

South West Nova Community
Investments Limited

Offering Document

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” mean 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 South West Nova Community Investments Limited (“SWNCIL”) Offering which is a CEDC;
9. “Investee Corporation” means a corporation in which the Issuer proposes to invest 20% or more of the net 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;

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 who purchases Shares under this Offering;
14. "Shares" means the shares being offered for sale by of South West Nova Community Investments Limited that qualify as a specified issue as defined in subclause 2(k)(iii) of the Equity Tax Credit Act.

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CAUTIONS

The Nova Scotia Securities Commission has not assessed:

- X the reasonableness or merit of the Issuer or the Offering;
- X whether the Issuer has sufficient financing and managerial expertise to accomplish its stated objectives;
- X 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;
- X whether the Promoters and management of the Issuer are receiving unconscionable benefits at the expense of the Security holders; or
- X 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 pages 7 & 8.

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 20 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 37.

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.

All promotional material is incorporated by reference into this offering document as per section 15 of the CEDC Regulations.

This offering document, together with financial statements and other attachments, consists of a total of 62 pages.

THE OFFERING

1. The Shares being offered are:

Fully paid newly issued voting common shares that are non-redeemable, non-convertible, non-retractable and not restricted in profit sharing or participation upon dissolution, the price per share is \$2,500.

The minimum share purchase under this Offering is 1 share for a total cost of \$2,500.

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: 200 (two-hundred shares)
4. Total proceeds if maximum sold: \$500,000 (Five hundred thousand dollars)
5. Minimum number of Shares offered: 40 (forty shares)
6. Total proceeds if minimum sold: \$100,000 (one hundred thousand dollars)
7. Reasons for the selection of the minimum number of Shares offered:

This is based on the issuer's assumptions respecting minimum offer to cover administration costs of the Fund and permit for returns to its shareholders. Since the Community Business Development Corporation's of Yarmouth and Digby will provide administrative and start-up assistance to the Fund. As outlined in section # 27 certain operational expenditures are anticipated, we have projected \$7000 to cover professional and administrative expenses for the minimum shares sold of \$100,000 and \$10,000 for the maximum shares of \$500,000 sold.

8. Minimum number of investors required: 40 (forty persons)

The minimum amount will enable SWNCIL to participate in a minimum of one investment project within the defined community. In addition the minimum amount of \$100,000.00 will allow SWNCIL to cover administration costs of the Fund, permit for returns to its shareholders and continuance of the Fund as a vehicle for local community investment.

9. Total estimated costs of the Offering:

Minimum \$ 7,000
Maximum \$ 10,000 (See Section 27 for further details)

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, some of its promoters and its Board of Directors will have to experience a "Learning Curve" relative to the placement of equity investments. This may have an impact on the initial performance of the Fund, hence this is a risk factor identified prior to this initial offering.

(b) The Board of Directors has a member who is associated with the legal firm who acted in behalf of the Fund when Incorporation took place, we would refer to item 51 for a disclosure on this association.

(c) We have assumed that there are more potential investment within the community that the Fund can participate in, there remains a risk that the Fund will not be able to attract suitable applicants and/or will not be able to negotiate an agreeable participation agreement with the partners of the target investment opportunity.

(d) The investments made by the Fund will have returns which are directly attributable to the performance of the companies invested in. Therefore, there are certain risks associated with any unexpected economic downturn within the community and the country. These risks are real and should be considered when making a decision to invest.

(e) 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.

(f) 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:

(g) 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.

(h) 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.

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

(j) 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.

(k) 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.

(l) Tax laws frequently change.

PLAN OF DISTRIBUTION

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

Name	Address	Business Phone #	Fax #
Chris Atwood	103 Water Street, PO Box 607 Yarmouth, Nova Scotia B5A 4B6	1-902-742-5364	1-902-742-1027
Julie MacLean	68 Water Street, P.O. Box 160 Digby, Nova Scotia B0V 1A0	1-902-245-6166	1-902-245-5011
Angela Carver	103 Water Street, PO Box 607 Yarmouth, Nova Scotia B5A 4B6	1-902-742-5364	1-902-742-1027
David E. Harris	58 Main Shore Road Yarmouth, Nova Scotia B5A 4k2	1-902-742-3490	1-902-742-4868
Hector J. Comeau	351 Peter Dugas Road Meteghan, Digby County Nova Scotia B0W 2J0	1-902-645-2282	1-902-645-3249
Harold Boudreau	P.O. Box 409 Meteghan, Digby County Nova Scotia B0W 2J0	1-902-645-3011	1-902-645-2245
Gregory David Barro	390 Main Street Yarmouth, Nova Scotia B5A 1E9	1-902-742-9224	1-902-742-9383
Peter Swim	2772 Main Street Clarkes Harbour, Nova Scotia	1-902-745-2222	1-902-745-3247

11. (b) The following people are the Finders under the Offering:

Name	Address	Business Phone #	Fax #
Chris Atwood	103 Water Street, PO Box 607 Yarmouth, Nova Scotia B5A 4B6	1-902-742-5364	1-902-742-1027
Julie MacLean	68 Water Street, P.O. Box 160 Digby, Nova Scotia B0V 1A0	1-902-245-6166	1-902-245-5011
Angela Carver	103 Water Street, PO Box 607 Yarmouth, Nova Scotia B5A 4B6	1-902-742-5364	1-902-742-1027
David E. Harris	58 Main Shore Road Yarmouth, Nova Scotia B5A 4k2	1-902-742-3490	1-902-742-4868
Hector J. Comeau	351 Peter Dugas Road Meteghan, Digby County Nova Scotia B0W 2J0	1-902-645-2282	1-902-645-3249
Harold Boudreau	P.O. Box 409 Meteghan, Digby County Nova Scotia B0W 2J0	1-902-645-3011	1-902-645-2245
Gregory David Barro	390 Main Street Yarmouth, Nova Scotia B5A 1E9	1-902-742-9224	1-902-742-9383
Peter Swim	2772 Main Street Clarkes Harbour, Nova Scotia	1-902-745-2222	1-902-745-3247

12. (a) Describe any compensation to selling agents or Finders, including cash, securities, contracts, or other consideration of any kind direct or indirect.

No cash, securities, contracts, or other consideration of any kind will be paid.

- (b) Also indicate whether the Issuer will indemnify the selling agents or Finders against liabilities, if any, under the securities laws.

The Issuer will not indemnify the Selling Agents or Finders

13. Describe any material relationship between any of the selling agents or Finders and the Issuer or its management.

The Issuer's Selling Agents are also Directors. No additional Selling Agents or Finders have been identified.

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 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.

Please refer to #45 & #54 for additional information on the relationship between parties.

14. Describe the procedure by which investors subscribe for Shares under the Offering.
An introductory letter including an explanatory information piece inviting prospective investors will be distributed to members of the identified community. An Initial public meeting and/or private meeting will occur, followed by provision of this Offering Document to prospective investors. The subscription agreement and letter of intent will be provided to investors. The Investor will forward payment by means of a cheque or money order (cash is not acceptable) payable to Costal Financial Credit Union in Trust, and will be held in trust until the closing.
15. The subscription funds will be held in trust by Costal Financial Credit Union 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 \$100,000;
 - (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 and are current including:
 - (i) a non-objection letter issued by the Director of Securities that has not been subsequently revoked; and
 - (ii) the Equity Tax Certificate that has not lapsed or been revoked by the Minister of Finance;
 - (d) additional conditions of the initial closing are:
 - (i) A minimum of 40 shareholders having subscribed (per #8)
 - (ii) All subscription funds must be in the possession of the Trustee at the time of the initial closing
17. The minimum offering amount and all other conditions of the initial closing must be achieved on or before 27/02/09. [Unless the Director has granted an extension, this date must be not more than 90 days from the date of issuance of a letter of non-objection in respect of the offering document by the Director of Securities pursuant to the *Community Economic-Development Corporation Regulations*.]
18. If the minimum offering amount and all other conditions of the initial closing are not achieved on or before the time specified in item 17, and no extension has been granted by the Director, the Offering will be withdrawn and all of the

proceeds of subscription, without interest, will be returned to the subscriber within 30 days of the date that the Offering was to close.

19. The following are conditions of each subsequent closing of this Offering:
- (i) there has been no material change in material contracts referred to in item #16(b);
 - (ii) all necessary and required certificates under the *Equity Tax Credit Act* and regulations and other applicable laws have been obtained and are current including
 - (i) a non-objection letter issued by the Director of Securities that has not been subsequently revoked; and
 - (ii) the Equity Tax Certificate that has not lapsed or been revoked by the Minister of Finance;
 - (iii) all subscription funds must be in the possession of the Trustee at the time of each subsequent closing

THE ISSUER

20. Issuer's exact name as it appears in the incorporating document:

Name of CEDC: South West Nova Community Investments Limited (SWNCIL)

Jurisdiction and Date of Incorporation *	Nova Scotia-November 6, 2008
Address of Registered Office	103 Water Street, PO Box 607 Yarmouth, NS B5A 4B6
Address of Principal Business Address	Same as above
Issuer's Telephone Number	1-(902)-742-5364
Issuer's Fax Number	1-(902)-742-1027
Date of Fiscal Year End	March 31st
Contact Person at Issuer with Respect to the Offering	Chris Atwood
Telephone Number of Contact Person (if different number from above)	Same as above

- If the Issuer is successful with the share issue, it is the intention of the Board to develop sound governance policies concerning a wide range of issues including policies on internal control, conflict of interest, confidentiality, public relations. These policies will be in addition to any rules and policies required under the CEDIF regulations and by the regulations set out in Section 29 of the Business Association Act

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.

NOTE: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering, in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.

[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 is or will be rendered.

Not Applicable.

- (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.

Not Applicable.

- (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.

Not Applicable.

- (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.

Not Applicable.

- (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.

Not Applicable.

- (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.

Not Applicable.

- (g) State the name of any subsidiaries of the Issuer or Investee Corporation, their business purpose and ownership. If none, so indicate.

Not Applicable.

- (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.]

Not Applicable.

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

NOTE: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering, in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.

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.
1. Business must be located within the boundaries of Annapolis, Digby, Yarmouth, and Shelburne Counties in Nova Scotia and must operate in accordance with applicable laws and bylaws.
 2. All investments chosen must meet the criteria for eligibility described in the CBDC mandate.
 3. All investments chosen must meet criteria for eligibility under Section 4 of the Equity Tax Credit Act:
 - authorized capital consisting of shares without par value;
 - at least 25% of salaries and wages are paid in Nova Scotia
 - assets (including affiliates) less than \$25 million- 90% or more of the fair market value of the property of the corporation or association is attributable to property used in active business or shares of a corporation or association that would be an eligible business if it made an application under the Act;
 - in the case of an association, that the association undertakes or carries on business or operations in any activity prescribed by regulation;
 - the business is not the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian, or chiropractor.
- (b) Describe the Issuer's investment strategy and objectives as set forth in the Issuer's Community Economic-Development Plan.

Strategy: The Issuer has been created for the purpose of raising capital to invest in the Nova Scotia economy in order to assist businesses to create jobs and to provide a return to Security holders. The Issuer will invest in the equity of and make loans (subordinated debt) to various types of businesses that employ people or intend to employ people within Annapolis, Digby, Yarmouth, and Shelburne Counties. To invest in new and/or existing businesses that are in accordance with the investment criteria outlined in item 22

and those that can provide a satisfactory return on investment. The specific as to what type of business, its sector, or stage of development cannot be assumed at this time without unduly limiting the investment possibilities of the Fund.

All investment decisions will be made by the Board of Directors, or an investment committee chosen from this Board.

Criteria: The Issuer intends to pursue investments in viable businesses based on the following criteria:
(i) the business must be commercially viable (based on business plan, analysis of local and economic context and quality of managers and directors;
(ii) the investment must be seen as improving the community good; and
(iii) all investments must meet the criteria of the Equity Tax Credit Act and Regulations.

Objectives: a) maintain and improve ownership of local business
b) maintain and improve local employment
c) issue a first initial investment within six months of CEDIF close.

- (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.

Not Applicable-blind pool. No such specified investments are planned at this time nor further specific investments contemplated.

- (d) (i) Does the Issuer have an exit strategy for the investments?

An exit strategy in relation to the proposed investment by the Issuer into the Investee has not yet been developed. This matter will be addressed upon the successful closing of the Issue.

(ii) Please describe, if any.

[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.

NOTE: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering, in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.

[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 is or will be rendered.

Not Applicable

- (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.

Not Applicable

- (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.

Not Applicable

- (d) If the Issuer'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.

Not Applicable

- 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*.

NOTE: If the Issuer proposes to invest or has invested 20% or more of the net proceeds of the total offerings to date or of the contemplated offering, in an Investee Corporation, the most recent financial statements of the Investee Corporation must be attached and form part of this document.

- (a) Set out restrictions on investments as described in the Issuer's constitution:

Not Applicable

- (b) Describe the Issuer's investment strategy and objectives as set forth in the Issuer's Community Economic-Development Plan.

Not Applicable

- (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.

Not Applicable

- (d) (i) Does the Issuer have an exit strategy for the investments?
(ii) Please describe, if any.

Not Applicable

[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, non-retractable, 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 Dec, 10, 2008	Total \$Value and # Outstanding at Initial Closing @ Minimum @ Maximum
[Loans/ Other Indebtedness]		\$0	\$0
[Preferred Shares]	0	\$0	\$0
[Common Shares]	Unlimited	\$2,500 (1 share @ \$2,500 each) *	Min. \$100,000 @ Closing (Min. 40 shares @ Closing) Max. \$500,000 @ Closing (Max.200 shares @ Closing)
[Retained Earnings]	0	\$0	\$0
TOTAL	N/A	N/A	N/A

*One share has been issued for \$2,500 as subscriptions receivable. This share was subscribed for the purposes of incorporating SWNCIL. This one share along with the \$2,500 in subscriptions receivable noted above will be cancelled and reissued 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:

	If Minimum Sold	%	If Maximum Sold	%
Total Proceeds	\$ 100,000	100.0%	\$ 500,000	100.0%
Less:				
Legal & Accounting	5,000 (a)	5.0%	5,000 (a)	1.0%
Copying & Other Expenses	2,000	2.0%	5,000	1.0%
Total Cost of Offering	7,000	7.0%	10,000	2.0%
Net Proceeds from Offering	\$ 93,000	93.0%	\$ 490,000	98.0%
Use of Net Proceeds				
Investments	\$ 91,000 (b)	91.0%	\$ 485,000 (b)	97.0%
Administration	2,000 (c)	2.0%	5,000 (c)	1.0%
Total Use of Net Proceeds	\$ 93,000	93.0%	\$ 490,000	98.0%
	If Minimum Sold	%	If Maximum Sold	%
Total Proceeds	\$ 100,000	100.0%	\$ 500,000	100.0%

(a) Estimated cost of professional legal and accounting advice associated with CEDIF development.

(b) Proceeds of this CEDIF will be invested in local businesses. This new business will be known as SWNCIL.

(c) Administration costs include cost of investigating proposals which are not completed and other miscellaneous costs incurred in the process of identifying suitable investments.

Legal Services are provided by: Rick Murphy-Pink Star Murphy Barro- this firm was used to incorporate SWNCIL, no other contractual arrangements for SWNCIL are currently in place.

Accounting Services provided by: Angie LeBlanc-Conrad Hurlbert LeBlanc Inc.

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

The goal in establishing this CEDIF fund is to raise a minimum investment amount of \$100,000, which will be used first for payment of the costs of the issue. The net proceeds will then be used for equity investments and subordinated debt to area businesses. Operating expenses will be paid from revenues earned.

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).

There are no other sources of funds.

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 any 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.

Yes, the cash received from the CEDIF Offering will satisfy the needs of the Issuer for the first 12 months. We would note that dependant on the market response to the offering; a second offering may be placed within 12 months.

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 section 17 of the *Community Economic-Development Corporations Regulations*.

No Future Oriented Financial Information (FOFI) will be provided.

DIVIDENDS, DISTRIBUTIONS AND REDEMPTIONS

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

Given that SWNCIL (Issuer) is a new enterprise, investments should be viewed as long term. A Dividend Policy has not yet been determined. It will be determined at the first general meeting of the shareholders after successful closing of the Issue. We note it will be recommended that no dividends will be paid for the first 5 years; dividends may commence after this time based on the performance of the Fund.

34. Give details of dividends and other distributions paid by the Issuer to its security holders during the last 5 years.
The Issuer is newly incorporated and has no history of financial distribution.

PROMOTERS OF THE ISSUER

35. The Promoters of the Issuer are:

Name: Harold Boudreau

Business street address: P.O. Box 409-8174 Meteghan, Nova Scotia

Business telephone number: (902) 645-3011

Business fax number: (902) 645-2245

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

Self-Employed-Dentist

Education (degrees, schools, and dates):

St. Mary's University – BSc-1969

Dalhousie University – D.D.S.-1973

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

Name: Hector J. Comeau

Business street address: 351 Peter Dugas Road P.O. Box 62
Meteghan, Digby County, Nova Scotia

Business telephone number: (902) 645-2282

Business fax number: (902) 645-3249

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

Retired for past 10 years from Sun Life Assurance Co. Last position – Sales Manager

Education (degrees, schools, and dates):

Grade 12, 2 years University, Survey School Degree

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

-Board Member School Board

-Board Member Credit Union

-Volunteer Meals on Wheels

Name: Julie MacLean

Business street address: 68 Water Street, P.O. Box 160
Digby, Nova Scotia B0V 1A0

Business telephone number: (902) 245-6166

Business fax number: (902) 245-5011

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

April-2005 to Present - General Manager, Digby Clare CBDC

June-2000 to April 05 – Executive Director, Conway Workshop

Education (degrees, schools, and dates):

B.A. Management/Economics Guelph University – 1984

Certificate in Business Management – Dalhousie University-2007

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

As Executive Director of CBDC Digby-Clare, I coordinated efforts in arranging the financing of Digby Wharf Project 2008.

Name: Christopher Robert Atwood

Business street address: 103 Water Street, P.O. Box 607
Yarmouth, Nova Scotia B5A 4B6

Business telephone number: (902) 742-5364

Business fax number: (902) 742-1027

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

July 2005 – present: Executive Director - CBDC Yarmouth

Jan 1999 – July 2005: Development Officer – Southwest Shore
Development Authority

Education (degrees, schools, and dates):

BSc. Agr. - Nova Scotia Agricultural College

Name: Gregory David Barro

Business street address: 390 Main Street, Yarmouth Nova Scotia B5A 1E9

Business telephone number: (902) 742-9224

Business fax number: (902) 742-9383

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

Solicitor – Pink Star Murphy Barro – 12 years

Education (degrees, schools, and dates):

Bachelor of Commerce – St. Mary's University – 1992

Bachelor of Laws – Dalhousie University - 1995

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

Name: Angela Carver

Business street address: 103 Water Street, P.O. Box 607
Yarmouth, Nova Scotia B5A 4B6

Business telephone number: (902) 742-5364

Business fax number: (902) 742-1027

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

April 1992 – present; CBDC Yarmouth – Project Officer

Education (degrees, schools, and dates):

BBA - Acadia University - 1994

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

Lending Officer and delivery Agent for federal Programs with
CBDC Yarmouth

Name: Peter E. Swim

Business street address: P.O. Box 40, 2772 Main Street
Clarkes Harbour, Nova Scotia B0W 1P0

Business telephone number: (902) 745-2222

Business fax number: (902) 745-3247

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

President-Island Marine Products Limited

Education (degrees, schools, and dates):

B.Sc-B.Eng.

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

Name: David Elliott Harris

Business street address: 58 Main Shore Road
Yarmouth, Nova Scotia B5A 4K2

Business telephone number: (902) 742-3440

Business fax number: (902) 742-4868

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

President-R&D Harris Excavating Ltd.
President-Rolox Trucking Ltd.
President-H&H Recovery Ltd.

Education (degrees, schools, and dates):

Elementary, Secondary and 3 years Post secondary
correspondence education in Engineering from ITT Technical
Institute

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

OFFICERS OF THE ISSUER

36. The officers of the Issuer are:

President and Board Chair

Name: David E. Harris

Business street address: 58 Main Shore Road
Yarmouth, Nova Scotia B5A 4K2

Business telephone number: (902) 742-3440

Business fax number: (902) 742-4868

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

President-R&D Harris Excavating Ltd.
President-Rolox Trucking Ltd.
President-H&H Recovery Ltd.

Education (degrees, schools, and dates):

Elementary, Secondary and 3 years Post secondary

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

Also a director of the Issuer Yes No

It is projected that the positions of the President & Board Chair will consume approximately 5 hours per week, on a strictly volunteer basis.

Secretary

Name: Christopher Robert Atwood

Business street address: 103 Water Street, P.O. Box 607
Yarmouth, Nova Scotia B5A 4B6

Business telephone number: (902) 742-5364

Business fax number: (902) 742-1027

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

July 2005 – present: Executive Director - CBDC Yarmouth

Jan 1999 – July 2005: Development Officer – Southwest Shore
Development Authority

Education (degrees, schools, and dates):

BSc. Agr. - Nova Scotia Agricultural College

Also a director of the Issuer Yes No

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

It is projected that the positions of the Secretary will consume approximately 5 hours per week, on a strictly volunteer basis.

DIRECTORS OF THE ISSUER

37. (a) There are 8 directors of the Issuer, six of which come from the community.

Name: Gregory David Barro

Business street address: 390 Main Street, Yarmouth Nova Scotia B5A 1E9

Business telephone number: (902) 742-9224

Business fax number: (902) 742-9383

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

Solicitor – Pink Star Murphy Barro – 12 years

Education (degrees, schools, and dates):

Bachelor of Commerce – St. Mary's University – 1992

Bachelor of Laws – Dalhousie University - 1995

Mr. Barro is an independent director given there are no directorship ties with either CBDC Yarmouth or Digby.

Name: Peter E. Swim

Business street address: P.O. Box 40, 2772 Main Street
Clarkes Harbour, Nova Scotia B0W 1P0

Business telephone number: (902) 745-2222

Business fax number: (902) 745-3247

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

President-Island Marine Products Limited

Education (degrees, schools, and dates):

B.Sc-B.Eng.

Mr. Swim is an independent director given there are no directorship ties with either CBDC Yarmouth or Digby and resides in Shelburne County.

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".]

Name: Harold Boudreau

Business street address: P.O. Box 409-8174 Meteghan, Nova Scotia

Business telephone number: (902) 645-3011

Business fax number: (902) 645-2245

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

Self-Employed-Dentist

Education (degrees, schools, and dates):

St. Mary's University – BSc-1969

Dalhousie University – D.D.S.-1973

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

Name: Hector J. Comeau

Business street address: 351 Peter Dugas Road P.O. Box 62
Meteghan, Digby County, Nova Scotia

Business telephone number: (902)645-2282

Business fax number: (902) 645-3249

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

Retired for past 10 years from Sun Life Assurance Co. Last position – Sales Manager

Education (degrees, schools, and dates):

Grade 12, 2 years University, Survey School Degree

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

- Board Member School Board
 - Board Member Credit Union
 - Volunteer Meals on Wheels
-

Name: Julie MacLean

Business street address: 68 Water Street, P.O. Box 160
Digby, Nova Scotia B0V 1A0

Business telephone number: (902) 245-6166

Business fax number: (902) 245-5011

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

April-2005 to Present - General Manager, Digby Clare CBDC

June-2000 to April 05 – Executive Director, Conway Workshop

Education (degrees, schools, and dates):

B.A. Management/Economics Guelph University – 1984

Certificate in Business Management – Dalhousie University-2007

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

Played major role in obtaining the financing of Digby Wharf Project 2008

Name: Gregory David Barro

Business street address: 390 Main Street, Yarmouth Nova Scotia B5A 1E9

Business telephone number: (902) 742-9224

Business fax number: (902) 742-9383

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

Solicitor – Pink Star Murphy Barro – 12 years

Education (degrees, schools, and dates):

Bachelor of Commerce – St. Mary's University – 1992

Bachelor of Laws – Dalhousie University - 1995

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

Name: Angela Carver

Business street address: 103 Water Street, P.O. Box 607
Yarmouth, Nova Scotia B5A 4B6

Business telephone number: (902) 742-5364

Business fax number: (902) 742-1027

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

April 1992 – present; CBDC Yarmouth – Project Officer

Education (degrees, schools, and dates):

BBA - Acadia University - 1994

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

Lending Officer and delivery Agent for federal Programs with
CBDC Yarmouth

Name: Peter E. Swim

Business street address: P.O. Box 40, 2772 Main Street
Clarkes Harbour, Nova Scotia B0W 1P0

Business telephone number: (902) 745-2222

Business fax number: (902) 745-3247

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

President-Island Marine Products Limited

Education (degrees, schools, and dates):

B.Sc-B.Eng.

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

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:

Name: **Not Applicable**

Business street address:

Business telephone number: ()

Business fax number: ()

Names of employers, titles, and dates of positions held during the last 5 years with an indication of job responsibilities:

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.

Not Applicable

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 [X] No

If yes, please explain including relevant dates:

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.

-Director Peter Swim was instrumental in starting and growing Island Marine Products, a seafood exporting company located on Cape Sable Island Nova Scotia.

-Director David Harris is president of several companies in Yarmouth, Nova Scotia. He assumed responsibilities of R & D Harris Excavating in 1967 and commenced Rolex Trucking Ltd. in 1988.

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.

There are no key people

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 such partnership in which any 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: 1 shares (100% of total outstanding)

There are no security holders of the Issuer who own directly or indirectly more than 10% of any securities of the Issuer. The one issued share of South West Nova Community Investments Limited was subscribed by Christopher Atwood for the purpose of legally incorporating this business and will be cancelled at the Offering Closing.

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:

None of the officers, directors, key personnel, promoters, or principal security holders is related by blood or marriage.

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.)

The Issuer has not given loans nor has it received loans, from any officer, director, key personnel, promoter, security holder, or from or to any relative or entity controlled by any of the forgoing within the past two years.

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 for their actual and direct expenses incurred in conducting approved Fund business.

50. If any employment agreements with officers, directors, key personnel or Promoters exist or are contemplated, please describe:
There are none

51. (a) Does the Issuer have a Conflict of Interest Policy?

At present the SWNCIL does not have a Conflict of Interest Policy; these, including other Board Governance Policies are under development.

(b) Give details of all business or personal interests that the officers, directors, key personnel, Promoters, principal security holders or any related parties such as any of their relatives (or any entity controlled directly or indirectly by any such person) of the Issuer may have which could conflict with the interests of the Issuer even if it is described in answers to other questions.

A director of SWNCIL, Gregory Barro, is a partner in the law firm, Pink Star Murphy Barro. Mr. Richard Murphy of this firm is the solicitor of record for SWNCIL, they assisted with the incorporation of SWNCIL, we do not foresee any additional legal work being required at this time. Mr. Barro has an extensive record in the community as a volunteer, this, coupled with his legal background, we believe would bring credibility to this new Board of Directors.

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.

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.

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 the 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 5 years after their issue, then all Credits earned in relation to the subscription for such Shares must be repaid. For any shares which subsequent tax credits are issued, the shares must be held for an additional period of time to avoid repaying these tax credits. The requirements to repay the Credits do 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 to a maximum of a \$15,000 annual tax credit. We advise that holders of Tax Free Savings Accounts (“TFSA”) cannot hold CEDIF Shares.

Repayment of Tax Credits:

The shares purchased under this program must be held by the purchaser for a period of not less than 5 years. If they are not held for this period the individual will have to repay the tax credits previously claimed. For any shares which subsequent tax credits are issued, the shares must be held for an additional period of time to avoid repaying these tax credits.

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

MATERIAL CONTRACTS

- 54. 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.

Date	Name of Contract	Description
December , 2008	Trustee Agreement	Trustee Agreement between Issuer and Costal Financial Credit Union
Sept ,2008	Consulting Contract	**Contract Between CBDC Yarmouth and Paul Crane Projects

Investors may examine copies of contracts referred to in this question at the Office of CBDC Yarmouth, 103 Water Street, Yarmouth N.S., B5A 4B6

**Paul Crane Projects has been engaged to assist Yarmouth and Digby CBDC’s with the development of this CEDIF in Southwestern Nova Scotia. Funding for this engagement is being provided by the Atlantic Canada Opportunities Agency. No funds from the CEDIF will be used to pay for his services. Paul Crane is the owner of Paul Crane Entrepreneurial Consulting o/a Paul Crane Projects.

FINANCIAL STATEMENTS

55. South West Nova Community Investments Limited has had no previous operating history, we attach an opening balance sheet with a completed a review engagement report which are incorporated by reference and form part of this document.

CONTINUOUS REPORTING OBLIGATIONS

56. (a) The Issuer will file with the Nova Scotia Securities Commission and **send to Security holder's** annual financial statements and semi annual interim financial statements as required by the *Community Economic-Development Corporations Regulations*.
- (b) If a material change has occurred in the operation of the CEDIF, a press release along with a material change report must be filed with the Nova Scotia Securities Commission within ten (10) days of the date on which the change has occurred.

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 five 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 Nova Scotia securities laws, 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:

- (a) the Issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
- (b) the Shares have been held for the 4 month hold period from the date of the initial exempt trade;
- (c) the certificate representing the Shares carries a legend as set out in paragraph 2.5(2) 3 of National Instrument 45-102 *Resale of Securities*;
- (d) the trade is not a control distribution as defined in subclause 2(1) (I) (iii) of the Act;

- (e) no unusual effort is made to prepare the market or to create a demand for such Shares;
- (f) no extraordinary commission or consideration is paid to anyone in respect of such trade; and
- (g) If the vendor is an insider or officer of the Issuer, the vendor has no reasonable grounds to believe that the Issuer is in default of securities legislation.

However, first and subsequent trades by a Security holder of Shares of the Issuer purchased under this Offering are permitted in the following circumstances:

- (a) to the Issuer;
- (b) to a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse or to the spouse of Security holder;
- (c) from a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse to the Security holder;
- (d) 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
- (e) 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 _____, this _____ day of _____, ____ (yy).

[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.]