

COMMUNITY ECONOMIC DEVELOPMENT INVESTMENT FUNDS 2007/2008

WHAT IS A COMMUNITY ECONOMIC DEVELOPMENT INVESTMENT FUND?

A Community Economic Development Investment Fund, or CEDIF, is a pool of capital raised in a community through the sale of shares. The money is then invested in new or existing local businesses.

WHY INVEST IN YOUR COMMUNITY?

Nova Scotians invest more than \$600 million annually in RRSPs. Less than 2% of this is reinvested in Nova Scotia.

With CEDIFs, you can keep investment dollars working in your community. You and your neighbours can pool your money and invest in business(es) in your community, creating jobs and supporting further economic growth.

WHAT ARE THE BENEFITS OF BUYING SHARES?

- 30% tax credit available under the Equity Tax Credit against provincial income taxes payable
- pre-approved holding status for a self-directed RRSP (a fee may be charged by your financial institution)

WHAT ARE THE BENEFITS FOR MY COMMUNITY?

- local control over investment decisions
- support for locally produced products and services
- job creation

WHO CAN INVEST?

Any resident of Nova Scotia over the age of 19 is eligible to invest in a CEDIF anywhere in the province.

WHERE WILL MY MONEY GO?

Your money will purchase shares in a CEDIF. The fund then uses this money, known as capital, to operate or invest in local business(es). Charitable, non-taxable, and not-for-profit organizations are not eligible to take part in the program.

WHO DECIDES HOW MY MONEY WILL BE INVESTED?

A board of directors manages the fund. The board is selected by investors (shareholders).

HOW MUCH MONEY CAN I EXPECT TO MAKE?

Returns are determined solely by the performance of the business(es) into which the fund is invested.

HOW WILL I KNOW HOW MY INVESTMENT IS DOING?

Annual financial statements (audited or reviewed), semiannual unaudited financial statements and the auditor's report must be distributed to the shareholders. An annual general meeting must be held.

IS THERE A ROLE FOR GOVERNMENT IN OVERSEEING THESE FUNDS?

Nova Scotia Economic Development can assist the board of directors in preparing the required documents for the Nova Scotia Securities Commission and Department of Finance. Government will monitor the investments to ensure the capital is being invested as follows:

- 40% – 12 months
- 60% – 24 months
- 80% – 36 months

NOTE: If you plan to do a CEDIF offering targeting the RRSP season, you should have all required filings to the **Nova Scotia Securities Commission** by the 1st of October to allow time for the review and comment process. (Despite the filing date of October 1, there is no assurance that a non-objection letter will be issued.)

WHAT ARE PEOPLE SAYING ABOUT CEDIFs?

"The CEDIF set up for our project was the best possible vehicle for raising the necessary capital to establish the Marigold Cultural Centre in Truro. With the right combination of dedicated individuals, a talented support staff, a government department that wanted us to succeed, and a community that wanted to be a part of making Truro a cultural destination, it was a combination that couldn't miss. I think raising almost \$1,000,000 in three months can attest to that!"

John Kelderman, President, Downtown Truro Partnerships, Truro

"A CEDIF puts community capital to work in your own community and provides jobs and income for your friends, family and neighbours. Everyone benefits."

"The development of CEDIFs means Nova Scotians have a smart way to put their money to work in their province."
Brian Watling, Director (involved in nine CEDIFs to date) Renewable Energy Services Ltd., Windsor

"This year was wonderful. The amount people invested was higher. Pulling the document together was smoother. The program has been great to allow us to do what we've done."
Debra Moore, Just Us! Fair Trade Investment Co-operative Ltd., Grand Pré

"Overall a great program. If it wasn't for the CEDIF program, we still wouldn't have our doors open."
Boyd Taylor, Chairman Valley Funeral Home Co-operative Ltd., Coldbrook

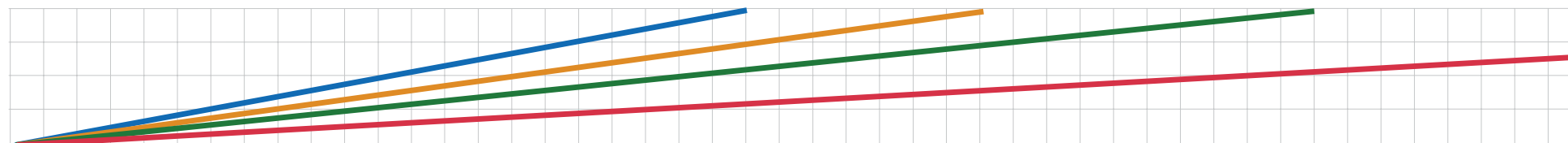
"The CEDIF program provides communities an excellent and unique opportunity to embark on the crucial journey of sustainable economic development."
Gordon Doe, Black Business Community Investment Fund

"The CEDIF permitted Unique to offer shares through a restricted public offering. This provided the capital needed to take the business through development and move closer to attracting formal venture capital investment. While at times cumbersome, the availability of CEDIF in Nova Scotia provided the right vehicle to allow the business to grow in Nova Scotia."
Tanya Shaw Weeks, Unique CEDC

WHERE CAN I GET MORE INFORMATION?

If you would like to develop a fund or find out more about funds in your area, please contact the Manager of Community Investment Funds:

Chris Payne
Phone: (902) 424-1259
Fax: (902) 424-1263
E-mail: paynecj@gov.ns.ca
CEDIF website: www.gov.ns.ca/econ/cedif



A. MULTIPLE INVESTMENT "BLIND POOLS"

1. Based in Sydney, **BCA Investment Co-operative Limited** raised five offerings and invested \$2 million in business opportunities in Cape Breton. It was the first CEDIF and has the largest number of shareholders, with more than 400 local investors.
Greg MacLeod; Charles MacDonald (902) 567-0000
gregmacleod@ns.sympatico.ca
www.ced.ca/bca
2. Based in Antigonish, **Northeastern Community Investments Inc.** has capital of \$1.68 million, through five successful offerings, invested in a wood treatment operation, a bottled water company, and a conference and tourist accommodation.
Robert Inglis (902) 783-2318
h.inglis@ns.sympatico.ca
www.antigonishrda.ns.ca/ncii/
3. The **Baie Chedabucto Bay Investment Fund (BCBIF)** is an important contributor to community economic development in Richmond County. The fund has successfully closed with three offerings (\$415,000, \$422,000 and \$503,000) totalling \$1,340,000. The fund has over 50 investors and investments in five businesses. BCBIF continues to invest in equity financing and other financial vehicles. Another offering is planned for December 2007.
Yvon Samson (902) 226-0064
ysamson@cdene.ns.ca
4. **Antigonish Investments Limited** raised \$627,100 in 2006-07 to invest in business locally.
Robert Inglis (902) 783-2318
h.inglis@ns.sympatico.ca
5. Through two offerings, \$510,800 was invested in **New Dawn Holdings Ltd.** to expand one of its existing companies and to develop two new enterprises.
Rankin MacSween; Bob Cooper (902) 539-9560
rankin@newdawn.ca
www.newdawn.ca
6. Sponsored by the Black Business Initiative, the **Black Business Community Investment Fund** raised \$340,800 through three offerings to invest in Black-owned businesses in Nova Scotia. A good example is the Halifax-based environmental company, The Bin Doctor.
Gordon Doe (902) 426-6985
doe.gordon@bbi.ns.ca
www.bbi.ca



B. FLOW-THROUGH INVESTMENT INTO A SINGLE BUSINESS

1. **Unique CEDC** has invested in Unique Solutions Design Ltd., a platform technology company with scalable leading-edge, patent-pending solutions for the corporate and consumer multi-billion dollar markets of health and wellness, and apparel. With their technology, software and 3D body scanner, Unique collects personalized data and body measurement information that translates into customized products and services.
Tanya Shaw Weeks; Farris MacPherson (902) 492-2106
tsweeks@uniqueltd.com
www.uniqueltd.com
2. **Just Us! Fair Trade Investment Co-operative Ltd.** This Grand Pré coffee operation imports coffee, tea, chocolate, and sugar and sells through grocery and specialty stores in Atlantic Canada. With a capitalization of over \$1,600,000 through five offerings, the co-operative has expanded operations and taken on new projects.
Jeff Moore (902) 542-7474
jeff@justuscoffee.com
www.justuscoffee.com
3. **The Port Bistro** raised \$940,000 in the Port Williams area to construct and operate a restaurant to serve high-quality, medium-priced food, and an adjoining pub that serves food and spirits. The concept also calls for a small conference room.
Bruce McLeod (902) 542-0106
4. **Media Fund Atlantic Ltd.** was created to invest in the film and television development, production and distribution industry in Nova Scotia. The proceeds of their single offering of \$957,195 were part of a larger financing syndication (~\$5m) that includes Growthworks Atlantic.
Floyd Kane; Michael Donovan (902) 423-0260
5. **Dundee Holdings Company Limited** raised \$790,000 for the expansion and enhancement of Dundee Resort Limited. It is escalating its golf product to a higher level to meet the expectations of its diverse clientele. The expansion includes the construction of a 5,000 sq. ft. clubhouse, a maintenance facility and renovations and improvements to the golf course.
Scott MacAulay
scott@capebretonresorts.com
6. **Ad Equity Inc.** raised \$478,000 to invest in Adventus Inc., a Halifax-based software developer of interactive music learning software for the consumer and education markets.
Jim Mullen (902) 453-4464
www.adventus.com



7. **Port Hood RV Park** raised \$465,000 from local investors to create a high-end RV Park, which will have a number of spin-offs for local businesses. It will provide an opportunity for investors to lease sites that would otherwise not be available in the area.
Joe Morris (902) 227-5697
8. **North Spring Equity Ltd.** invested the proceeds of its offering (\$170,000) into Springvale Nurseries Ltd., Berwick, to expand their capacity and enable them to explore business opportunities in tree replacement resulting from Hurricane Juan.
Paul Grimm (902) 538-7542
spvale@ns.sympatico.ca
9. Through two offerings, **Vale Corporate Training Investments Inc.** raised and invested \$460,000 into Ledgehill, a corporate training facility located near Middleton.
Charles Bower; John Langmead (902) 584-7124
10. **VMP Holdings Inc.** raised \$183,000, which was invested in Virtual Media Productions in Sydney.
Shawn Green (902) 562-8006
11. **Antigonish Farm and Garden Community Investments** raised \$135,000 in early 2007 to help finance the acquisition of the former Sears and B&J Buy Rite building to house the Antigonish Farm and Garden Co-op Limited.
Robert Inglis (902) 783-2318
12. **West Nova Cranberry Venture Fund Ltd.** raised \$123,000 to invest in cranberry operations.
Doug MacIntosh (902) 429-1623



C. INVESTMENT PRIMARILY INTO HOUSING OR BUILDING

1. **Cape Breton Waterside Development Ltd.** raised and invested over \$1 million into **Sydney's Parkside Developments Ltd.**, the developer of Cape Breton's first condominium, the Wentworth.
Greg MacLeod (902) 562-2420
gregmacleod@ns.sympatico.ca
2. **La Residence Acadienne Cooperative Ltd.** In Cheticamp, an investment of \$582,500, from tenants and the community at large, allowed for the development of a housing facility for seniors.
Eric Chiasson (902) 224-1952 or (902) 224-0094
coopacadien@ns.sympatico.ca
3. **Truro Investment Co-operative** raised \$1,042,000 to invest in the Marigold Cultural Centre in Truro.
John Kelderman (902) 893-7881
john@kwikkopy.ns.ca
4. **Victoria County Community Investments** raised \$600,000 to take over the long-term debt and make capital improvements to the Village Co-op Store in Baddeck.
Bruce MacDonald (902) 295-1202
midrivca@yahoo.com

5. **Shean Investment Co-op**
A total of \$635,000 was invested in Shean Co-operative Ltd. of Inverness. The funds will pay off the mortgage and pay for capital improvements that will effect considerable energy savings.
Pieter de Vries
macvries@ns.sympatico.ca
6. **Sydport Investment Co-op** raised \$226,000 to be used to expand operations at Sydport Marine Industrial Park in Sydney.
Greg MacLeod (902) 567-0000
gregmacleod@ns.sympatico.ca
7. Investors put \$160,000 into **Valley Funeral Home Co-op Ltd.** to develop and operate the Annapolis Valley Funeral Home in Coldbrook/Kentville.
Boyd Taylor (902) 678-6752; **Max Lockhart** (902) 679-2822
www.annapolisvalleyfuneralhome.com
8. **West Nova Agro Commodities Limited**
The community of Lawrencetown raised \$126,000 that levered additional funds for the development of a farm products storage facility.
Russell Ward; Paul Jones (902) 665-2567 / 584-3736

D. RENEWABLE ENERGY FUNDS

1. **The Cape Breton West Wind Field Inc.** raised \$100,000 and invested in renewable energy/wind energy projects in western Cape Breton. The fund is currently exploring the option of raising additional funds.
Neal Livingston (902) 258-3354
2. **The Evangeline Wind Field Inc.** raised \$112,000 to invest in renewable energy/wind energy projects in its region.
Sheana Holleman (902) 798-7274
3. **Scotian WindFields** is a network of eight locally-owned community development companies dedicated to generating Nova Scotia-based capital directed to community development and ownership of renewable energy resources.
Brian Watling 1-877-798-5085 www.scotianwindfields.org



WIND FIELD FUND	OFFERINGS	CAPITALIZATION
Bay	4	\$750,000
Sou'Wester	1	\$100,131
Chebucto	2	\$243,103
Isle		
Gold Coast		
Northumberland	1	\$176,307
Colchester-Cumberland	1	\$177,420
Glooscap	2	\$323,277