

Form 45-501F11

**Offering Document for Community Economic Development Businesses – Corporations  
(Prince Edward Island)**

**NO SECURITIES REGULATORY AUTHORITY HAS EXPRESSED AN OPINION ABOUT THESE SECURITIES AND IT IS AN OFFENCE TO CLAIM OTHERWISE. POTENTIAL INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS BEFORE INVESTING.**

**THERE IS NO ORGANIZED MARKET THROUGH WHICH THE SECURITIES OFFERED HEREBY MAY BE SOLD. IT MAY BE DIFFICULT OR EVEN IMPOSSIBLE FOR PURCHASERS TO RESELL SECURITIES PURCHASED UNDER THIS OFFERING DOCUMENT.**

**A PURCHASER OF A SECURITY TO WHOM AN OFFERING MEMORANDUM IS REQUIRED TO BE SENT MAY CANCEL THE CONTRACT TO PURCHASE THE SECURITY BY SENDING WRITTEN NOTICE TO THE ISSUER BY MIDNIGHT ON THE SECOND BUSINESS DAY AFTER THE PURCHASER SIGNS AN AGREEMENT TO PURCHASE THE SECURITIES.**

**OFFERING DOCUMENT**

**(Under Part 2, Division 7 [Prince Edward Island Community Development Equity Tax Credit Act] of CMRA Regulation 45-501 Prospectus and Registration Exemptions)**

**[DATE]**

**[NAME OF ISSUER]**

*(Choose from one of the following options)*

**([A direct investment CEDB][A flow-through investment CEDB][A portfolio investment CEDB])**

**[Mailing address of Issuer]**

**T: [telephone #] / F: [fax #]**

**SECURITIES OFFERED: Up to [number] common shares**

**Price: \$[number] per common share**

Maximum Offering: \$[number] ([number] shares)

Minimum Offering: \$[number] ([number] shares)

[Name] (the "Issuer") is a company established under the laws of Prince Edward Island, and is registered under the *Community Development Equity Tax Credit Act* (Prince Edward Island) as a community economic development business ("CEDB"). The Issuer proposes to issue common shares of the company as a qualified share offering (the "Offering") and this offering document (the "Offering Document") qualifies the issuance of the common shares, at a price of \$[number] per share.

The Issuer is described in this Offering Document as *(Choose from one of the following options)* [a direct investment CEDB][a flow-through investment CEDB][a portfolio investment CEDB]. The purpose of this Offering is to provide the Issuer with a minimum amount of investment capital to *(Choose from one of the following options)* [fund its intended business activities within

the defined community identified by the Issuer in its application for registration as a CEDB.][fund the intended business activities of one or more identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.][make specified investments in yet to be identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.]

(Choose from one of the following options) [The Issuer has previously commenced commercial operations as an active business and has a material amount of existing assets as described in this Offering Document.][The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. The Issuer will not carry on any business other than to make eligible investments in one or more identified active businesses in accordance with the Issuer’s constitution and its community economic-development plan.][The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. The Issuer will not carry on any business other than to evaluate and make eligible investments in one or more yet to be identified active businesses in accordance with the Issuer’s constitution and its community economic-development plan.]

	<b>Offered shares</b>	<b>Price per share<sup>(1)</sup></b>	<b>Gross proceeds</b>	<b>Cost of Offering<sup>(2)</sup></b>	<b>Net proceeds to Issuer</b>
<b>Maximum total Offering</b>	[number]	[\$number]	[\$number]	[\$number]	[\$number]
<b>Minimum total Offering<sup>(3)</sup></b>	[number]	[\$number]	[\$number]	[\$number]	[\$number]

- (1) The offering price was established (Choose from one of the following options) [by negotiation with the investor][arbitrarily by the Issuer][other (explain)].
- (2) The cost of the Offering includes all offering expenses, commissions, promoter fees, legal and accounting expenses, and copying and other expenses to be paid out of the proceeds of the Offering, as outlined in detail in “The Offering” section at page [number] of this Offering Document.
- (3) There will be no closing unless a minimum of [number] shares are sold. If subscriptions for a minimum of [number] shares have not been received within 90 days following the date of issuance of this Offering Document, the Offering may not continue and subscription proceeds will be returned to investors, without interest or deduction, unless an amendment to this Offering Document is filed and a receipt for such amendment is issued by the Chief Regulator.

Closing of the Offering is expected to occur on or about [date] (the “Closing Date”).

**THE CAPITAL MARKETS REGULATORY AUTHORITY HAS NOT ASSESSED**

- **THE REASONABLENESS OR MERIT OF THE ISSUER OR THE OFFERING;**
- **WHETHER THE ISSUER HAS SUFFICIENT FINANCING OR 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 OR MANAGEMENT OF THE ISSUER ARE RECEIVING UNCONSCIONABLE BENEFITS AT THE EXPENSE OF THE SECURITY HOLDERS; OR**
- **WHETHER ANY FINANCIAL FORECAST OR PROJECTION 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 OR ALL OF THEIR INVESTMENT. POTENTIAL INVESTORS SHOULD READ THIS OFFERING DOCUMENT IN ITS ENTIRETY, PARTICULARLY THE "RISK FACTORS" SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT.**

**POTENTIAL INVESTORS SHOULD REVIEW THE INFORMATION CONCERNING THE BACKGROUND OF THE ISSUER'S OFFICERS, DIRECTORS, PROMOTERS, 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" SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT, 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 THAT ARE DESCRIBED IN THE "STATUTORY RIGHTS OF ACTION" SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT.**

**ALL PROMOTIONAL MATERIAL IS INCORPORATED BY REFERENCE INTO THIS OFFERING DOCUMENT IN ACCORDANCE WITH SUBSECTION 85(1) OF CMRA REGULATION 45-501.**

**THIS OFFERING DOCUMENT, TOGETHER WITH THE DOCUMENTS INCORPORATED IN IT BY REFERENCE AND FORMING PART OF THIS OFFERING DOCUMENT, AND THE ATTACHMENTS TO IT, CONTAIN ALL OF THE REPRESENTATIONS BY THE ISSUER CONCERNING THIS OFFERING, AND A PERSON MUST NOT MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED IN THIS OFFERING DOCUMENT. INVESTORS ARE CAUTIONED NOT TO RELY ON ANY INFORMATION NOT EXPRESSLY SET FORTH IN OR ATTACHED TO THIS OFFERING DOCUMENT.**

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[Letter]  
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## GLOSSARY

“Act” means the *Capital Markets Act (Prince Edward Island)*;

“active business” means “active business carried on by a corporation” as defined in the *Income Tax Act (Canada)*, except that reference to a “specified investment business” in the definition of “active business carried on by a corporation” does not include paragraphs (a) and (b) of the definition of “specified investment business” in that Act;

“associate” when used to indicate a relationship with a person, means:

- (a) an issuer of which the person beneficially owns or has control or direction over, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to the issuer’s outstanding securities,
- (b) a partner, other than a limited partner, of the person,
- (c) a trust or estate in which the person has a substantial beneficial interest or in respect of which the person serves as trustee or in any other similar capacity, and
- (d) the person’s relative who has the same home as the person, including the person’s spouse or a relative of the person’s spouse;

“association” has the same meaning as in the *Co-operative Associations Act, R.S.P.E.I. 1988, Cap. C-23*;

“CEDB” means a community economic-development business;

“CMRA Regulation 45-501” means CMRA Regulation 45-501 *Prospectus and Registration Exemptions*;

“community economic-development business” means a company or association that meets the criteria prescribed by the General Regulations of the *Community Development Equity Tax Credit Act (Prince Edward Island)*, and is registered as a CEDB by the Minister of Finance for Prince Edward Island under section 2 of that Act;

“company” means a company incorporated under Part I of the *Companies Act (Prince Edward Island)*;

“corporation” means a corporation incorporated under the laws of the Province of Prince Edward Island, another jurisdiction of Canada, or Canada, and that has its head office located in the Province of Prince Edward Island;

“direct investment CEDB” means a corporation or association registered as a CEDB for the single purpose of raising capital to directly fund its own operations;

“flow-through investment CEDB” means a corporation or association registered as a CEDB for the single purpose of raising capital to invest in one or more previously identified investee businesses;

“General Regulations” means the *Community Development Equity Tax Credit Act* General Regulations made under the *Community Development Equity Tax Credit Act* (Prince Edward Island);

“investee business” means a corporation or association in which the Issuer proposes to invest, or has invested, 20% or more of the net proceeds of this Offering or net proceeds of previous offerings, of which all or substantially all of the fair market value of the property of that corporation or association is attributable to property used in an active business, and which would qualify under the *Community Development Equity Tax Credit Act* (Prince Edward Island) and General Regulations to be registered as a CEDB;

“Issuer” means the company established under the laws of Prince Edward Island, and registered under the *Community Equity Tax Credit Act* (Prince Edward Island) as a CEDB, and whose common shares are the subject of this Offering;

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“Offering” means this Offering of common shares of the Issuer;

“Offering Document” means this Offering Document qualifying the issuance of common shares of the Issuer;

“person” means a corporation or an individual;

“personal services business” has the same meaning as in the *Income Tax Act* (Canada);

“portfolio investment CEDB” means a corporation or association registered as a CEDB whose constitution and community economic-development plan restrict its activities to raising capital for the purpose of investing in one or more yet to be identified investee businesses;

“principal security holder” means a person listed in the Principal Security Holder section at page [number] of this Offering Document;

“promoter” has the same meaning as in the Act, except that in accordance with subsection 73(3) of CMRA Regulation 45-501, no individual is considered to be a promoter of the Issuer unless that individual is a promoter at the time this Offering Document is filed with the Chief Regulator;

“selling agent” means any person listed as a selling agent in this Offering Document; and

“shares” means the common shares of the Issuer in this Offering.

## **THE OFFERING**

The Issuer offers up to [number] common shares at \$[number] per share. These shares are non-redeemable, non-retractable, non-convertible, and are not restricted in profit sharing or participation upon dissolution (*Describe the shares being offered including the price of the shares and the material attributes of the shares*).

The offering price was established (*Choose from one of the following options*) [arbitrarily by the Issuer][by negotiation with the investor][otherwise (*explain*)].

The Issuer has selected a minimum Offering of \$[number] ([number] shares) as a reasonable amount taking into consideration [description] (*Issuers are required to explain why the total proceeds raised if the minimum number of securities offered is sold is a reasonable amount, taking into consideration the business of the Issuer and the use that will be made of the proceeds, as described in the Offering Document*).

The minimum number of shares required to be purchased by each subscriber under this Offering is [number], for a minimum investment per subscriber of \$[number].

The minimum number of investors required for an initial offering under Part 2, Division 7 of CMRA Regulation 45-501 is 25.

<b>Offering Summary</b>	
<b>Common shares</b>	Non-redeemable, non-retractable, non-convertible, and not restricted in profit sharing or participation upon dissolution.
<b>Price per share</b>	\$[number]
<b>Maximum Offering</b>	\$[number] ([number] shares)
<b>Minimum Offering</b>	\$[number] ([number] shares)
<b>Minimum investment per subscriber</b>	\$[number] ([number] shares)
<b>Minimum number of investors</b>	[number]

There will be no closing unless a minimum of [number] shares are sold to at least [number] investors, and unless each investor has subscribed for at least [number] shares. If subscriptions for a minimum of [number] shares have not been received within 90 days following the date of issuance of this Offering Document, the Offering may not continue and subscription proceeds will be returned to investors, without interest or deduction, unless an amendment to this Offering Document is filed and a receipt for such amendment is issued by the Chief Regulator.

The Issuer (*Choose from one of the following options*) [is][is not] concurrently distributing or contemplating another distribution of securities within the next 12 months (*If answered in the affirmative, please provide full details*).

The total estimated costs of the Offering and resulting net proceeds from the Offering are summarized below:



	<b>If minimum sold</b>	<b>%</b>	<b>If maximum sold</b>	<b>%</b>
<b>Total gross proceeds</b>	[\$number]	[%]	[\$number]	[%]
Consulting and advisory	[\$number]	[%]	[\$number]	[%]
Marketing and promotion	[\$number]	[%]	[\$number]	[%]
Sales commissions	[\$number]	[%]	[\$number]	[%]
Legal & accounting	[\$number]	[%]	[\$number]	[%]
Offering Document preparation	[\$number]	[%]	[\$number]	[%]
[Describe]	[\$number]	[%]	[\$number]	[%]
<b>Total estimated cost of Offering</b>	[\$number]	[%]	[\$number]	[%]
<b>Total net proceeds to Issuer</b>	[\$number]	[%]	[\$number]	[%]

## **RISK FACTORS**

The following, listed in order of importance, are the factors that 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 that constitute the greatest threat that the investment will be lost in whole or in part, or that the investment will not provide an adequate return) *(List risk factors in order of importance, taking into consideration the additional common risk factors noted below.)*:  
[description of risk factors].

**IN ADDITION TO THE ABOVE RISK FACTORS, POTENTIAL INVESTORS SHOULD CONSIDER THE FOLLOWING RISK FACTORS BEFORE THEY DECIDE TO PURCHASE THE SHARES BEING OFFERED:**

- **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.**
- **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.**
- **THERE ARE RESTRICTIONS ON THE RESALE OF THE SHARES. SEE THE “RESTRICTIONS ON RESALE OF SECURITIES” SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT FOR DETAILS.**
- **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.**
- **INVESTORS WHO DEPOSIT THE SHARES IN A SELF-DIRECTED RRSP SHOULD NOT DEPEND ON SELLING THE SHARES OR ON INCOME FROM THE SHARES TO FUND THEIR RETIREMENT.**
- **TAX LAWS FREQUENTLY CHANGE.**

## PLAN OF DISTRIBUTION

**NOTE: ALL PERSONS LISTED AS SELLING AGENTS FOR THIS OFFERING MUST BE SUITABLE AS REQUIRED UNDER SUBSECTION 79(1) OF CMRA REGULATION 45-501 TO ACT AS SELLING AGENTS FOR THIS OFFERING.**

**ALL DIRECTORS AND OFFICERS OF AN ISSUER FOR THIS OFFERING MUST BE SUITABLE AS REQUIRED UNDER SUBSECTION 79(1) OF CMRA REGULATION 45-501 TO ACT AS SELLING AGENTS FOR THIS OFFERING.**

The Issuer (*Choose from one of the following options*) [is][is not] providing compensation to (*Choose from one of the following options*) [any][certain] persons listed as selling agents for this Offering to act in the capacity of selling agent (*If a listed selling agent is not being compensated, state "None" in the description of selling agent-related compensation section for that selling agent. If a listed selling agent is receiving selling agent-related compensation, describe in that same section his or her respective compensation, if any, including any cash, securities, contracts or other consideration of any kind, whether direct or indirect*).

(*Choose from one of the following options*) [Some][No] person[s] acting as [a] selling agent[s] for this Offering (*Choose from one of the following options*) [have][has] a material relationship with Issuer or its management (*If a listed selling agent does not have a material relationship with the Issuer or its management, state "None" in the material relationship section for that selling agent. If a listed selling agent has a material relationship with the Issuer or its management, describe his or her respective material relationship, if any, to the Issuer or its management*).

The Issuer (*Choose from one of the following options*) [will][will not] indemnify the (*Choose from one of the following options*) [people][person] acting as [a] selling agent[s] for this Offering against liabilities, if any, under capital markets law.

Only the person[s] listed below will act as [a] selling agent[s] for this Offering (*Provide information in a separate text box for each listed selling agent*).

(*Registrants (i.e. individual dealer representatives registered under the Act) who are listed as selling agents must list the name of the dealer whom they represent*).

[Name of selling agent]

[Title in relation to Issuer]

[Business mailing address]

[Business telephone number]

[Business fax number]

[Business email address]

Selling agent-related compensation: [Description]

Material relationship with Issuer or its management: [Description]

**NOTE: POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE AMOUNT OF COMPENSATION TO ANY PERSONS ACTING AS SELLING AGENTS FOR THIS OFFERING, AND THE NATURE OF ANY RELATIONSHIP BETWEEN ANY SUCH PERSONS AND THE ISSUER OR ITS MANAGEMENT.**

**IN ADDITION, POTENTIAL INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING POINTS WHEN EVALUATING ANY RECOMMENDATION BY ANY PERSON ACTING AS A SELLING AGENT FOR THIS OFFERING:**

- **UNLIKE MOST SECURITIES OFFERINGS, PERSONS ACTING AS SELLING AGENTS FOR THIS OFFERING ARE NOT REQUIRED TO BE REGISTERED UNDER THE ACT TO TRADE SECURITIES. THEREFORE, IF INVESTORS PURCHASE SHARES UNDER THE OFFERING FROM SUCH PERSONS, THEY SHOULD BE AWARE THAT:**
  - **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.**
  - **UNREGISTERED PERSONS ACTING AS SELLING AGENTS 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 AUTHORITY.**
- **PLEASE REFER TO “THE KEY PERSONNEL” SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT, THE “MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION” SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT, AND THE “MATERIAL CONTRACTS” SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT FOR ADDITIONAL INFORMATION ON MATERIAL RELATIONSHIPS BETWEEN PARTIES.**

The following is the procedure by which investors subscribe for shares under the Offering:  
[Description]

**NOTE: FOR A LIMITED TIME, SUBSCRIBERS MAY CANCEL THEIR PURCHASE OF SHARES BY NOTIFYING THE ISSUER IN WRITING NO LATER THAN MIDNIGHT ON THE SECOND BUSINESS DAY AFTER THE COMPLETED SUBSCRIPTION AGREEMENT HAS BEEN SIGNED BY THE PURCHASER.**

The subscription funds will be held in trust by [name] (*state name of the lawyer or financial institution that will hold money in trust*) and will become available to the Issuer only after the conditions of closing described below have been met and the Offering has closed.

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

- The Issuer has received the minimum offering amount of \$ [number] in cheques or bank drafts that are in the possession of the trustee.
- All material contracts have been signed, and all material consents of third parties have been obtained.
- All necessary and required certificates under the *Community Development Equity Tax Credit Act* (Prince Edward Island), the General Regulations, and other applicable laws have been obtained and are current, including:
  - A non-objection letter issued by the Chief Regulator that has not been subsequently revoked; and
  - A certificate of registration issued by the Minister of Finance for Prince Edward Island that has not lapsed, been surrendered, or been revoked.
- At least [number] shareholders have subscribed (in accordance with “The Offering” section at page [number] of this Offering Document).
- All subscription funds are in the possession of the trustee.

The minimum offering amount and all other conditions of the initial closing must be achieved on or before [date] (*Note: This date must be no more than 90 days after the date of issuance of a letter of non-objection for the Offering Document by the Chief Regulator, unless the Chief Regulator has granted an extension*).

If the minimum offering amount and all other conditions of the initial closing are not achieved on or before the date specified above, and no extension has been granted by the Chief Regulator, the Offering will be withdrawn and all of the proceeds of subscription, without interest, will be returned to the subscribers no later than 30 days after the date that the Offering was to close.

The following are conditions of each subsequent closing of this Offering:

- There has been no material change in material contracts referred to in the Offering.
- All necessary and required certificates under the *Community Development Equity Tax Credit Act* (Prince Edward Island), the General Regulations and other applicable laws have been obtained and are current, including:
  - A non-objection letter issued by the Chief Regulator that has not been subsequently revoked; and
  - A certificate of registration issued by the Minister of Finance for Prince Edward Island that has not lapsed, been surrendered, or been revoked.
- At least 3 shareholders have subscribed (in accordance with subsection 80(4) of CMRA Regulation 45-501).

- All subscription funds are in cheques or bank drafts and in the possession of the trustee.

### USE OF PROCEEDS

The purpose of this Offering is to provide the Issuer with a minimum amount of investment capital to *(Choose from one of the following options)* [fund its intended business activities within the defined community identified by the Issuer in its application for registration as a CEDB.][fund the intended business activities of one or more identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.][make specified investments in one or more yet to be identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.]

The funds raised in the Offering will be used as indicated in the following table *(The information concerning the use of net proceeds must be meaningful and in reasonable detail. Normally, it is not sufficient to say only that the proceeds of this offering will be used for general corporate or association purposes. Describe any projects in reasonable detail and include their location):*

	<b>If minimum sold</b>	<b>%</b>	<b>If maximum sold</b>	<b>%</b>
<b>Total gross proceeds</b>				
Consulting and advisory	[Number]	[%]	[Number]	[%]
Marketing and promotion	[Number]	[%]	[Number]	[%]
Sales commissions	[Number]	[%]	[Number]	[%]
Legal & accounting	[Number]	[%]	[Number]	[%]
Offering Document preparation	[Number]	[%]	[Number]	[%]
[Describe]	[Number]	[%]	[Number]	[%]
<b>Total estimated cost of offering</b>	[Number]	[%]	[Number]	[%]
<b>Total net proceeds to Issuer</b>	[Number]	[%]	[Number]	[%]
<b>Use of net proceeds from offering</b>	<b>If minimum sold</b>	<b>%</b>	<b>If maximum sold</b>	<b>%</b>
Investments [describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
Administration [describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
[describe]	[Number]	[%]	[Number]	[%]
<b>Total use of net proceeds</b>	[Number]	[%]	[Number]	[%]

The total net proceeds set forth under the column “If minimum sold” will be used in the following order of priority [Description] *(describe order of priority):*

*(Choose from one of the following options)* [No material amounts of funds from other sources than the Offering are to be used in conjunction with the proceeds from the Offering.][The following amounts and sources of material amounts of funds from other sources than the Offering are to be used in conjunction with the proceeds from the offering:] *(State the amounts*

and sources of the other funds, and whether those funds are firm or contingent. If contingent, explain the contingent event(s)).

(Choose from one of the following options) [The Issuer (and/or any corporation or association in which the Issuer intends to invest) does not have or anticipate having any material financial problems within the next 12 months.][The Issuer (and/or any corporation or association in which the Issuer intends to invest) is having, or anticipates having within the next 12 months, the following financial problems:] (Indicate whether the Issuer (and/or any corporation or association in which the Issuer intends to invest) is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether the Issuer (and/or any corporation or association in which the Issuer intends to invest) 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 (and/or that of any corporation or association in which the Issuer intends to invest) trade payables have not been paid within the stated trade term. State whether the Issuer (and/or any corporation or association in which the Issuer intends to invest) is subject to any unsatisfied judgments, liens or settlement obligations and the amount thereof. Indicate the Issuer's (and/or that of any corporation or association in which the Issuer intends to invest) plans to resolve any such problems).

The proceeds from the offering (Choose from one of the following options) [will][will not] satisfy the Issuer's (and/or that of any corporation or association in which the Issuer intends to invest) cash requirements for the next 12 months, and it (Choose from one of the following options) [will][will not] be necessary to raise additional funds (If applicable, state the source of additional funds, if known). See the "Financial Forecasts or Projections" section at page [number] of this Offering Document for more information.

## THE ISSUER

The Issuer's exact name as it appears in its incorporating document is [name]. The Issuer is a company established under the laws of Prince Edward Island, and is registered under the *Community Development Equity Tax Credit Act* (Prince Edward Island) as a CEDB.

The purpose of this Offering is to provide the Issuer with a minimum amount of investment capital to (Choose from one of the following options) [fund its intended business activities within the defined community identified by the Issuer in its application for registration as a CEDB.][fund the intended business activities of one or more identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.][make specified investments in one or more yet to be identified active businesses within the defined community identified by the Issuer in its application for registration as a CEDB.]

Name of Issuer:	[Name]
Organizational form:	Company
Type of CEDB:	(Choose from one of the following options) [Direct investment CEDB][Flow-through investment CEDB][Portfolio investment CEDB]
Jurisdiction and date of incorporation:	Prince Edward Island, [Date]

Address of principal business:	[Mailing address]
Fiscal year end:	[Date]
Issuer's telephone number:	[Number]
Issuer's fax number:	[Number]
Issuer's URL:	[URL]
Key contact person:	[Name]
Mailing address:	[Address]
Telephone number:	[Number]
Fax number:	[Number]
E-mail:	[Email address]

#### **BUSINESS AND PROPERTIES OF THE ISSUER**

**IT IS IMPORTANT FOR PROSPECTIVE INVESTORS TO DISTINGUISH BETWEEN AN ISSUER ORGANIZED AS A COMPANY AND AN ISSUER ORGANIZED AS AN ASSOCIATION, AS EACH OF THESE ORGANIZATIONAL FORMS HAS DISTINCTIVE FEATURES RELEVANT TO PROSPECTIVE INVESTORS.**

**IT IS ALSO IMPORTANT FOR PROSPECTIVE INVESTORS TO DISTINGUISH BETWEEN DIFFERENT TYPES OF ISSUERS ACCORDING TO THEIR RESPECTIVE BUSINESS FOCUS. AN ISSUER REGISTERED AS A CEDB WILL GENERALLY BE DESCRIBED ACCORDING TO ONE OF THE FOLLOWING THREE BASIC TYPES:**

- ***DIRECT INVESTMENT CEDB* – A DIRECT INVESTMENT CEDB MEANS A COMPANY OR ASSOCIATION REGISTERED AS A CEDB FOR THE PURPOSE OF RAISING CAPITAL TO DIRECTLY FUND ITS OWN OPERATIONS.**
- ***FLOW-THROUGH INVESTMENT CEDB* – A FLOW-THROUGH INVESTMENT CEDB MEANS A COMPANY OR ASSOCIATION REGISTERED AS A CEDB FOR THE PURPOSE OF INVESTING IN ONE OR MORE PREVIOUSLY IDENTIFIED INVESTEE BUSINESSES.**
- ***PORTFOLIO INVESTMENT CEDB* – A PORTFOLIO INVESTMENT CEDB MEANS A COMPANY OR ASSOCIATION REGISTERED AS A CEDB FOR THE PURPOSE IDENTIFYING AND INVESTING IN ONE OR MORE YET TO BE IDENTIFIED INVESTEE BUSINESSES.**

**EACH OF THESE GENERAL FORMS AND TYPES OF CEDBS HAS DISTINCTIVE FEATURES RELEVANT TO PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS**

**SHOULD BE AWARE OF AND FULLY UNDERSTAND WHICH FORM AND TYPE OF CEDB THEY ARE CONSIDERING, AS WELL AS THE DISTINCTIVE FEATURES AND CHARACTERISTICS THEREOF.**

The Issuer is described in this Offering Document as (*Choose from one of the following options*) [a direct investment CEDB][a flow-through investment CEDB][a portfolio investment CEDB].

(*Choose from one of the following options*) [The Issuer has previously commenced commercial operations as an active business and has a material amount of existing assets as described in this Offering Document.][The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. The Issuer will not carry on any business other than to make eligible investments in one or more identified active businesses in accordance with the Issuer's constitution and its community economic-development plan.][The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. The Issuer will not carry on any business other than to evaluate and make eligible investments in one or more yet to be identified active businesses in accordance with the Issuer's constitution and its community economic-development plan.]

*[(If the Issuer is a direct investment CEDB, describe the following in separate sections:)]*

- Business of the Issuer – [Description] (*Describe the business the Issuer now operates and proposes to operate. Include a detailed description of the products that are or will be produced or services that are or will be rendered*).
- Products and Services – [Description] (*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), also state the present stage of development, including whether (a) working prototype(s) is in existence. Indicate if completion of development of the product(s) will require a material amount of the resources of the Issuer, and the estimated amount. Include descriptions of any major existing supply contracts*).
- Industry – [Description] (*Describe the industry in which the Issuer is selling or expects to sell its products or services. If applicable, describe any recognized trends within the industry. Also describe the part of the industry and the geographic area in which the business competes or will compete. Finally, indicate whether competition is or is expected to be by price, by differentiated product or service, by some other means*).
- Regulatory Environment – [Description] (*Describe the nature and extent of federal, provincial and municipal regulations to which the Issuer's business, products or properties are subject. Indicate the nature and extent of each regulation and its effects or potential effects upon the Issuer. If none, so indicate*).
- Employees – [Description] (*Describe the number of employees that the Issuer has, including the respective roles of those employees. Also describe the number of employees the Issuer anticipates it will have within the next 12 months, including the respective roles of those employees*).



- Principal Properties – [Description] *(Describe the principal properties (i.e. such as real estate, plant and equipment, patents) owned or leased by the Issuer, and properties the Issuer intends to acquire in the next 12 months. If properties are leased, indicate 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. Also indicate what properties the Issuer intends to acquire in the next 12 months, the costs of those acquisitions and the sources of financing it expects to use in obtaining those properties, whether by purchase, lease or otherwise).*
- Subsidiaries – [Description] *(Describe the name, business purpose and ownership details for each subsidiary of the Issuer. If none, so indicate).*
- Material Events – [Description] *(Provide a summary of material events (i.e., those that are fundamental to business and day-to-day operations) in the development of the Issuer during the last 5 years or whatever shorter period the Issuer has existed. 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).*
- Investor Exit Strategy – [Description] *(Indicate whether or not the Issuer has a strategy for its investors to exit from the Issuer. If the Issuer does have an exit strategy for its investors, so describe.)*

*[If the Issuer is a flow-through investment CEDB, describe the following in separate sections:*

- Business of the Issuer – The Issuer does not plan to operate as an active business. The Issuer plans to invest all or substantially all of the proceeds of the offering in shares in [name of investee business], a *(Choose from one of the following options)* [corporation][association] of which all or substantially all of the fair market value is attributable to property used in an active business *(also describe accordingly for any other investee business)*. Listed below is a detailed description of the business and properties of [name of investee business] *(also describe accordingly for any other investee business)*.
- Restrictions on Investments – [Description] *(Describe the restrictions on investments as described in the Issuer’s constitution).*
- Business of [name of investee business]– [Description] *(Describe how the investee business now operates and proposes to operate. Include a detailed description of the products that are or will be produced or services that are or will be rendered. Also describe accordingly for any other investee business).*
  - Products and Services – [Description] *(Describe how these products or services are to be produced or rendered and how and when the investee business intends to carry out its activities. If the investee business plans to offer one or more new products, also state the present stage of development, including whether working prototypes are in existence. Indicate if completion of development of the products will require a material amount of the resources of the investee business, and the*

*estimated amount. Include descriptions of any major existing supply contracts).*

- *Industry – [Description] (Describe the industry in which the investee business is selling or expects to sell its products or services. If applicable, also describe any recognized trends within the industry. Also describe the part of the industry and the geographic area in which the investee business competes or will compete. Finally, indicate whether competition is or is expected to be by price, by differentiated product or service, by some other means).*
- *Regulatory Environment – [Description] (Describe the nature and extent of federal, provincial and municipal regulations to which the investee business's business, products or properties are subject. Indicate the nature and extent of each regulation and its effects or potential effects upon the investee business. If none, so indicate).*
- *Employees – [Description] (Describe the number and types of employees the investee business has, and number and type of employees it anticipates it will have within the next 12 months).*
- *Principal Properties – [Description] (Describe the principal properties (i.e. such as real estate, plant and equipment, patents) owned or leased by the investee business, and properties the investee business intends to acquire in the next 12 months. If properties are leased, indicate 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. Also indicate what properties the investee business intends to acquire in the next 12 months, the costs of those acquisitions and the sources of financing it expects to use in obtaining those properties, whether by purchase, lease or otherwise).*
- *Subsidiaries – [Description] (Describe the name, business purpose and ownership details for each subsidiary of the investee business. If none, so indicate).*
- *Material Events – [Description] (Provide a summary of material events (i.e., those that are fundamental to business and day-to-day operations) in the development of the investee business during the last 5 years or whatever shorter period the investee business has existed. 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).*
- *Investee Business Exit Strategy – [Description] (Indicate whether or not the investee business has a strategy for the Issuer to exit from the investee business. If the Issuer does have an exit strategy, so describe).*

- Issuer Exit Strategy – [Description] (*Indicate whether or not the Issuer has an exit strategy for its investors to exit from the Issuer. If the Issuer does have an exit strategy for its investors, so describe*).

**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 ONE OR MORE IDENTIFIED INVESTEE BUSINESSES, THE MOST RECENT FINANCIAL STATEMENTS OF EACH INVESTEE BUSINESS MUST BE ATTACHED AND FORM PART OF THIS OFFERING DOCUMENT.]**

*[If the Issuer is a portfolio investment CEDB, describe the following in separate sections:*

- Business of the Issuer – The Issuer has a constitution that restricts it to making specified investments in eligible local business entities in accordance with its community economic-development plan.
- Restrictions on Investments – [Description] (*Describe the restrictions on investments as described in the Issuer’s constitution*).
- Investment Strategy and Objectives – [Description] (*Describe the Issuer’s investment strategy and objectives as set forth in the Issuer’s community economic-development plan*).
- Intended Investments – [Description] (*Describe any intended specified investments in eligible local business entities that 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, so indicate*).
- Portfolio Investments Exit Strategy – [Description] (*Indicate whether or not the Issuer has a strategy to exit from its portfolio investments. If the Issuer does have an exit strategy, so describe*).
- Issuer Exit Strategy – [Description] (*Indicate whether or not the Issuer has a strategy for its investors to exit from the Issuer. If the Issuer does have an exit strategy for its investors, so describe*).

**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 ONE OR MORE IDENTIFIED INVESTEE BUSINESSES, THE MOST RECENT FINANCIAL STATEMENTS OF EACH INVESTEE BUSINESS MUST BE ATTACHED AND FORM PART OF THIS OFFERING DOCUMENT.**

**POTENTIAL INVESTORS SHOULD NOTE THAT EVEN IF YET TO BE IDENTIFIED SPECIFIED INVESTMENTS IN ELIGIBLE LOCAL BUSINESS ENTITIES ARE NOT DESCRIBED IN THIS OFFERING DOCUMENT, THE ISSUER MUST NEVERTHELESS MAKE THOSE INVESTMENTS IN COMPLIANCE WITH PART 2, DIVISION 7 OF CMRA REGULATION 45-501.]**

## KEY PERSONNEL

*(Choose from one of the following options)* **[NO PERSONS ARE BEING COMPENSATED TO ACT AS SELLING AGENTS FOR THIS OFFERING.][THE ISSUER IS COMPENSATING CERTAIN PERSONS TO ACT AS SELLING AGENTS FOR THIS OFFERING. A DESCRIPTION OF COMPENSATION PAID TO SELLING AGENTS FOR THIS OFFERING IS LISTED IN THE PLAN OF DISTRIBUTION SECTION AT PAGE [NUMBER] OF THIS OFFERING DOCUMENT.]**

The following is a detailed description of all key personnel of the Issuer, including directors, officers, promoters, and selling agents listed for this Offering [Description] *(Provide detailed information for each person so listed):*

### Directors

**AS A PRESCRIBED CONDITION FOR REGISTRATION AS A CEDB UNDER THE COMMUNITY DEVELOPMENT EQUITY TAX CREDIT ACT (PRINCE EDWARD ISLAND) AND GENERAL REGULATIONS, THE ISSUER MUST HAVE A BOARD OF DIRECTORS, ELECTED AT A GENERAL MEETING OF ITS SHAREHOLDERS, CONSISTING OF NOT LESS THAN SIX INDIVIDUALS WHO ARE RESIDENTS OF THE DEFINED COMMUNITY IN WHICH THE ISSUER CARRIES ON BUSINESS.**

**AS A PRESCRIBED CONDITION UNDER SUBSECTION 79(2) OF CMRA REGULATION 45-501, AT LEAST TWO DIRECTORS OF THE ISSUER MUST BE INDEPENDENT.**

**EACH PERSON LISTED AS AN INDEPENDENT DIRECTOR OF THE ISSUER MUST HAVE REVIEWED THE MEANING OF INDEPENDENCE REFERRED TO UNDER SECTION 2.1 OF NATIONAL POLICY 58-201 AND UNDER SECTION 1.2 OF NATIONAL INSTRUMENT 58-101, AND DESCRIBED UNDER SECTION 1.4 OF NATIONAL INSTRUMENT 52-110, AND BASED ON THAT DESCRIPTION OF INDEPENDENCE, MUST HAVE AGREED TO BE LISTED AS AN INDEPENDENT DIRECTOR OF THE ISSUER.**

There are [number] directors of the Issuer, [number][all] of which come from the community described in the Issuer's application for registration as a CEDB.

[Number] directors of the Issuer are independent. Each director listed in this Offering Document is described as either independent or non-independent.

*(Provide information for each Director of the Issuer)*

Name: [Description]

Occupation: [Description]

Address: [Description]

Telephone: [Description]

Fax: [Description]

Email: [Description]

Director status: *(Choose from one of the following options)* [Independent director][Non-independent director]

Work history: [Description] *(Provide names of employers/organizations, titles and dates of positions held during the last 5 years with an indication of job responsibilities.)*

*(Provide details, including relevant dates, of any experience that the individual has in working for or managing a company, including a separate subsidiary or division of a larger enterprise in the same business as the Issuer. If the individual has no such experience, so indicate.)*

*(If the Issuer has never conducted business or is otherwise in the development stage, provide details, including relevant dates, of any experience that the individual has in managing any other business in the start-up or development stage. If the individual has no such experience, so indicate.)*

Education: [Description] *(List degrees/diplomas/certificates, schools and dates.)*

[Section heading]: [Description] *(Describe other pertinent information, such as professional associations and/or community involvement.)*

Non-competition arrangements: [Description] *(Describe arrangements to ensure that each individual will remain with the Issuer, and on termination of his or her relationship with the Issuer, will not compete with the Issuer. If no such arrangements exist, so indicate.)*

Recent bankruptcy proceedings or consumer proposals (within the last 5 years): [Description] *(Describe the details of any petition or proposal under the Bankruptcy and Insolvency Act (Canada) that has been filed within the last 5 years against the individual, or any appointment by a court within the last 5 years of a receiver or receiver-manager for the business or estate of any of those persons, or any partnership in which the individual was general partner, or any corporation or business association of which the individual was an executive officer. Describe the nature and date of the actions. If no such actions exist, so indicate with the word "None".)*

## **Officers**

*(Provide information for each officer of the Issuer.)*

*(Under section 2 of the Act, an "officer" of a person includes a chair or vice-chair of the board of directors, a chief executive officer, chief operating officer, chief financial officer, president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer and general manager, an individual who is designated as an officer under a by-law or similar authority of the person, and an individual who performs functions similar to those normally performed by an individual referred to as aforementioned.)*

Name: [Description]

Officer Title: [Description]

Occupation: [Description]

Address: [Description]

Telephone: [Description]

Fax: [Description]

Status of employment with Issuer: *(Choose from one of the following options)* [Full-time][Part-time] *(Choose from one of the following options)* [Agent] [Independent contractor] *(If less than full-time, describe estimated amount of time per week to be spent on Issuer's matters.)*

Work history: [Description] *(Provide names of employers/organizations, titles and dates of positions held during the last 5 years with an indication of job responsibilities.)*

*(Provide details, including relevant dates, of any experience that the individual has in working for or managing a company, including a separate subsidiary or division of a larger enterprise in the same business as the Issuer. If the individual has no such experience, so indicate.)*

*(If the Issuer has never conducted business or is otherwise in the development stage, provide details, including relevant dates, of any experience that the individual has in managing any other business in the start-up or development stage. If the individual has no such experience, so indicate.)*

Education: [Description] *(List degrees/diplomas/certificates, schools and dates.)*

[Section heading]: [Description] *(Describe other pertinent information, such as professional associations and/or community involvement.)*

Non-competition arrangements: [Description] *(Describe arrangements to ensure that each individual will remain with the Issuer, and on termination of his or her relationship with the Issuer, will not compete with the Issuer. If no such arrangements exist, so indicate.)*

Recent bankruptcy proceedings or consumer proposals (within the last 5 years): [Description] *(Describe the details of any petition or proposal under the Bankruptcy and Insolvency Act (Canada) that has been filed within the last 5 years against the individual, or any appointment by a court within the last 5 years of a receiver or receiver-manager for the business or estate of any of those persons, or any partnership in which the individual was general partner, or any corporation or business association of which the individual was an executive officer. Describe the nature and date of the actions. If no such actions exist, so indicate with the word "None".)*

## Promoters

*(List all promoters of the Issuer. For each promoter, provide the same level of information as for each Director and Officer of the Issuer.)*

Name: [Description]

Occupation: [Description]

Address: [Description]

Telephone: [Description]

Fax: [Description]

Status of Employment with Issuer: *(Choose from one of the following options)* [Full-time][Part-time] *(Choose from one of the following options)* [Agent][Independent contractor] *(If less than full-time, describe estimated amount of time per week to be spent on Issuer's matters.)*

Work history: [Description] *(Provide names of employers/organizations, titles and dates of positions held during the last 5 years with an indication of job responsibilities.)*

*(Provide details, including relevant dates, of any experience that the individual has in working for or managing a company, including a separate subsidiary or division of a larger enterprise in the same business as the Issuer. If the individual has no such experience, so indicate.)*

*(If the Issuer has never conducted business or is otherwise in the development stage, provide details, including relevant dates, of any experience that the individual has in managing any other business in the start-up or development stage. If the individual has no such experience, so indicate.)*

Education: [Description] *(List degrees/diplomas/certificates, schools and dates.)*

[Section heading]: [Description] *(Describe other pertinent information, such as professional associations and/or community involvement.)*

Non-competition arrangements: [Description] *(Describe arrangements to ensure that each individual will remain with the Issuer, and on termination of his or her relationship with the Issuer, will not compete with the Issuer. If no such arrangements exist, so indicate.)*

Recent bankruptcy proceedings or consumer proposals (within the last 5 years): [Description] *(Describe the details of any petition or proposal under the Bankruptcy and Insolvency Act (Canada) that has been filed within the last 5 years against the individual, or any appointment by a court within the last 5 years of a receiver or receiver-manager for the business or estate of any of those persons, or any partnership in which the individual was general partner, or any corporation or business association of which the individual was an executive officer. Describe the nature and date of the actions. If no such actions exist, so indicate with the word "None".)*

## Other Key Personnel

*(List all other key personnel, including all persons listed as selling agents other than directors and officers of the Issuer. For each individual, provide the same level of information as for each Director and Officer of the Issuer.)*

Name: [Description]

Occupation: [Description]

Address: [Description]

Telephone: [Description]

Fax: [Description]

Status of Employment with Issuer: *(Choose from one of the following options)* [Full-time][Part-time][Agent][Independent contractor] *(If less than full-time, describe estimated amount of time per week to be spent on Issuer's matters.)*

Work history: [Description] *(Provide names of employers/organizations, titles and dates of positions held during the last 5 years with an indication of job responsibilities.)*

*(Provide details, including relevant dates, of any experience that the individual has in working for or managing a company, including a separate subsidiary or division of a larger enterprise in the same business as the Issuer. If the individual has no such experience, so indicate.)*

*(If the Issuer has never conducted business or is otherwise in the development stage, provide details, including relevant dates, of any experience that the individual has in managing any other business in the start-up or development stage. If the individual has no such experience, so indicate.)*

Education: [Description] *(List degrees/diplomas/certificates, schools and dates.)*

[Section heading]: [Description] *(Describe other pertinent information, such as professional associations and/or community involvement.)*

Non-competition arrangements: [Description] *(Describe arrangements to ensure that each individual will remain with the Issuer, and on termination of his or her relationship with the Issuer, will not compete with the Issuer. If no such arrangements exist, so indicate.)*

Recent bankruptcy proceedings or consumer proposals (within the last 5 years): [Description] *(Describe the details of any petition or proposal under the Bankruptcy and Insolvency Act (Canada) that has been filed within the last 5 years against the individual, or any appointment by a court within the last 5 years of a receiver or receiver-manager for the business or estate of any of those persons, or any partnership in which the individual was general partner, or any corporation or business association of which the*



*individual was an executive officer. Describe the nature and date of the actions. If no such actions exist, so indicate with the word "None".)*

## **FINANCIAL FORECASTS OR PROJECTIONS**

The Issuer has included certain future-oriented financial information at appendix [Letter] of this Offering Document. Listed below is a description of assumptions used in making this future-oriented financial information. *(Describe the assumptions here and indicate the page on which the future-oriented financial information can be found. If there is no future-oriented financial information, please state that there is none. If future-oriented financial information, such as forecasts or projections, will be provided to potential investors, that information must be attached to the offering document and referred to in this item. The forecast or projection must include all of the assumptions used to calculate the figures shown and must be prepared in accordance with Part 4B of NI 51-102.)*

## **DIVIDENDS, DISTRIBUTIONS AND REDEMPTIONS**

Listed below are the particulars of the Issuer's dividend policy, as well as details of dividends and other distributions paid by the Issuer to its security holders during the last 5 years *(If the Issuer does not have a dividend policy, so indicate. If the Issuer does not have a history of dividends and other distributions paid to its security holders during the last 5 years, so indicate.)*:

Listed below are the particulars of the Issuer's redemption policy *(If the Issuer does not have a redemption policy, so indicate.)*:

*(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 one or more investee businesses, also describe the dividend policy of the investee business or businesses, details of dividends and other distributions paid by the investee business or businesses to security holders during the last 5 years, and the redemption policy of the investee business or businesses.)*

## **CAPITALIZATION**

### **Issuer**

The following table summarizes the Issuer's authorized capital as at the date of this Offering Document *(In the table, please name and describe the authorized classes of securities of the Issuer, if any, exactly as set out in the constating documents of the Issuer.)*:

<b>Name of Security</b>	<b>Amount Authorized</b>	<b>Attributes</b>
[Common shares]		
[Preferred shares]		
[Other]		
[Other]		

The following table summarizes the Issuer's capitalization as at the date of this Offering Document and after the initial closing of this Offering (*In columns 2, 3 and 4, state the dollar amount first and the number of securities in brackets after.*):

<b>Name of Security</b>	<b>Outstanding as at the date of the most recent balance sheet contained in the Offering Document</b>	<b>Outstanding as at the date of the Offering Document</b>	<b>Outstanding at Initial Closing @ Minimum @ Maximum</b>
[Common shares]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Preferred shares]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Options/Warrants]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Long term debt]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]

(Choose from one of the following options) **[Investee Business][Investee Businesses]**

(If the Issuer is a flow-through investment CEDB, describe the capitalization of the investee business or businesses of the Issuer in the same manner and detail as for the Issuer. If the Issuer is not a flow-through investment CEDB, omit this section from the Offering Document.)

(Choose from one of the following options) [The following table summarizes the authorized capital of the investee business as at the date of this Offering Document:] [The following tables summarize the authorized capital of each investee business as at the date of this Offering Document:] (*In the table, please name and describe the authorized classes of securities of the investee business or businesses exactly as set out in the constating documents of the investee business or businesses.*)

<b>[Name of Security]</b>	<b>[Amount Authorized]</b>	<b>[Attributes]</b>
[Common/Membership shares]		
[Preferred shares]		
[Other]		
[Other]		

(Choose from one of the following options) [The following table summarizes the capitalization of the investee business, both as at the date of this Offering Document and after the initial closing of this Offering:] [The following tables summarize the capitalization of each investee business, both as at the date of this Offering Document and after the initial closing of this Offering:] (*In columns 2, 3 and 4, state both the dollar amount and the number of securities.*)

[Name of Security]	[Outstanding as at the date of the most recent balance sheet contained in the Offering Document]	[Outstanding as at the date of the Offering Document]	[Outstanding at Initial Closing @ Minimum @ Maximum]
[Common/Membership shares]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Preferred shares]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Options/Warrants]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]
[Long term debt]	[\$[number] ([number][security])]	[\$[number] ([number][security])]	[\$[number] ([number][security])]

### PRINCIPAL SECURITY HOLDERS

#### Issuer

**ANY SECURITY HOLDER OF THE ISSUER WHO OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF ANY SECURITIES OF THE ISSUER MUST DISCLOSE HIS OR HER HOLDINGS.**

**UNDER THE *COMMUNITY DEVELOPMENT EQUITY TAX CREDIT ACT* (PRINCE EDWARD ISLAND), NO PRINCIPAL SECURITY HOLDER OF THE ISSUER MAY OWN, DIRECTLY OR INDIRECTLY, MORE THAN 20% OF ANY SECURITIES OF THE ISSUER.**

**NOTE: THE OFFICERS AND DIRECTORS OF THE ISSUER MAY SUBSCRIBE FOR SHARES DURING THE OFFERING, IN WHICH CASE THE NUMBER OF SHARES BENEFICIALLY OWNED BY OFFICERS AND DIRECTORS AS A GROUP AFTER THE OFFERING WILL INCREASE.**

*(Choose from one of the following options)* [There are no security holders of the Issuer who own directly or indirectly more than 10% of any securities of the Issuer.][The principal security holders of the Issuer (those who beneficially own, directly or indirectly, 10% or more of any securities of the Issuer presently outstanding) are listed as follows:]

*(Provide information for each principal security holder of the Issuer. 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.)*

Name: [Description]

Address: [Description]

Telephone: [Description]

Date(s) of purchase: [Date]

Type of security: [Description]

Average unit price: \$[Number]

Amount now held: \$[Number] [Number] share(s)

Percent of total issued and outstanding: [Number]%

Listed below are the type, number, and percentage of securities beneficially owned by principal security holders as a group before the Offering:

*(Provide information for each type of security held by principal security holders of the Issuer.)*

<b>Securities beneficially owned by principal security holders as a group before the Offering</b>	
Type of security held	[description]
Amount held	[\$[ number] ([number]shares)
Amount outstanding	[\$[number] ([number]shares)
Amount held as % of total outstanding	[number]%

*(Choose from one of the following options)* **[Investee Business][Investee Businesses]**

*(If the Issuer is a flow-through investment CEDB, provide information for each principal security holder of each investee business of the Issuer. 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 is not a flow-through investment CEDB, omit this section from the Offering Document.)*

**[ANY SECURITY HOLDER OF AN INVESTEE BUSINESS WHO OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 10% OF ANY SECURITIES OF THE INVESTEE BUSINESS MUST DISCLOSE HIS OR HER HOLDINGS.]**

*(Choose from one of the following options)* [There are no security holders of any investee business of the Issuer who own directly or indirectly more than 10% of any securities of an investee business of the Issuer.][The principal security holders of the investee business of the Issuer (those who beneficially own, directly or indirectly, 10% or more of any securities of the investee business presently outstanding) are listed as follows:][The principal security holders of the investee businesses of the Issuer (those who beneficially own, directly or indirectly, 10% or more of any securities of an investee business presently outstanding) are listed as follows:]

*(Provide information for each principal security holder of the investee business or businesses. 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.)*

<b>[Name]</b>	
[Address]	
[Telephone number]	
[Date(s) of purchase:]	[date]
[Type of security:]	[description]
[Average unit price:]	[\$][number]
[Amount now held:]	[\$][number] ([number][shares])
[Percent of total issued and outstanding:]	[number][%]

[Listed below are the type, number, and percentage of securities beneficially owned by principal security holders as a group before the Offering:]

*(Provide information for each type of security held by principal security holders of the investee business or businesses.)*

<b>[Securities beneficially owned by principal security holders as a group before the Offering]</b>	
[Type of security held]	[description]
[Amount held]	[\$][number] ([number][shares])
[Amount outstanding]	[\$][number] ([number][shares])
[Amount held as % of total outstanding]	[number][%]

## **MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION**

Below is a description of any and all material management relationships, transactions and remuneration in order to assess any actual or potential conflicts of interest between the Issuer and its officers, directors, promoters, selling agents, other key personnel, or associates:

*(Provide an explanation of all material management relationships, transactions and remuneration that should be disclosed to assess any actual or potential conflicts of interest. Specifically, provide a description of:*

- *Material business dealings – (material business dealings that took place within the last 2 years or that the Issuer is contemplating between the Issuer and any of its officers, directors, promoters, selling agents, other key personnel, or associates of the Issuer, including any loans made or received by the Issuer. If none, so indicate.)*
- *Sales or leases of goods, property or services – (sales or leases of goods, property or services to or from the Issuer, including any employment contracts, or share, option or other purchase contracts. If none, so indicate.)*

- *Financing arrangements – (the principal terms of any significant loans, agreements, leases, financing or other arrangements. If there are none, so indicate.).*
- *Payments – (details of any payments to officers, directors, promoters, selling agents, other key personnel, or associates of the Issuer, including salary, bonuses, director’s fees, honoraria and reimbursement of expenses. If none, so indicate.).*
- *Employment agreements – (any employment agreements, either existing or contemplated, with officers, directors, promoters, selling agents, other key personnel, or associates of the Issuer. If none, so indicate.).*

In addition to the foregoing, listed below are details of any and all business or personal interests that the officers, directors, promoters, selling agents, other key personnel, or associates of the Issuer, may have that could conflict with the interests of the Issuer: *(Provide details. Provide details even if they are described in other items in this Offering Document. If none, so indicate.)*

The Issuer *(Choose from one of the following options)* [has][does not have] a conflict of interest policy *(If such a policy exists, so describe.)*.

## **LITIGATION**

*(If there is no litigation or action to disclose state the following:)* [The Issuer and its officers, directors, selling agents, its other personnel and promoters are not currently and have not been subject to any litigation or administrative or criminal action that is or has been material to the Issuer. Nor is the Issuer or its officers, directors, selling agents, or its other personnel and promoters aware that any such litigation or action is pending or threatened.]

*(Otherwise, describe any and all past, current, pending or threatened litigation or administrative action that 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 the amounts involved. Include any litigation or action involving the Issuer’s officers, directors, selling agents, and other key personnel or promoters that relates to or has affected 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.)*

## **CANADIAN INCOME TAX CONSIDERATIONS**

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.

*(Add narrative with respect to the significant income tax consequences to individuals who are residents of Canada under the Income Tax Act (Canada) and the Community Development*

*Equity Tax Credit Act (Prince Edward Island). The narrative should address the following, if applicable:*

- *transfer of Shares to a Registered Retirement Savings Plan (RRSP);*
- *transfer of Shares to a Tax Free Savings Account (TFSA);*
- *taxation of dividends or income received by security holders on the Shares;*
- *treatment of capital gains or losses realized by security holders on disposition;*
- *applicability of alternative minimum tax to security holders;*
- *deductibility of interest expense on money borrowed to purchase Shares;*
- *availability of tax credits; and*
- *repayment of tax credits.)*

**Note: If you hold private company shares in your RRSP, income tax rules provide that shares in companies in which you (and related parties) have an interest of 10% or more are a prohibited investment for RRSP purposes.**

*(Provide the name and address of the professional advisors, if any, involved in the preparation of the answer to this item. If no professional advisors have been used, please state the following:)* [No professional advisors have been used in the preparation of the tax disclosure.]

## **MATERIAL CONTRACTS**

The Issuer has not entered into any contracts material to investors in the shares of this Offering since incorporation of the Issuer, other than the following *(Itemize and describe each material contract.):*

Copies of all agreements listed above will be available for inspection at the offices of the Issuer at any time during ordinary business hours while the securities offered by this Offering Document are in the course of distribution and for a period of 30 days thereafter.

*(Describe the particulars of every material contract – a contract that is fundamental to the business and day-to-day operations of the Issuer) entered into by the Issuer or, if applicable, any of its significant subsidiaries within 2 years before the date of the offering document.)*

*(Examples of material contracts are contracts for the purchase of property, equipment or inventory; marketing contracts; financing agreements; management agreements; shareholder agreements; copyright or patent agreements.)*

*(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 of them may be inspected during the distribution of the shares or, alternatively, incorporate the*

*contracts by reference and attach them to this document. If a material contract is of a confidential nature, provide a summary of that contract.)*

## **OTHER MATERIAL FACTS**

*(Choose from one of the following options) [To management's knowledge, there are no other material facts about the shares being distributed that are not otherwise disclosed in this Offering Document, or are necessary in order for the Offering Document to contain fair, true and plain disclosure of all material facts relating to the common shares being distributed][Listed below are certain other material facts about the shares being distributed that are not otherwise disclosed in this Offering Document, but that are necessary in order for the Offering Document to contain fair, true and plain disclosure of all material facts relating to the common shares being distributed.]*

## **FINANCIAL STATEMENTS**

**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 BUSINESS, THE MOST RECENT FINANCIAL STATEMENTS OF THE INVESTEE BUSINESS MUST BE ATTACHED AND FORM PART OF THIS DOCUMENT.**

Annual financial statements of the Issuer for the period ending (insert last fiscal year) are attached at appendix [Letter] and form part of this Offering Document.

Interim financial statements covering the period from [Date] to [Date] are also attached at appendix [Letter] and form part of this Offering Document.

*(If the Issuer has carried on business but has not completed a fiscal year, state this, delete the first sentence above and attach an unaudited financial statement of the Issuer for the period ending no more than 60 days before the date of this Offering Document.)*

*(If the Issuer has completed 1 or more fiscal years, attach the financial statements complete with either an audit report or a review engagement report for the most recent completed fiscal year and unaudited financial statements for the period ending no more than 60 days before the date of this Offering Document.)*

*(If the Issuer does not have a prior operating history, state this and attach an opening balance sheet with either a completed audit report or a review engagement report and also state that those documents form part of this Offering Document.)*

## **CONTINUOUS REPORTING OBLIGATIONS**

The Issuer will file with the Chief Regulator and make available to security holders annual financial statements and semi-annual interim financial statements as required by section 86.1 of CMRA Regulation 45-501.



If one of the events set out in section 88.1 of CMRA Regulation 45-501 occurs, the Issuer must make reasonably available to each security holder a notice in the form of Form 45-501F10 *Notice of Specified Events (New Brunswick and Prince Edward Island)*.

## **RESTRICTIONS ON REALE OF SECURITIES**

Under the *Community Development Equity Tax Credit Act* (Prince Edward Island), a person who disposes of a share in respect of which a tax credit has been allowed within 5 years from the date of purchase is liable to repay the Minister of Finance for Prince Edward Island an amount equal to the tax credits received in respect of the share purchased, or a lesser amount that is determined in accordance with the regulations under that Act.

Under capital markets law, trades by a security holder of shares of the Issuer purchased under this Offering will be restricted and each first trade and each subsequent trade will be a distribution, unless the Issuer becomes a reporting issuer and the trades are made in accordance with subsection 2.5(2) of National Instrument 45-102 *Resale of Securities*.

However, first and subsequent trades by a security holder of shares of the Issuer purchased under this Offering are permitted in the following circumstances, in accordance with paragraph 73(2)(b) of CMRA Regulation 45-501:

- first and subsequent trades to the CEDB in accordance with section 2.15 of National Instrument 45-106 *Prospectus Exemptions*;
- first and subsequent trades to a self-directed registered retirement savings plan of the security holder or the security holder's spouse;
- first and subsequent trades to the spouse of the security holder;
- first and subsequent trades to a tax-free savings account of the security holder or the security holder's spouse;
- from a self-directed registered retirement savings plan of the security holder or the security holder's spouse to the security holder;
- from a tax-free savings account of the security holder to the security holder or the security holder's spouse;
- to a purchaser who owns shares of the CEDB and who is advised in writing by or on behalf of the vendor before entering into an agreement of purchase and sale that the purchaser will not accrue any advantage under the *Community Development Equity Tax Credit Act* (Prince Edward Island) as a result of the purchase; or
- to a purchaser who purchases by way of a trade made in compliance with capital markets law.

**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.**

#### **CANCELLATION RIGHT**

**UNDER SECTION 142 OF THE ACT, A PURCHASER OF A SECURITY TO WHOM AN OFFERING MEMORANDUM IS REQUIRED TO BE SENT MAY CANCEL THE CONTRACT TO PURCHASE THE SECURITY BY SENDING WRITTEN NOTICE TO THE ISSUER BY MIDNIGHT ON THE SECOND BUSINESS DAY AFTER THE PURCHASER SIGNS AN AGREEMENT TO PURCHASE THE SECURITIES.**

#### **STATUTORY RIGHTS OF ACTION**

**SUBSCRIBERS TO THIS OFFERING HAVE CERTAIN STATUTORY RIGHTS OF ACTION AS DESCRIBED IN THE ACT, INCLUDING BUT NOT LIMITED TO:**

- **A RIGHT OF ACTION FOR DAMAGES FOR MISREPRESENTATION IN AN OFFERING DOCUMENT; AND**
- **A RIGHT OF ACTION FOR RESCISSION.**

**PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE ACT, IN PARTICULAR PART 12 OF THE ACT.**

## CERTIFICATE OF THE COMPANY

Dated: [Date]

This Offering Document constitutes fair, true and plain disclosure of all material facts relating to the securities offered by this Offering Document as required by capital markets law.

\_\_\_\_\_  
[Name – CEO]

\_\_\_\_\_  
[Name – CFO]

On behalf of Directors

\_\_\_\_\_  
[Name – Director 1]

\_\_\_\_\_  
[Name – Director 2]

## **CERTIFICATE OF THE PROMOTER**

Dated: [Date]

This Offering Document constitutes fair, true and plain disclosure of all material facts relating to the securities offered by this Offering Document as required by capital markets law.

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[Name – Promoter]