

Blanket Order No. 51-503

IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED (the "Act")

- AND-

IN THE MATTER OF THE COMMUNITY ECONOMIC-DEVELOPMENT
CORPORATIONS REGULATIONS (the "CEDC Regulations")

-AND-

IN THE MATTER OF RULE 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS ("Rule 51-102")

EXEMPTION ORDER
(Section 13.1)

WHEREAS:

1. Under Section 23 of the CEDC Regulations, where a community economic-development corporation ("CEDC") has met its minimum offering amount, has certified to the trustee that all conditions of closing have been met and the initial closing has occurred, then a CEDC that is not a reporting issuer and every person or company who would be an insider of the CEDC if the CEDC were a reporting issuer and every person or company who would be in a special relationship with the CEDC within the meaning of subsection 82(5) of the Act if the CEDC were a reporting issuer, is required to comply with Sections 81 to 85, inclusive, of the Act and the related provisions of the Securities Rules, as defined in the CEDC Regulations, to the same extent as if the CEDC were a reporting issuer and the person or company were an insider of the CEDC or in a special relationship with the CEDC, subject to the exceptions set out in that section.
2. Rule 51-102, which approved National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") as a rule of the Commission, came into effect on March 30, 2004. It contains the continuous disclosure requirements for all reporting issuers other than investment funds. This includes a CEDC that is subject to Section 23 of the CEDC Regulations.
3. Under subsection 4.1(6) of Rule 51-801 *Implementing National Instrument 51-102*

Continuous Disclosure Obligations , Sections 144 to 148 of the General Securities Rules are revoked. Therefor, a CEDC that is subject to Section 23 of the CEDC Regulations is required to comply with the provisions in NI 51-102, many of which are not relevant to a CEDC.

4. The Director is satisfied that to do so would not be prejudicial to the public interest.

THE DECISION of the Director under Section 13.1 of NI 51-102 is that a CEDC is exempt from NI 51-102 except for:

- a) subsection 4.1(1) with the additional requirement that the annual financial statements shall be filed within 140 days from the end of the CEDC's most recently completed financial year;
- b) subsections 4.3(1) and 4.3(2) for the interim financial statements of the CEDC for the second quarter of each of its financial years with the additional requirement that these financial statements shall be filed within 60 days from the end of the second quarter;
- c) Section 4.6 unless the CEDC sends to all its security holders a copy of the CEDC's annual financial statements and second quarter financial statements required to be filed under paragraphs a) and b) above at the same time that the financial statements are filed; and
- d) Part 7.

DATED at Halifax, Nova Scotia, this 23rd day of July, 2004, effective the 30th day of June, 2004.

"J. William Slattery"

J. William Slattery, CA

Deputy Director, Corporate Finance and Administration