in small business involves a high degree of risk, and investors should not invest any funds in this Offering unless they can afford to lose a substantial portion of their investment. Potential investors should read all of this offering document, particularly the risk factors on page 7.

Potential investors should review the information concerning the background of the Issuer's officers, directors and other key personnel and consider whether or not these persons have adequate background and experience to develop and operate the Issuer and to make it successful. In this respect, the experience and ability to manage are often considered among the most significant factors in the success of a business.

After reviewing the "Use of Proceeds" on page 25 potential investors should consider whether the amounts available for future development of the Issuer's business and operations will be adequate.

A Security holder may have rights of rescission or an action for damages in circumstances which are described in this offering document beginning on page 51.

THERE IS NO ORGANIZED MARKET THROUGH WHICH THE SHARES MAY BE SOLD. IT MAY BE DIFFICULT OR EVEN IMPOSSIBLE FOR THE INVESTOR TO SELL THEM.

Potential investors should also consult their professional advisors before investing.

This offering document, together with the documents incorporated herein by reference and forming part of this offering document, and the attachments thereto contain all of the representations by the Issuer concerning this Offering and no person shall make different or broader statements than those contained herein. Investors are cautioned not to rely on any information not expressly set forth in or attached to this offering document.

This offering document, together with financial statements and other attachments, consists of a total of 85 pages.

**Note: Other documents related to this Offering, are listed below. These documents have been submitted to and reviewed by the Securities Commission, are available for investor review at the office of Truro Investment Co-operative, located at 872 Prince Street, Truro.**

- ✓ **Marigold Cultural Centre Business Plan**
- ✓ **Trustee Agreement with Community Credit Union of Cumberland/Colchester**
- ✓ **Review Engagement Letter from WBLI Chartered Accountants**
- ✓ **Articles of Incorporation of Truro Investment Co-operative Ltd**
- ✓ **Articles of Incorporation of Marigold Cultural Centre Co-operative**

## ***THE OFFERING***

1. The Shares being offered are:

Fully paid, newly-issued voting shares that are non-redeemable, non-convertible, and not restricted in profit sharing or participation upon dissolution; the price per share is \$5000. Individuals must purchase a minimum of 1 share

The minimum share purchase under this Offering is: **\$5000**

2. The offering price was established by the following method:

negotiation with the investor

arbitrarily by the Issuer

otherwise (explain)

3. Maximum number of Shares offered: **190 (one hundred and ninety)**

4. Total proceeds if maximum sold: **\$950,000 (nine hundred and fifty thousand dollars)**

5. Minimum number of Shares offered: **170 (one hundred and seventy)**

6. Total proceeds if minimum sold: **\$850,000 (eight hundred and fifty thousand dollars)**

7. Reasons for the selection of the minimum number of Shares offered:

***The minimum amount to be raised to finance the project, is \$850,000. Share value, as stipulated by the bylaws of the Truro Investment Co-operative Limited, is set at \$5000. To raise the minimum amount of \$850,000, and assuming that each investor may only purchase one share, we will require 170 investors.***

8. Minimum number of investors required: 25 (twenty five). ***No one shareholder can own more than 20% of the common shares of the “Truro Investment Co-operative Limited”.***

9. Total estimated costs of the Offering: Total \$21,000  
\$16,000: payable to the Nova Scotia Co-operative Council Limited, who have been retained to co-ordinate and facilitate the complete CEDIF/Community process.  
\$5000: Downtown Truro Partnership for the reimbursement of accounting, auditing and legal costs related to the development of the CEDIF and project.

None of the costs have been incurred to date, though several are pending. Specifically, the Nova Scotia Co-operative Council was contracted by legal agreement to coordinate this project and prepare the offering document. The contract amount is \$16,000, but it has not been invoiced or paid until approval of the Offering Document has been granted and the project is underway. Likewise, the accounting firm WBLI will be invoicing for preparation of the balance sheets and consent letters. Both invoices will be paid by the Downtown Truro Partnership, whether or not the project is successful. If the project is successful, the Truro Investment Co-operative will reimburse the Downtown Truro Partnership for these costs. No other invoices are pending, though other accounting, auditing and legal expenses are anticipated in the coming months.

## **RISK FACTORS**

10. Taking into consideration the factors noted below, list in the order of importance the factors which the Issuer considers to be the most substantial risks to an investor in this Offering in view of all known facts and circumstances (i.e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or not provide an adequate return).

(a) There is a lack of direct investment experience by the Fund, its promoters and its Board which may result in a "learning curve" respecting the placement of equity investments. This, in turn, may reduce the performance of the Fund, and hence is the primary risk factor identified prior to the Offering.

(b) There are limited opportunities available for exiting the Fund, i.e., liquidity risk.

The reader is instructed to refer to item 57 for a full disclosure of the limited options for the resale of these securities.

(c) Another risk factor considered to be potentially material to an investor is the opportunity cost of capital should the offer not close. Depending upon the dates involved in the offering, an investor who chooses this investment may lose the opportunity to invest in another tax-assisted investment (e.g., Labour-Sponsored Venture Capital Corporations) due to the limitation on investment (60 days).

In addition to the above risks, potential investors should consider the following risks before they decide to purchase the Shares being offered:

(d) The Shares are speculative in nature. An investment is appropriate only for investors who are prepared to have their money invested for a long period of time, and who have the capacity to absorb a loss of some or all of their investment.

(e) There is no organized market through which the Shares may be sold. Therefore, investors may find it difficult or even impossible to sell their Shares.

(f) There are restrictions on the resale of the Shares. See item 57 for details.

(g) The Issuer may not achieve a level of profitability to permit dividends to be paid. Investors should not count on any return from these Shares.

(h) Investors who deposit the Shares in a self-directed RRSP should not depend on selling the Shares or income from the Shares to fund their retirement.

(i) Tax laws frequently change.

(j) Provincial Guarantee: (i) Investments made in eligible business entities located within the geographical areas comprising the former cities of Halifax and Dartmouth, the former town of Bedford, and the area commonly known as Sackville will not be eligible for the 20% provincial guarantee of eligible investments of a community economic development fund as provided by the Equity Tax Credit Act ("ETC") and Regulations. The Fund may still make an investment that is not covered by the provincial guarantee.

(ii) Investments made in eligible business entities located **OUTSIDE** the geographical areas comprising the former cities of Halifax and Dartmouth, the former town of Bedford, and the area commonly known as Sackville will be eligible for the 20% provincial guarantee of eligible investments of a community economic development fund as provided by the ETC and Regulations conditional upon the Fund being in compliance with the ETC and Regulations.

(k) IF THE CLOSING DATE FOR THE OFFERING UNDER WHICH A SUBSCRIBER PURCHASES SHARES IS WITHIN 60 CALENDER DAYS AFTER A CALENDER YEAR END, THE SUBSCRIBER HAS THE OPTION TO APPLY THE EQUITY TAX CREDIT FIRST TO EITHER THE PREVIOUS OR CURRENT TAXATION YEAR. UNUSED AMOUNTS MAY BE CARRIED BACK THREE YEARS OR FORWARD SEVEN YEARS. THE EQUITY TAX CREDIT MAY ONLY BE USED AS A CREDIT AGAINST PROVINCIAL NOVA SCOTIA TAXES PAYABLE. THE CREDIT IS NOT REFUNDABLE.

(L). No formal agreements exist with any other community agency, such as the Cobequid Arts Council, whose support and participation are highly desirable for this business venture. Discussions are ongoing and positive with this organization. It would be unfortunate should an agreement not be reached with the Cobequid Arts Council, however it is estimated that the venture will still be successful.

An agreement has been reached with the Town of Truro for a \$40,000 financial contribution to offset employment costs for the first year of operation.

(M). No facility manager has been identified or hired as of this date. The hiring of a top-notch facility manager will be key to the successful operation of the Marigold Cultural Centre Co-operative. The board of directors of the Marigold will be responsible for the hiring.

(N). No formal agreements currently exist with any suppliers, which could delay and change the face of events and performances. Extreme delays or difficulties could impact the finances of the business.

## PLAN OF DISTRIBUTION

11. The following people (the “selling agents”) are authorized to sell Shares under the Offering:

<u>Name</u>	<u>Address</u>	<u>Business Phone #</u>	<u>Fax #</u>
Mr. John Kelderman	Kwik Kopy Printing 201 Queen Street Truro, NS B2N 2B6 <b>Email:</b> <a href="mailto:john@kwikkopy.ns.ca">john@kwikkopy.ns.ca</a>	902-893-7881	893-1418

Mr. Ken Eisner	Benchmark Developments PO Box 1401 90 Esplanade, Suite 6 Truro, NS B2N 5V2  Email: <a href="mailto:keneisner@tru.eastlink.ca">keneisner@tru.eastlink.ca</a>	902-897-0000	843-0700
Mrs. Dee Applyby	33 Broad Street Truro, NS B2N 3G1 Email: <a href="mailto:b.appleby@ns.sympatico.ca">b.appleby@ns.sympatico.ca</a>	902-893-1685	N/A
Mrs. Charlotte MacQuarrie	41 Exhibition Street Truro, NS B2N 4C5 Email: <a href="mailto:cjm@macquarries.ns.ca">cjm@macquarries.ns.ca</a>	902-893-7376	N/A
Dennis James	Patterson Palmer Hunt Murphy 10 Church St. / PO Box. 1068 Truro, NS B2N 5B9 <b>897-2000</b> <b>FAX: 893-3071</b> Email: <a href="mailto:djames@pattersonpalmer.ca">djames@pattersonpalmer.ca</a>	(902-897-2000)	N/A
6. <b>Larry Anthony</b>	50 Charles Street, Truro, NS, B2N 1X4	(902) 897-4799	

12. (a) Describe any compensation to selling agents or Finders, including cash, securities, contracts or other consideration of any kind direct or indirect.
- (a) No compensation will be paid to the above selling agents as a commission for the selling of shares.
  - (b) Also indicate whether the Issuer will indemnify the selling agents or Finders against liabilities, if any, under the securities laws.
  - (b) The Issuer will not indemnify the selling agents or Finders against liabilities, if any, under the securities laws.
13. Describe any material relationship between any of the selling agents or Finders and the Issuer or its management.

John Kelderman, a seller, is the interim chair of the board of the Issuer.

Dennis James, a seller, is the interim secretary of the board of the Issuer.

The remaining sellers hold no positions with the Issuer. They are simply promoters of the Issuer.

**NOTE: After reviewing the amount of compensation to the selling agents or Finders for selling the Shares, and the nature of the relationship between the selling agents or Finders and the Issuer, a potential investor should assess the extent to which it may be appropriate to rely upon any recommendation by the selling agents or Finders to buy the Shares.**

**Please refer to #51 & #54 for additional information on the relationship between parties.**

**Note on selling agents and Finders:**

**Potential investors should carefully consider the following points when evaluating any recommendation by the selling agents or Finders to buy the Shares:**

- (a) Amount of compensation received by the selling agents or Finders to sell the shares;**
- (b) The nature of the relationship between the selling agents or Finders and the Issuer; and**
- (c) Unlike most securities offerings, the selling agents and Finders are not required to be registered under the Act to trade securities and therefore, when investors purchase the Shares through unregistered selling agents or Finders, they should be aware that:**

**i) They will not have the protections afforded by certain requirements and standards imposed on “registrants” under the Act, including proficiency standards, reporting requirements, “know your client” requirements and “suitability” requirements; and**

**ii) Unregistered selling agents and Finders are generally prohibited by the Act from giving investment advice to potential investors unless permitted to do so by an exemption expressly set out in the Act or granted by the Nova Scotia Securities Commission under the Act.**

14. Describe the procedure by which investors subscribe for Shares under the Offering.

Initial public meetings and/or private meetings followed by provision of this offering document to prospective investors. Investors will complete a “subscription share form”, and will forward payment by means of a cheque or money order (cash is not acceptable) to the Issuer, or their banker in trust, payable to “Community Credit Union of Cumberland Colchester, to be held in trust until the closing.

15. The subscription funds will be held in trust by [Community Credit Union of Cumberland Colchester](#) and will only become available to the Issuer when the conditions of closing described below have been met and the Offering has closed.

16. The following are conditions of the initial closing of this Offering:

- (a) the Issuer has received the minimum offering amount of \$850,000 ;
- (b) all material contracts have been signed, and all material consents of third parties have been obtained;
- (c) all necessary and required certificates under the *Equity Tax Credit Act* and regulations and other applicable laws have been obtained;
- (d) additional conditions of the initial closing are:
  - (i) [A minimum of 25 investors having subscribed \(per #8\)](#)
- (e) [that a legally binding agreement purchase agreement for the land and building is in place.](#)



**Anne Perigo** is the Executive Director of the Downtown Truro Partnership, and Promoter of the Issuer. As the Executive Director, she, along with the board, is ultimately responsible for the successful completion of this business venture and for ensuring that all rules and procedures are followed and reporting is complete. The Downtown Truro Partnership is the public face on this venture. As such, Anne will have direct contact with investors and potential investors, for information, referral and reporting purposes. The Board members are the sellers and promoters. Anne's main role is the administrative and management support.

Dianne Kelderman is the CEO of the Nova Scotia Co-operative Council (NSCC), and the NSCC has been contracted by the Downtown Truro Partnership to provide development and CEDIF expertise to this project. The NSCC appointed Dianne as their lead on the project.

Dianne is not acting as a finder, seller, officer or director of either "Truro" or "Marigold". However, given Dianne's involvement in this project and in the Truro business community generally, she is acting as a Promoter.

## **BUSINESS AND PROPERTIES OF A CEDC THAT IS A CORPORATION**

When the Issuer is a Corporation and now operates or proposes to operate an active business or to invest all or substantially all of the proceeds of the offering in shares of a corporation where all or substantially all of the fair market value of that corporation is attributable to property used in an active business (the "Investee Corporation") please complete item 21.

[When the Issuer is a Corporation and has a constitution that restricts it to making specified investments in eligible local business entities in accordance with its Community Economic-Development Plan please go to item 22.]

21. With respect to the business of the Issuer and its properties:
  - (a) Describe in detail what business(es) the Issuer or Investee Corporation now operates and proposes to operate, including what products are or will be produced or services that are or will be rendered. [N/A](#)
  - (b) Describe how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities. If the Issuer or Investee Corporation plans to offer a new product(s), state the present stage of development including whether a working prototype(s) is in existence. Indicate if completion of development of the product will require a material amount of the resources of the Issuer, and the estimated amount. Describe any major existing supply contracts. [N/A](#)
  - (c) Describe the industry in which the Issuer or Investee Corporation is

selling or expects to sell its products or services and, where applicable, any recognized trends within the industry. Describe that part of the industry and the geographic area in which the business competes or will compete. Indicate whether competition is or is expected to be by price, service or other basis. [N/A](#)

- (d) If the Issuer's or Investee Corporation's business, products or properties are subject to material regulation by federal, provincial or municipal governmental agencies, indicate the nature and extent of regulation and its effects or potential effects upon the Issuer. [N/A](#)
- (e) State the number and types of employees the Issuer or Investee Corporation has and the number and type of employees it anticipates it will have within the next twelve months. [N/A](#)
- (f) Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) that the Issuer or Investee Corporation owns, indicating also what properties it leases and a summary of the terms of those leases, including the amounts of payments, expiration dates and the terms of any renewal options. Indicate what properties the Issuer or Investee Corporation intends to acquire in the next twelve months, the costs of such acquisitions and the sources of financing it expects to use in obtaining those properties, whether by purchase, lease or otherwise. [N/A](#)
- (g) State the name of any subsidiaries of the Issuer or Investee Corporation, their business purpose and ownership. If none, so indicate. [N/A](#)
- (h) Summarize the material events in the development of the Issuer or Investee Corporation during the last 5 years or for whatever lesser period the Issuer has been in existence. Include both positive and negative facts. Also include details on profits and losses, including the causes of any losses. Include as well any material acquisitions or arrangements. [A "material event" or "material acquisition or arrangement" is one that is fundamental to the business and day-to-day operations of the Issuer or Investee Corporation.] [N/A](#)

## **SPECIFIED INVESTMENTS IN ELIGIBLE LOCAL BUSINESS ENTITIES BY A CEDC THAT IS A CORPORATION**

22. [Item 22 must be completed by a CEDC that is a Corporation with a constitution that restricts it to making specified investments in eligible local business entities in accordance with its Community Economic-

Development Plan.]

- (a) Set out restrictions as described in the Issuer's constitution. *N/A*
- (b) Describe the Issuer's investment strategy and objectives as set forth in the Issuer's Community Economic-Development Plan. *N/A*
- (c) Describe any intended specified investments in eligible local business entities which the Issuer plans to make with the proceeds of the Offering and how they fall within the Issuer's Community Economic-Development Plan. If no such specified investments are planned at the time of the Offering or if further specific investments are contemplated please indicate that fact. *N/A*

**[Potential investors should note that where specified investments in eligible local business entities are not described in this offering document the Issuer must make such investments in compliance with Section 20 of the *Community Economic-Development Corporations Regulations*.]**

#### **BUSINESS AND PROPERTIES OF A CEDC THAT IS AN ASSOCIATION**

When the Issuer is an Association and now operates or proposes to carry on business or operate as a marketing, producer or employee co-operative as those activities are defined in the regulations to the *Equity Tax Credit Act*, please complete item 23.

[When the Issuer is an Association that has a constitution that restricts it to investing in eligible investments in accordance with the regulations made pursuant to the *Equity Tax Credit Act*, please go to item 24.]

- 23. With respect to the business of the Issuer and its properties:
  - (a) Describe in detail what business(es) the Issuer now operates and proposes to operate, including what products are or will be produced or services that are or will be rendered.

The issuer (Truro Investment Co-operative Limited) will own, but not operate the Marigold Cultural Centre Co-operative. The Marigold will be operated by a facilities manager who will report to the Marigold board of directors. The Truro Investment Co-operative Limited (the owners) will have one seat on the board of the Marigold.

The board of directors of the Marigold Cultural Centre Co-operative will hire a facility manager. The position will be posted throughout the area, through local communication vehicles, partner organizations, and through provincial media if required. A short list will be developed of applicants, a hiring committee will be

put in place, interviews conducted and a decision made, no later than December 1<sup>st</sup>, 2004.

The Marigold Cultural Centre Co-operative got its name from the SS Marigold. The SS Marigold is a fictional, mystical ship created and written about, by a local author who was attempting to describe the history, culture and people of the Truro area. He described this ship, the SS Marigold, as it went up and down the Salmon River, a river that runs through the town. The Marigold will be a for-profit arts and culture center that will Operate the old Sobey's Centennial Cinema facility located at 605 Prince St. Truro. It would be lead by a facility manager, reporting to a board of directors made up of representatives from the Downtown Truro Partnership, the Cobequid Arts Council, the Town of Truro as well as the Truro Investment Cooperative. The Truro Investment Co-operative will be the financial shareholders of the operation, allowing the facility to operate with community equity rather than debt.

This facility will not only benefit the quality of life of the region, but will also be an important economic driver in the downtown core. Richard Florida, a popular researcher and author of The Rise of the Creative Class, asserts that vibrant economies are often the result of a new 'creative class' that includes not only scientists, engineers, and programmers – but also artists, writers, entertainers, actors, designers, impresarios and filmmakers. It is no wonder the leading organizations in the Truro area have identified promoting arts and culture in the region as a cornerstone to the future of a vibrant and strong community.

The building will consist of four main areas:

- Performing Theatre - to provide a wide variety of live entertainment featuring local and touring groups that support the diverse interests of the residents of Truro and surrounding area.
- Arts Studio & Sport Hall of Fame - Workshop space for visual and performing art education classes as well as Sport Hall of Fame static and rotating displays held in glassed cases.
- Gallery Lobby – Facility lobby housing Truro Arts Society rotating exhibits as well the beverage concession during performances.
- Board Room, Offices - to provide an effective workable office space to support the continual development of downtown Truro, programming for the Marigold Cooperative, and a large boardroom for community rental.

#### Business Goals

- ✓ Provide a year round arts and cultural venue profiling local amateur and professional talent for Truro and surrounding area residents
- ✓ Develop an attraction to stimulate tourist visitation in the downtown core.
- ✓ Stimulate economic and residential development in the downtown core and provide source of accessible community entertainment in the downtown core

- (b) Describe how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities. If the Issuer plans to offer a new product(s), state the present stage of development including whether or not a working prototype(s) is in existence. Indicate if completion of development of the product will require a material amount of the resources of the Issuer, and the estimated amount. Describe any major existing supply contracts.

Fundamental to the operation would be a strategic partnership between the Marigold Cultural Centre Co-operative and the Cobequid Arts Council, with the theatre providing the home for arts and cultural programming initiated by the Council. In turn a Council program manager would plan and coordinate the various events both for arts education as well as live theatre performances. The synergy created will allow the focus of facility operations to lay with the Theatre and the focus of programming with the Arts Council. Other partnerships would be with the Downtown Truro Partnership, Truro Sport Heritage Society and the Truro Arts Society, each using the facility for events and displays.

No formal agreements are in place between any of these partners, as of this date. Meetings have been held with the various groups to get their support and buy-in for the project, but nothing formal is in place.

The facility will operate year-round offering a variety of programs from live theatre and visual arts gallery to art education, sports hall of fame and space rentals for meetings and workshops. The proposed official opening will be January 1, 2005 with a Grand Opening Gala on December 31, 2004. The overall operation of the facility will be a coordinated effort between the Facility Manager under the Marigold's Board of Directors and Program Manager under the Board of Directors of the Cobequid Arts Council.

### ***Opportunities***

- ✓ Provide a focal point for arts and cultural activities in Truro which has been identified by a number of strategic initiatives as a requisite for future community development
- ✓ Provide enhanced business and residential activities for downtown Truro
- ✓ Innovative and attractive funding option through the provincial CEDIF (Community Economic Development Investment Fund)
- ✓ Synergy between large group of partners (Marigold Theatre Coop, DTP, CAC, Truro Arts Society, Truro Sport Heritage Society, Town of Truro)
- ✓ Existing vacant building with complimentary design elements (stage, multi-purpose space, parking, central location, good visibility)
- ✓ Strong volunteer community ready and willing
- ✓ Widespread support from cultural and business organizations
- ✓ Renewed interest in the Cobequid Arts Council

- ✓ Building community capacity by providing incremental resources with relatively low community investment
- ✓ Provide an ongoing link between Truro's recognized sports community and its heritage

***No formal agreements or contracts are in place with any individual or organization for the provision of services, products, offering of arts programs, etc which are planned as potential offerings at the cultural centre.***

(c) Describe the industry in which the Issuer is selling or expects to sell its products or services and, where applicable, any recognized trends within the industry. Describe that part of the industry and the geographic area in which the business competes or will compete. Indicate whether competition is or is expected to be by price, service or other basis.

The industry that the Marigold Arts and Culture Center Co-operative will be operating in is the arts and entertainment industry. The Truro and surrounding areas have been dreaming about an arts and culture center for over two decades, as none currently exist in the immediate area.

### **Competition**

Depending on the product offering, there are a number of venues that the Marigold would be competing against.

- 1) Performing Arts - For the performing arts theatre, competition could be considered any form of entertainment either at home (TV, video) or within a 100km radius of Truro. Direct competition includes other performing arts theatres in the regional area.

<b>Performing Arts Facilities Truro</b>	<b>Capacity</b>	<b>Location</b>	<b>Km. from</b>
DeCoste Centre		Pictou	80 km
Ship's Company Theatre		Parrsboro	80 km
Musquodoboit Theatre		Musquodoboit	90 km
Neptune Theatre	479	Halifax	100 km
Metro Centre	9,000	Halifax	100 km
Rebecca Cohn Auditorium	700	Halifax	100 km
Other smaller Theatre venues	n/a	Halifax	100 km
NS Agricultural College	450	Bible Hill	10 km
Cobequid Educational Centre	1046	Truro	-

Relative to the competition, the Marigold has the following strengths:

- Convenient central downtown location
- High visibility, high traffic area
- Dedicated programming manager to develop strong arts and cultural offering
- Multipurpose arts and cultural focal point (Sport Hall of Fame, Arts Gallery, arts educations, etc. ) appealing to broad audiences
- Custom built renovations to suit community needs.
- Handicap accessibility

Overall, the Marigold will stimulate new demand for the performing arts through 1) new product offerings and 2) more appealing and convenient venue. While there may be some substitution with these other locations, overall the level of participation in the arts will increase dramatically, encouraging more residents to spend an evening out to experience unique, live entertainment in their own community.

2) Studio Rentals – Currently there is very little available in the region that will provide permanent and adequate studio space for visual and performing arts. Previously the Arts Council had rented space in a converted house, however, space was limited and broken up into smaller areas. The Chignecto Central Regional School Board offers some programming currently through the continuing education program with limited classes and schedules. In addition, some of the leading instructors in the area are offering courses on an ad hoc basis. Rather than compete with these instructors, the intention is to hire many of these top instructors and offer up the space and programming through CAC. With the Marigold arts studio, the arts education community will have a newly renovated space properly designed and available for conveniently scheduled classes 7 days a week.

3) Meetings and Special Events - The two major hotels in Truro currently offer large, professionally staffed meetings and convention facilities to a wide range of organizations. As with most recurring meetings and events, organizers are often looking for variety and alternatives when venue planning. The Marigold would add to the mix of options in the Truro area providing the market with more to choose from. The intention is to broaden the offering that Truro can promote to local and regional meetings and events, thus capturing a larger share of the regional market overall.

4) Gallery and Permanent Displays – Currently there is very little space available in the community to house either rotating or permanent art and heritage displays. The Truro Arts Society has long outgrown its Library basement space for its events and the Truro Sport Heritage Society has never had a permanent workable venue to properly and publicly display their stories.

5) Concession and Foodservice – Only the basic beverage and snack services will be offered on-site to satisfy the immediate needs of the patrons. It is intended that the downtown draw of clientele to the Marigold will actually stimulate demand for beverage and foodservice facilities in the area. Additional foodservice requirements for meetings and special events will be contracted out to local suppliers/caterers rather than be offered in house.

### **Target Markets**

In general the major markets will be a broad mix of Truro area residents and business people, depending on the type of services and programming being offered.

### **Primary Markets**

- Truro/Colchester County residents – With just over 51,000 residents in Colchester County, and close to 15,000 in the town of Truro, the area represent one of the larger population bases of the province. The market will include residents of all ages, urban and rural, interested in the arts, culture and heritage, depending on the programming and products offered.
- The local creative community – Through partner organizations and various programs, the arts community itself will form a major market for the Marigold. It will provide a focal point for the community to gather for current programs as well as stimulate future collaboration and creativity.

### **Secondary Markets**

- Visiting Tourists to the Truro area – The Marigold will be a demand supporter for tourists who are in the area. While it is not likely to generate incremental trip visits to Truro in and of itself, it will provide another attraction in the area both through arts and heritage exhibits as well as seasonal plays and performances. It is estimated that Truro receives close to 50,000 party visits of an hour or more and another 50,000 overnight party visits between May and October\* (including business and pleasure visitors). Even 5% market penetration could represent 5,000 party visits throughout the year to view the Sports Hall of Fame, Visual Arts and live performances.

\* Source – NS Tourism and Culture

## **Message/Branding**

The tag line “*We won’t make a move without you.*” suggests the desire for community involvement and accessibility (physical, cultural and economic) in order to launch the centre and ensure its success.

Professional creative development will be undertaken to launch the Marigold with a high quality and attractive brand. While the message will be one of inclusion and involvement with the community, the branding will be loosely based on the historical elements of the SS Marigold, linking a sense of heritage, humour and community pride.

## **Product Offering**

- 1) Performing Arts – This will include a wide range of performing arts programs on the main theatre stage. Annual programming will be developed with an estimated 20 performances in the first year. This will increase to 26 in the second year with similar growth into the future in order to provide a rich and varied offering to a variety of groups in the community. Programming will include children’s programs, comedy, drama, and musical artists as well as weekly Blue Grass and Open Mike series on Sunday and Monday evenings.
- 2) Arts Education – Seasonal arts education programs will be offered three times a year with 8-10 weeks courses each as well as March break and summer camps. Starting times would be January, April and September. Top instructors in the community will be hired to offer some of the best arts programs in the area. Both youth and adult classes will be offered in a variety of area such as piano, singing, drumming, painting, weaving, drama and more. The Cobequid Arts Council will manage this with space rented from the Marigold.
- 3) Meeting and Event Venue – Corporate and association meetings will be held at the Marigold throughout the year. By providing a new and interesting venue, regional meetings and training sessions will consider Truro a viable option when planning their events. A local bank has already used the venue for a half-day training session before any of the renovations were completed, and were very pleased with the convenience and layout of the facilities. They and many other Truro businesses are anxious to use the finished product. Onsite beverage and snack facilities will be available and foodservice requirements will be catered through local restaurants.
- 4) Arts and Cultural Community Attraction – A number of exhibits and events will be held at the Marigold. Again, early indications are that the facility will provide an excellent location that is accessible and spacious. One local

organization has already hosted one of their best art exhibits ever during the recent Tulip Festival – Art in Bloom. The Truro Arts Society will organize and manage these exhibits and the Marigold will receive a percentage of arts sales through commissions.

- 5) Truro Sports Hall of Fame – It is long overdue and people are anxious to make a home for the hundreds of artifacts, stories, photos and memories of Truro’s great athletes, some of whom reached professional status, but most who won the admiration of the local community. The Truro Sport Heritage Society has been fundraising for the development of a permanent hall of fame for 20 years and is anxious to begin construction at the Marigold.

(d) regulation by federal, provincial or municipal governmental agencies, indicate the nature and extent of regulation and its effects or potential effects upon the Issuer.

There are no health, safety, zoning or other regulations that we are aware of, that would hinder the project from meeting it’s objectives.

24. Item 24 must be completed by a CEDC that is an Association that has a constitution that restricts it to investing in eligible investments in accordance with the regulations made pursuant to the *Equity Tax Credit Act*.

- (a) Set out restrictions on investments as described in the Issuer’s constitution: [N/A](#)
- (b) Describe the Issuer’s investment strategy and objectives as set forth in the Issuer’s Community Economic-Development Plan. [N/A](#)
- (c) Describe any intended specified eligible investments which the Issuer plans to make with the proceeds of the offering. If no such specific eligible investments are planned at the time of the Offering or if further specific eligible investments are contemplated, please indicate that fact. [N/A](#)

**[Potential investors should note that where specific eligible investments are not described in this offering document the Issuer must comply with Section 21 of the *Community Economic-Development Corporations Regulations*.]**

## CAPITAL STRUCTURE

25. The following table describes the authorized capital of the Issuer:

Name of Security	Description of Attributes
Common Shares	Voting, non-redeemable, non-convertible, not restricted in profit sharing or participation upon dissolution.

26. The following table describes the capital structure of the Issuer at a date not more than 30 days preceding the date of the offering document and also what the capital structure will be on the conclusion of the Offering:

Name of Security	Number Authorized	Total \$Value and # Outstanding at 24/06/04	Total \$Value and # Outstanding at Initial Closing @ Minimum @ Maximum
[Loans/ Other Indebtedness]	0	0	0
[Preferred Shares]	0	0	0
[Common Shares]	9500	***3 shares (\$15,000)	Minimum 170 shares at a value of \$850,000 Maximum 190 shares at a value \$950,000
[Retained Earnings]	0	0	0

\*\*\* Note: The three (3) current shares are incorporating shares. They will be cancelled out at the date of offering closing.

## USE OF PROCEEDS

27. The funds raised in the Offering will be used as indicated in the following table:

	<i>Amount if Minimum Sold</i>	<i>%</i>	<i>Amount if Maximum Sold</i>	<i>%</i>
<b>Total Proceeds</b>	<b>\$850,000</b>	<b>100</b>	<b>\$950,000</b>	<b>100</b>
Less Offering Expenses:				
Commissions & Promoters Fees	0	0	0	0
Legal & Accounting Fees	5,000	.6	5,000	.5
Offering Preparation	\$16,000	.2	\$16,000	1.7
Other Expenses	0	0	0	0
<b>Net Proceeds from Offering</b>	<b>\$829,000</b>	<b>99.2%</b>	<b>\$929,000</b>	<b>97.8%</b>
Use of Net Funds				
Investment in Marigold Cultural Centre Co-operative Limited	\$ 809,000	97.6%	\$909,000	97.8%
<b>Operational Reserve</b>	<b>\$20,000</b>	<b>2.4%</b>	<b>\$20,000</b>	<b>2.2%</b>
Total Use of Net Proceeds	<b>\$829,000</b>	<b>100%</b>	<b>\$929,000</b>	<b>100%</b>

**Note:** Operational Reserve of \$20,000 will be used to cover any future costs of yearly tax reporting, accounting, legal fees etc.

28. Describe the order of priority in which the proceeds set forth under the column "If Minimum Sold" will be used.

The Issuer is the Truro Investment Co-operative. Other than the offering document preparation costs and the operational reserve, (estimated to be at approximately \$41,000), the Truro Investment Co-operative will be investing all of the dollars raised into the Marigold Cultural Centre Co-operative. The Marigold will be the business entity that has all of the detailed expenses such as renovations, staffing, such as:

If the minimum amount of \$850,000 is raised, the following priority will be given for the expenditures:

Purchase of the Facility: \$266,500  
Paying of Acquisition Costs: \$48,050 (legal, accounting, 6% interest etc)  
Paying of Fees associated with the Offering: \$21,000  
Renovations to the Facility: \$339,450  
Renovation of the Administration Area: \$100,000  
Operational Reserve: \$75,000

Total of \$ \$850,000

29. If material amounts of funds from sources other than the Offering are to be used in conjunction with the proceeds from the Offering, state the amounts and sources of such other funds, and whether funds are firm or contingent. If contingent, explain the contingent event(s).

The Town of Truro has committed \$40,000 to the project, to be used for the hiring of a facility manager.

30. Indicate whether the Issuer is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Issuer to make payments. Indicate if a significant amount of the Issuer's trade payables have not been paid within the stated trade term. State whether the Issuer is subject to any unsatisfied judgments, liens or settlement obligations and the amount thereof. Indicate the Issuer's plans to resolve any such problems.

The Issuer is not having, nor anticipates having within the next 12 months, any cash flow or liquidity problems. It is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Issuer to make payments.

31. Indicate whether proceeds from the Offering will satisfy the Issuer's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known.

It is expected that the proceeds of this offering will be sufficient to meet the ongoing financial and cash flow requirements of the Marigold Cultural Centre Co-operative over the next 12 months.

Should the proceeds raised be in the "minimum category", the additional external upgrades to the façade of the facility will not be completed in the first year. While these renovations are deemed to be a "nice to have"; they are not directly connected to the business success and viability.

## FINANCIAL FORECASTS OR PROJECTIONS

32. If future-oriented financial information such as forecasts or projections will be provided to potential investors, such information must be attached to the offering document and referred to in this section. The forecast or projection must include all of the assumptions used to calculate the figures shown and be prepared in accordance with the *Community Economic-Development Corporations Regulations*.

A projected income statement will NOT be provided to potential investors as part of the Marigold Cultural Center Co-operative's business plan, as it has been impossible to get an accounting firm to agree to do an audit of future projections.

## DIVIDENDS, DISTRIBUTIONS AND REDEMPTIONS

33. Provide particulars of the Issuer's dividend policy, if any.

***It is the policy of the Issuer that no dividends will be paid in the first three year period. All retained earnings of the Marigold Cultural Center Co-operative will be used for reinvestment in growth and expansion. In year four the Board will review the financial position of the business and determine at that time, the financial capacity of the business venture to pay dividends.***

***The board of directors of the Marigold Cultural Centre Co-operative Limited, will make dividend redemption decisions at the end of their fourth year, based on the financial performance of the business venture. Consideration will be given to the future growth and development needs of Marigold, and to ensuring an adequate rainy day reserve, before the disbursement of any shareholder dividends.***

***Should there be any “shareholder dividends” available, the Marigold will issue a cheque payable to the Truro Investment Co-operative Limited. The board of directors of Truro Investment will then make a recommendation to their shareholders at their Annual General Meeting as to the disbursement of the received dividends.***

***Financial due diligence will be performed first by the board of directors of the Marigold Cultural Centre Co-operative. Financial statements will be presented to the board on a monthly basis.***

***As the Truro Investment Co-operative Limited will have a seat on the board of the Marigold, the financial statements will be brought back to the Truro Investment board by their representative, and will be reviewed by the Truro Investment board during their regular board meetings.***

***Both boards will have an opportunity for review and input, at various times throughout the year, to ensure that the Marigold is financially on track.***

34. Give details of dividends and other distributions paid by the Issuer to its security holders during the last 5 years.

NONE

## **PROMOTERS OF THE ISSUER**

35. The Promoters of the Issuer are:

**1. Name:** John Kelderman, President of the Board, Downtown Truro Partnership

**Home street address:** 10 Eastmount Court, Truro, NS B2N 5B1

**Business telephone number:** 902-893-7881

**Home telephone number:** (902) 897-1057

**Business fax number:** 902-893-1418

**Names of employers, titles and dates of positions held during the**

**last five years with an indication of job responsibilities:**

**President/Owner: Kwik Kopy Printing, Queen St. Truro for the past 20 years.**

**President of the Truro and District Chamber of Commerce  
President, Downtown Truro Partnership  
President, Nova Scotia Chambers of Commerce  
Director, Atlantic Provinces Chambers of Commerce  
Coach, Minor Hockey**

**Nature of projects during the last five years if not described immediately above:** John has been operating his own business in the Truro area for the past 20 years. The past five years have been dedicated to the growth of his business. In addition, he has been actively involved in the business community through the Chambers of Commerce and the Downtown Truro Partnership.

**Education (degrees, schools and dates):**

High School Graduate Port Hawkesbury High, 1970  
Hotel Management, NS Community College, Dartmouth, 1972  
Adult Education Diploma, St. Francis Xavier University, 2003  
Various business management courses

**2. Name: [Dennis James](#)**

**Home street address:** 41 Exhibition Street, Truro, NS B2N 6C7

**Home telephone number:** [\(902\) 893-5717](tel:902-893-5717)

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Lawyer: Patterson, Palmer, specializing in Labour Law.

**Nature of projects during the last five years if not described immediately above:**

Chair, CBA (National) – Conference on Aboriginal Law “Aboriginal Ownership and Management of Resources in Canada: An Analysis of Litigation and Negotiation – Getting to a Win-Win?” - 2003

Chair, Election Readiness and General Election Campaign - Nova Scotia Liberal Party - 1999

Colchester County United Way - various positions over a number of years, including General Campaign Chair, 1992, and President, 1996-1998

Secretary, Board of Directors, Truro Development Corporation  
Past President, Provincial Councils Boys & Girls Club of Nova Scotia, 1990-1992

**Education (degrees, schools and dates):**

Admission to Nova Scotia Bar: 1987  
LL.B. Dalhousie University, 1986  
B.A, Honors, Dalhousie University, 1983

**3. Name:** [Dee Applyby](#)

**Home street address:** [36 Broad Street, Truro, NS B2N 3G2](#)

**Home telephone number:** [\(902\) 893-1685](#)

**Business fax number:** [N/A](#)

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

**Coordinator: Cobequid Arts Council**  
**Corporate Translator, Public Relations/Investor Relations Dept: Sobeys Inc.**

**Nature of projects during the last five years if not described immediately above:**

Volunteer Interpreter: IWK Hospital for Children  
Big Sister: Big Brothers & Sisters  
Board Member: Cobequid Arts Council  
Fundraiser: United Way  
Sunday School Superintendent: United Church  
Board Member: Truro Music Festival Society

**Education (degrees, schools and dates):**

Business Administration Diploma, NS Community College, 2003  
Linguistics, Memorial University, 2000  
Certificate in Translation, McGill University, 1980  
B.A, Universite de Montreal, 1979  
Modern Languages, Switzerland, 1976

**4. Name:** Charlotte MacQuarrie

**Home street address:** 79 Exhibition Street, Truro, NS B2N 4C8

**Home telephone number:** (902) 893-4504

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

**Retired: Owner:** Macquarries Pharmasave

**Nature of projects during the last five years if not described immediately above:**

Chair: Truro Heritage Advisory Committee  
Archivist, Elder and editor of First United Church News  
Past (and first) President of Cobequid Arts Council

**Education (degrees, schools and dates):**

Registered Nurse, Royal Victoria Hospital, Montreal  
Music Education License, NS Teachers College

**5. Name:** Ken Eisner

**Home street address:** 252 Lexington Drive, Truro, NS B2N 5B3

**Home telephone number:** (902) 897-0002

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

President/Owner: Truro Center & Development

**Nature of projects during the last five years if not described immediately above:**

Board Member: United Way, Dream Home Committee  
Director: Truro & District Chamber of Commerce  
Director: Colchester Hospital Foundation  
Director: Downtown Truro Partnership  
Board Member: Truro Golf Club  
Director: NS Film Development Corporation

**Education (degrees, schools and dates):**

Bachelor of Science, Acadia University, 1971  
Engineering Degree, Technical University of NS, 1973

**7. Name: Larry Anthony**

**Home street address:** 50 Charles Street, Truro, NS, B2N 1X4

**Home telephone number:** (902) 897- 4799

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Parks and Recreation Department, Town of Truro

**Education (degrees, schools and dates):**

High School Graduate, Hants East Rural High  
Pipe Fitters Certificate, NS Institute of Technology  
Various courses, St. Mary's University

8. **Name:** Dianne Kelderman

**Home street address:** 10 Eastmount Court, Truro, Nova Scotia,  
B2N 5B1

**Home telephone number:** (902) 897- 1057

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

President: Atlantic Economics since 1994.

CEO: Nova Scotia Co-operative Council, under contract since 1999

CEO: Regional Co-operative Development Center, 1996-1999

**Nature of projects during the last five years if not described immediately above:**

Dianne has worked in the field of business and economic development for the past 15 years. She is the current President of the Atlantic Provinces Chambers of Commerce, the past President of the Nova Scotia Chambers of Commerce, and serves in several other volunteer capacities within her community. She is the author of an \$8 million small business/loan guarantee program now being delivered through the Nova Scotia credit union sector, and is the author/manager of a co-operative/credit union equity investment fund.

**Education (degrees, schools and dates):**

Masters in Economic Development, New Hampshire Graduate School of Business, 1996.

Masters of Education, St. Mary's University, 1993

B.A, B.Ed, Memorial University of Nfld, 1988

Currently working towards MBA.

9. **Name: Anne Perigo**

**Home street address:** 32 Edward Street, Truro, B2N 3E4

**Home telephone number:** (902) 893-8858

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Executive Director, Downtown Truro Partnership, 2003- Present

Director of Communications, Department of Natural Resources, Provincial Government, 2000-2003

Contract Work, Communications prior to 2000 ( and becoming a mother)

**Nature of projects during the last five years if not described immediately above:**

During the past five years, Anne's primary work was in the area of Communications, where she acted as the Director for the Department of Natural Resources. In 2003 she joined the Downtown Truro Partnership, as their Executive Director, and is responsible for the complete management of the operation.

**Education (degrees, schools and dates):**

**CEC Graduate, 1982**

**Mount Saint Vincent, Public Relations, 1986**

**Various courses in communications, french, business.**

**Anne is fluently bilingual.**

## OFFICERS OF THE ISSUER

36. The officers of the Issuer are:

1. **Name:** John Kelderman, President of the Board, Downtown Truro Partnership

**Home street address:** 10 Eastmount Court, Truro, NS B2N 5B1

**Business telephone number:** 902-893-7881

**Home telephone number:** (902) 897-1057

**Business fax number:** 902-893-1418

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

**President/Owner:** Kwik Kopy Printing, Queen St. Truro for the past 20 years.

**President of the Truro and District Chamber of Commerce  
President, Downtown Truro Partnership  
President, Nova Scotia Chambers of Commerce  
Director, Atlantic Provinces Chambers of Commerce  
Coach, Minor Hockey**

**Nature of projects during the last five years if not described immediately above:** John has been operating his own business in the Truro area for the past 20 years. The past five years have been dedicated to the growth of his business. In addition, he has been actively involved in the business community through the Chambers of Commerce and the Downtown Truro Partnership.

**Education (degrees, schools and dates):**

High School Graduate Port Hawkesbury High, 1970  
Hotel Management, NS Community College, Dartmouth, 1972  
Adult Education Diploma, St. Francis Xavier University, 2003  
Various business management courses

**Also a director of the Issuer**  Yes  No

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The chair position is a volunteer position. As such, it is expected that the chair will volunteer approximately 20 hours per month in this capacity.

Please note that John Kelderman is the current chair of the Downtown Truro Partnership. Until an official meeting of the membership is called and elections held, Mr. Kelderman is acting as the interim chair of both the Issuer (Truro Investment Co-operative Ltd) and the Investee Corporation (Marigold Cultural Centre Co-operative).

**2. Name:** Kathie Millest Murphy, Vice Chair

**Business street address:** 583 Prince Street, Truro, NS B2N 6C7

**Business telephone number:** (902) 895-7177

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

**Owner:** Sun Spun Natural Foods

**Education (degrees, schools and dates):**

BA, Psychology, Mount Saint Vincent University, 1973  
Bachelor Special Education, Acadia University, 1974  
Masters in Education and Psychology, Dalhousie, 1983

**Also a director of the Issuer**  Yes  No

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The vice chair position is a volunteer position, and will be a support position to the Chair. As such, it is expected that the vice chair will volunteer approximately 10 hours per month in this capacity.

3. **Name:** Charles MacQuarrie, Treasurer

**Home street address:** 10 Hampton Way, Truro, NS, B2N 5B3

**Home telephone number:** (902) 893-0201

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

President/Owner: Macquarries Pharmasave

**Education (degrees, schools and dates):**

High School Graduate, Truro, 1981

Bachelor of Commerce with Honours, Dalhousie University, 1985

MBA, Western University, 1988

Canadian Securities Course, 1986

**Also a director of the Issuer**  Yes  No

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The treasurer position is a volunteer position. As such, it is expected that the Treasurer will volunteer approximately 10 hours per month in this capacity.

4. **Name:** Dennis James, Secretary

**Home street address:** 41 Exhibition Street, Truro, NS B2N 6C7

**Home telephone number:** (902) 893-5717

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Lawyer: Patterson, Palmer, specializing in Labour Law.

**Education (degrees, schools and dates):**

Admission to Nova Scotia Bar: 1987

LL.B. Dalhousie University, 1986

B.A, Honors, Dalhousie University, 1983

**Also a director of the Issuer**  Yes  No

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The Secretary position is a volunteer position. As such, it is expected that the Secretary will volunteer approximately 10 hours per month in this capacity.

## DIRECTORS OF THE ISSUER

37. There are [6] directors of the Issuer, four of which are listed as Officers in Section 36 above, and:

**Name:** Jim Harpell, Director

**Home street address:** 564 Prince Street, Truro, NS B2N 1G3

**Home telephone number:** (902) 897-7009

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Retired School Teacher

Owner: Calico 95' Café

**Education (degrees, schools and dates):**

Teaching License, NS Teachers College, 1966  
Master in Education, University of Maine, 1974

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The Director position is a volunteer position. As such, it is expected that the each Director will volunteer approximately 5 hours per month in this capacity.

Name: Wayne Gillis, Director

**Home street address:** 13 Retson Drive, Truro, NS B2N 5B3  
**Home telephone number:** (902) 895-6091

**Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:**

Investment Advisor: Investment Planning Counsel of Canada

**Education (degrees, schools and dates):**

Business Administration Diploma, Memorial University of Nfld  
Fellow of the Institute of Canadian Bankers  
Canadian Investment Funds Course  
Life Insurance Course  
Disability Insurance Course  
Certificate in Financial Planning, Canadian Institute of Financial Planning  
Certified Financial Planner, The Financial Planning Standards Council of Canada.

**Indicate amount of time to be spent on Issuer's matters if less than full time:**

The Director position is a volunteer position. As such, it is expected that the each Director will volunteer approximately 5 hours per month in this capacity.

38. Information concerning each director of the Issuer, other than those already listed under the heading "Officers of the Issuer" are: [If there are no directors in addition to those listed under the heading "Officers of the Issuer",

state: “There are no directors of the Issuer other than those listed under the heading “Officers of the Issuer”.]

**There are no directors of the Issuer other than those already listed under the heading “Officers of the Issuer”.**

## **KEY PERSONNEL OF THE ISSUER**

39. For each key person (i.e. one who is essential to the operations of the Issuer) who is not already named as an officer, director or promoter, please provide the following information:

The key personnel for this co-operative have all been listed as Officers and Directors. All six will play a key role in ensuring the success of this venture.

40. Describe any arrangements to assure that each key person will remain with the Issuer and not compete with the Issuer upon termination of their relationship with the Issuer.

There are no formal commitments in place to ensure key persons stay with the Issuer, nor are there arrangements to prevent these persons from competing with the Issuer. However, the individuals listed as directors have made personal, oral commitments to the Fund, and each other, to work with this Fund until at least the first anniversary of the initial closing. We recognize however, that such verbal contracts are difficult to enforce.

41. Have any of the officers, directors or other key personnel ever worked for or managed a company (including a separate subsidiary or division of a larger enterprise) in the same business as the Issuer?  Yes  No

If yes, please explain including relevant dates: N/A

42. If the Issuer has never conducted business or is otherwise in the development stage, indicate whether any of the officers or directors or other key personnel has ever managed any other business in the start-up or development stage and describe the circumstances, including relevant dates.

All six directors are experienced and seasoned entrepreneurs who own and operate their own business ventures, and have been active leaders in business and economic development of their communities through organizations such as the Chambers of Commerce and the Downtown Business Associations.

John Kelderman, President of the Board. Mr. Kelderman started his own business 19 years ago, which is still currently operating in Truro. He opened a business that had several other businesses in the same industry already in existence, but was able to develop a profitable and growing operation.

Kathie Millest Murphy, Vice Chair. Ms. Murphy is the owner of Sun Spun Natural Foods, a business that she started over 10 years ago. It is a thriving business in operation in downtown Truro.

Charles MacQuarrie, Treasurer. Mr. MacQuarrie is the owner of MacQuarrie's Pharmasave, a thriving family business in downtown Truro.

Dennis James, Secretary, is a partner with the law firm Patterson Palmer in Truro.

Jim Harpell, Director, is the owner of the Calico Café, a restaurant business that he started and has grown in downtown Truro.

Wayne Gillis, Director, is an investment advisor with the firm Financial Planning Council of Canada. Wayne spent many years as a business development advisor with the Business Development Bank of Canada.

43. If any of the Issuer's key personnel are not employees but are consultants or other independent contractors, state the details of their engagement by the Issuer. [N/A](#)

44. If a petition under the *Bankruptcy and Insolvency Act* has been filed against any officer, director, key personnel or Promoter, or a receiver or receiver-manager has been appointed by a court for the business or estate of any such persons, or any partnership in which any of such persons was general partner, or any corporation or business association of which any such person was an executive officer within the last 5 years, set forth below the name of such persons, and the nature and date of such actions.

[No petition under the \*Bankruptcy and Insolvency Act\* has been filed against any officer, director, key personnel or promoter, nor has a receiver or receiver-manager been appointed by a court for the business or estate of any such persons, or any partnership in which any of such persons was general partner, or any corporation or business association of which any such person was an executive officer within the last 5 years](#)

## PRINCIPAL SECURITY HOLDERS

45. List below the principal security holders of the Issuer, if any. Principal security holders are those who beneficially own directly or indirectly 10% or more of any securities of the Issuer presently outstanding. Start with the largest common shareholder. If a principal security holder is not an individual, please disclose the ownership of the principal security holder by a footnote to the table. If the Issuer has no principal security holder state: "There are no security holders of the Issuer who own directly or indirectly more than 10% of any securities of the Issuer" and do not complete the remainder of this item.

There are no security holders of the Issuer who own directly or indirectly more than 10% of any securities of the Issuer.

46. Number of shares beneficially owned by officers and directors as a group.  
Before Offering: 3 (three) shares (each share equals 33% of total outstanding)

After Offering:

- (a) assuming minimum securities sold shares ( each share will equal .5% of total outstanding)
- (b) assuming maximum securities sold shares ( each share will equal .5% of total outstanding)

The issuer is the Truro Investment Co-operative Limited. No "public" shares have been sold yet. The only existing "shareholders" are the three individuals (Karen Baillie, Ken Eisner and Dee Applyby) who signed the incorporation documents (three are required to incorporate a co-operative) on behalf of their organization, the Downtown Truro Partnership. The incorporating shares purchased by these individuals will be cancelled out on the date of the offering closing.

**Note: the officers and directors of the Issuer may subscribe for shares during the Offering, in which case the numbers of shares beneficially owned by the officers and directors as a group after the offering will increase. No one individual will own or control more than 20% of the co-operative.**

## MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION

47. If any of the officers, directors, key personnel, promoters or principal security holders are related by blood or marriage, please describe:

Promoter Charlotte MacQuarrie is the mother of Director/Officer Charles MacQuarrie.

John Kelderman and Dianne Kelderman are husband and wife.

48. If the Issuer has made loans to, or received loans from, or is doing business with any of its officers, directors, key personnel, Promoters or principal security holders, or any of their relatives (or any entity controlled directly or indirectly by any such person) within the last two years or is contemplating doing so, explain. (This includes sales or leases of goods, property or services to or from the Issuer, employment contracts, or share, option or other purchase contracts, etc.) State the principal terms of any significant loans, agreements, leases, financing or other arrangements.

The Issuer has no current loans, debts or obligations.

For Information Purposes:

The Current status of the actual building at 605 Prince Street

In January 2004, the Downtown Truro Partnership decided that they would attempt to purchase the old Centennial Cinema building from Sobey's Inc. Negotiations began and a deal came together, that would see the building being bought by the downtown partnership for \$350,000, including \$266,500 cash from the downtown partnership and a donation (reduction in price) by Sobey's Inc of \$83,500. As a not for profit association, the downtown partnership did not have the financial capacity to fully finance the deal themselves.

They would not have been able to secure a mortgage through a traditional finance institution. To ensure that this great economic and cultural opportunity to did not slip by, two community citizens who were committed to the development of the downtown came forward and offered interim financing.

Total financing package included:

Downtown Truro Partnership: \$66,500

Richard Bowness: \$150,000

Charlotte MacQuarrie: \$50,000

Mr. Bowness and Mrs. MacQuarrie will be repaid their amounts given for the purchase plus 6%. This will be repaid from the proceeds of the CEDIF.

Please Note that neither Mr. Bowness or Mrs. MacQuarrie hold any director or officer positions in the Truro Investment Co-operative.

49. Give details of any payments to officers, directors, key personnel and Promoters of the Issuer, including salary, bonuses, director's fees, honoraria and reimbursement of expenses.

Officers and directors are to be reimbursed only their actual and direct expenses incurred in conducting approved Fund business.

The issuer has no outstanding loans, debts, or any other commitments.

The issuer is not doing business of any kind with any of the individuals listed as sellers, promoters, directors, officers or agents in this document.

50. If any employment agreements with officers, directors, key personnel or Promoters exist or are contemplated, please describe:

No employment agreements with officers, directors, key personnel or promoters exist, nor are any contemplated.

51. Give details of all business or personal interests that the officers, directors, key personnel, Promoters or principal security holders of the Issuer may have which could conflict with the interests of the Issuer even if it is described in answers to other questions. If there are none state: "The officers, directors, key personnel, Promoters and principal security holders of the Issuer do not have any business or personal interests that could conflict with the interests of the Issuer".

The Officers, Directors, key personnel, Promoters and principle security holders of the Issuer do not have any business or personal interests, other than those already described herein, that could conflict with the interests of the Issuer.

The interim board of directors of the Marigold Cultural Centre Co-operative, (the investee corporation) is the same as the interim board of the Truro Investment Co-operative (the Issuer). The interim officers of Marigold and Truro are: John Kelderman, Chair, Kathie Millest Murphy, Vice Chair, Dennis James, Secretary and Charles Macquarrie, Treasurer.

## LITIGATION

52. Describe any past, current, pending or threatened litigation or administrative action which has had or may have a material effect upon the Issuer's business, financial condition or operations. State the name of the court or tribunal, the names of the principal parties, the date any proceedings were started, the nature and current status of the proceedings and amounts involved.

Include any litigation or action involving the Issuer's Promoters, officers, directors or other key personnel which relates to or has or could affect the Issuer.

Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings or litigation and the potential impact on the Issuer's business, financial condition or operations.

[If there is no such litigation or action to disclose state: "The Issuer and its Promoters, officers, directors and key personnel are not currently and have not been subject to any litigation or administrative or criminal action which is or has been material to the Issuer. Nor is the Issuer or its Promoters, officers, directors or key personnel aware that any such litigation or action is pending or threatened."]

The Issuer and its Promoters, officers, directors and key personnel are not currently and have not been subject to any litigation or administrative or criminal action which is or has been material to the Issuer. Nor is the Issuer or its Promoters, officers, directors or key personnel aware that any such litigation or action is pending or threatened.

## CANADIAN INCOME TAX ACT CONSIDERATIONS

53. This commentary is of a general nature only and is not intended to be tax advice to any particular investor. Prospective investors are urged to consult with their own professional advisors regarding the tax consequences applicable to them.

There may be significant income tax consequences to individuals who are residents of Canada under the *Income Tax Act* and the *Equity Tax Credit Act*.

The following is applicable to any individual (a "Subscriber") who subscribes for and is issued shares of the Issuer pursuant to the Offering and who is:

i) an individual over 19 years of age.

- ii) resident in Canada for purposes of the Income Tax Act (Canada); and
- iii) resident in Nova Scotia for purposes of the Equity Tax Credit Act (Nova Scotia).

Subject to the assumptions set out in the paragraph above, a Subscriber will be entitled to a credit against the Subscriber's Nova Scotia provincial income taxes payable pursuant to the Equity Tax Credit Act. The amount of the credit is equal to 30% of the amount paid for the Shares, provided that each individual is limited to a maximum credit in any year of \$15,000. Shares subscribed and paid for in the first 60 days of any calendar year will be entitled to a credit in either that year or the immediately prior year. If the credit exceeds the Nova Scotia income tax otherwise payable in that year by the Subscriber, the credit may be carried forward 7 years and back 3 years and applied against Nova Scotia taxes otherwise payable in any of those years by the Subscriber.

These statements are subject to the following assumptions: i) The certificate of registration issued to the Issuer under the Equity Tax Credit Act is not revoked by the Minister of Finance prior to the issue of shares under this Offering;

- ii) The Issuer applies for a tax credit certificate after the Offering within the time limits established under the Equity Tax Credit Act;
- iii) The Minister of Finance concludes that the Issuer and its directors, officers and shareholders are conducting the Issuer's business and affairs in a manner that is in accordance with the spirit and intent of the Equity Tax Credit Act;
- iv) The Minister of Finance concludes that the Issuer and the Subscribers are complying with Equity Tax Credit Act;
- v) The Minister of Finance does not form the opinion that the shares are issued as part of a transaction or event or series of transactions or events the main purpose of which is to claim the tax credit pursuant to the Act.

Except as set out herein, if a Subscriber fails to hold the Shares for 4 years after their issue, then all Credits earned in relation to the subscription for such Shares must be repaid. The requirements to repay the Credits does not apply in cases where the Subscriber has died, or in cases where the Subscriber transfers the shares to a trustee under a registered retirement savings plan. There may be significant income tax consequences to individuals who are residents of Canada under the Income Tax and the Equity Tax Credit Act.

#### **Transfer of Shares to an RRSP:**

Provided that the registration of the Issuer is not revoked under the Equity Tax Credit Act, the Shares will be qualified investments under the Income Tax Act for trusts governed by registered retirement savings plans. The transfer of shares to an RRSP will normally be done at the adjusted carrying value of the securities. This may result in a taxable capital gain or a non-deductible loss.

Individuals who plan to purchase shares outside their RRSP, but transfer them later to their self-directed plan should consider the possible tax consequences of such transactions prior to finalizing any agreement.

### **Taxation of Dividends or Income Received by Security Holders on the Shares:**

Shareholders who hold shares within their RRSP need not be concerned with the manner in which the Fund distributes earnings. However, for individuals who purchase shares outside of the RRSP, consideration must be given to the tax implications of dividends versus interest income versus capital gains. Dividends received or deemed to be received on the Shares will be included in computing the Subscriber's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations.

### **Treatment of Capital Gains or Losses Realized by Security Holders on Disposition:**

Persons holding shares within their RRSP need not concern themselves with the form returns are paid. For individuals who choose to hold these shares outside of their registered holdings, 50% of any capital gain (the "taxable capital gain") realized on a sale or other disposition of the Shares will be included in the Subscriber's income for the year of disposition. 50% of any capital loss so realized (the "allowable capital loss") may be deducted by the holder against taxable capital gains for the year of disposition.

Any excess of allowable capital losses over taxable capital gains of the Subscriber for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years.

### **Applicability of Alternative Minimum Tax to Security Holders:**

Investors are advised to seek professional advice from a qualified individual should they be in a position which may expose them to alternative minimum tax treatment. Capital gains realized by the Subscriber may give rise to alternative minimum tax under the Income Tax Act (Canada).

### **Deductibility of Interest Expense on Money Borrowed to Purchase Shares:**

Interest incurred to earn income on investments held outside of ones RRSP is deductible against the income earned thereon; interest incurred on loans to purchase RRSP assets is not deductible.

**Availability of Tax Credits:**

Purchase of eligible shares entitles the investor to a provincial tax credit in the amount of 30% of the funds invested. ]

**Availability of Province of Nova Scotia guarantee under Section 13A of the *Equity Tax Credit Act*.**

The guarantee will apply to all areas of the Province with the exception of the former municipal units of Halifax, Dartmouth, Bedford and Sackville.

**Repayment of Tax Credits:**

The shares purchased under this program must be held by the purchaser for a period of not less than 4 years. If they are not held for this period the individual will have to repay the tax credits previously claimed.

[No professional advisors were involved in the preparation of the answer to item 53.]

**MATERIAL CONTRACTS**

53. Give particulars of every material contract entered into by the Issuer or, if applicable, any of its significant subsidiaries within two years prior to the date of the offering document. If a material contract is of a confidential nature, provide a summary of it. (Verbal Contracts may be difficult to enforce.)

[A “material contract” is any contract that is fundamental to the business and day-to-day operations of the Issuer. Examples are: contracts for the purchase of property, equipment or inventory; marketing contracts; financing agreements; management agreements; shareholder agreements; copyright or patent agreements.]

Under the heading “Description”, include details as to the parties to the contract, what the contract is for and the important terms of the contract. Please state a time and place at which those material contracts or copies thereof may be inspected during the distribution of the Shares.

**Description and Date**

**Two material contracts currently exist. One was noted in Section 48, which outlined the agreement signed with two community citizens who purchased the cultural center building on behalf of the community, until such time that the CEDIF was established and successful. Should the CEDIF not be approved, or be successful, these community citizens will resell the property on the open market. This agreement is in the form of a legal mortgage agreement and was dated Feb 10<sup>th</sup>, 2004.**

**A duly executed Trustee Agreement is also in place with Community Credit Union of Cumberland/Colchester to act as trust agent for the issue of shares under this offering, dated July 30, 2004.**

**No other material contracts are in place.**

## **FINANCIAL STATEMENTS**

55. Annual financial statements of the Issuer for the period ending June 24<sup>th</sup>, 2004 are attached and which form part of this document.

**The issuer does not have a prior operating history. An Opening Balance Sheet for the Truro Investment Co-operative Limited is attached as appendix A, which forms part of this document.**

**An Opening Balance Sheet is also included in Appendix A, for the Marigold Cultural Centre Co-operative Limited, which forms part of this document.**

## **CONTINUOUS REPORTING OBLIGATIONS**

56. The Issuer will file with the Nova Scotia Securities Commission and send to Security holders annual financial statements and such interim financial statements as required by the *Community Economic-Development Corporations Regulations*.

## **RESTRICTIONS ON RESALE OF SECURITIES**

57. Under the provisions of the *Equity Tax Credit Act*, a person who disposes of a share in respect of which a tax credit has been allowed within four years from the date of purchase is liable to repay the Minister of Finance an amount equal to the tax credits received in respect of the share purchased, including interest thereon where interest is prescribed by the regulations made pursuant to that Act, or a lesser amount that is determined pursuant to the regulations to that Act. Under the terms of the *Community Economic-Development Corporations Regulations*, trades by a Security holder of Shares of the Issuer purchased under this Offering will be restricted and, pursuant to subsection 80(5) of the Act, each first trade and each subsequent trade will be a distribution unless such trade is made in accordance with subsection 77(5) of the Act as if the Shares were acquired under clause 77(1)(p) of the Act unless the trade is made:

i to the Issuer;

- ii to a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse or to the spouse of the Security holder;
- iii from a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse to the Security holder;
- iv to a purchaser who owns shares of the Issuer and who is advised in writing by or on behalf of the vendor prior to entering into an agreement of purchase and sale that the purchaser shall not accrue any advantage under the *Equity Tax Credit Act* as a result of such purchase; or
- v to a purchaser who purchases pursuant to a trade made in compliance with the Act and any applicable Securities Rules.

**Caution:** The Shares are not listed on a stock exchange. There is no organized market through which these Shares may be sold. Therefore, investors may find it difficult or even impossible to sell their Shares.

## RIGHTS OF ACTION

58. (1) Where

(a) an offering memorandum sent or delivered to a purchaser, together with any amendment to the offering memorandum; or

(b) advertising or sales literature as defined by subsection (2) of Section 56, contains a misrepresentation, a purchaser who purchases a security referred to in it is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase, and

(c) has a right of action for damages against

- (i) the seller,
- (ii) every director of the seller at the date of the offering memorandum, and
- (iii) every person who signed the offering memorandum; or

(d) may elect to exercise a right of rescission against the seller, in which case the purchaser has no right of action for damages against any person or company under clause (c).

(2) No person or company is liable under subsection (1) if the person or company

proves that the purchaser purchased the securities with knowledge of the misrepresentation.

(3) No person or company is liable under subsection (1) if the person or company proves that

(a) the offering memorandum or the amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;

(b) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, or amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum, or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting

(i) to be made on the authority of an expert, or

(ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that

(iii) there had been a misrepresentation, or

(iv) the relevant part of the offering memorandum or amendment to the offering memorandum

(A) did not fairly represent the report, opinion or statement of the expert, or

(B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

(4) No person or company is liable under subsection (1) with respect to any part of an offering memorandum or amendment to the offering memorandum not purporting

(a) to be made on the authority of an expert; or

(b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company

(c) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(d) believed that there had been a misrepresentation.

(5) Subsections (3) and (4) do not apply to the seller if the seller is also the issuer.

(6) In an action for damages under clause (c) of subsection (1), the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

(7) The liability of all persons or companies referred to in clause (c) of subsection

(1) is joint and several with respect to the same cause of action.

(8) A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable under this Section to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

(9) The amount recoverable by a plaintiff under this Section may not exceed the price at which the securities were offered under the offering memorandum or amendment to the offering memorandum.

(10) The right of action for rescission or damages conferred by this Section is in addition to and not in derogation from any other right the purchaser may have.

(11) If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, an offering memorandum or amendment to the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum or amendment to the offering memorandum.

(12) For the purpose of subsection (1), advertising or sales literature is deemed not to contain a misrepresentation unless the advertising or sales literature

(a) contains an untrue statement of material fact; or

(b) omits to state a material fact that is necessary to prevent a statement contained in the advertising or sales literature from being misleading in light of the circumstances in which the statement was made.

(13) In this Section, for greater certainty, "seller" includes the issuer where the securities are distributed by the issuer.

59. No action shall be commenced to enforce the rights described in item 58 above more than 120 days after the date on which payment was made for the Shares or after the date on which the initial payment for the Shares was made

where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

60. The rights described in item 58 above are in addition to and without derogation from any other right or remedy which a Security holder might have at law.

**CERTIFICATE**

61. This offering document, which has been prepared as prescribed by Form 1 of the *Community Economic-Development Corporations Regulations*, does not: contain an untrue statement of material fact; omit to state a material fact required by Form 1, or omit to state a material fact necessary to make a statement in this offering document not misleading.

**DATED AT** Truro, this \_\_\_ day of, \_\_\_\_\_ 2004

Chair of the Board

\_\_\_\_\_

John Kelderman

Vice Chair of the Board

\_\_\_\_\_

Kathie Millest Murphy

Treasurer

\_\_\_\_\_

Charles MacQuarrie

Secretary

\_\_\_\_\_

Dennis James

Director

\_\_\_\_\_

Jim Harpell

Director

\_\_\_\_\_

Wayne Gillis

[This certificate must be signed: by the chief executive officer and chief financial officer; on behalf of the board of directors by any 2 directors of the issuer, other than the foregoing, duly authorized to sign; and by all promoters of the issuer.]