

PROSPECTUS OF

Guelph Solar Community Co-operative Inc.

(Operating as Guelph Renewable Energy Co-operative)

(the Co-operative, or GRECo)

Dated April 23, 2015

The Co-operative is offering to sell Community Solar Bonds.

Total Bond Raise	\$185,000
Term	20 Years
Minimum Individual Purchase	\$5,000
Maximum Individual Purchase	Depending on demand, to be determined by Board.
Interest paid on outstanding principal	5% in years 1 through 5 7.5% in years 6 through 10 10.0% in years 11 through 15 12.5 % in years 16 through 20
Principal Repayment	5% of principal starting in year 1

The Co-operative is a non-share capital, renewable energy co-operative corporation, incorporated under the *Co-operative Corporations Act* of Ontario (the *Act*) and is a “renewable energy co-operative” within the meaning of the *Act*.

The Co-operative is in the development stage. Purchase of bonds in such start-up ventures involves a degree of risk and subscribers should take this into consideration.

No official of the Government of the Province of Ontario has considered the merits of the matters addressed in this Prospectus. Neither the Ministry of Finance nor any other ministry or agency of the Government of Ontario assumes any liability or obligation to anyone who purchases the securities offered under this Prospectus.

There is no established public market through which these securities may be sold. Due to the characteristics of the securities offered by this Prospectus and restrictions on their transfer, such a market may not develop.

Community Solar Bonds are a 20-year investment. The principal is paid back in equal parts starting at the end of year 1. Interest will be paid once a year on the anniversary date of the bond

based on the outstanding principal amount. After 5 years, redemptions (sale of the bond) will be made on a first come first served basis subject to the availability of replacement funds. GRECo will seek replacement funds from existing and new members and from surplus project funds that are available to reinvest. Members pay a fee of \$100 to withdraw if they are relying on the Co-operative to provide replacement capital, but there is no guarantee that the investment can be redeemed after 5 years if no replacement funds are found.

Community Solar Bonds are issued under the *Co-operative Corporations Act* and are exempt from the requirements of the *Securities Act* (Ontario). The persons selling these securities are exempt from the registration requirement of the *Securities Act* (Ontario) and are not required to be licensed by any Government agency.

The Prospectus is exempt from review by the Financial Services Commission of Ontario as it is below the threshold limit of \$200,000 requiring a receipted Offering Statement.

Investors should not rely on any information other than what is contained in this Prospectus. Potential buyers should pay careful attention to all the risk factors noted in the Prospectus. See Section 7 below (**Risk Factors**) for a description of risk factors.

Forecast information in any projections or *pro forma* financial statements contained in this Prospectus may vary materially from actual results.

TABLE OF CONTENTS

Contents

1.	GLOSSARY	5
2.	CORPORATE INFORMATION	7
3.	DIRECTORS AND OFFICERS	8
4.	DESCRIPTION OF THE BUSINESS OF GRECO	10
4.1.	Background.....	10
4.2.	Joint Venture and Limited Partnership	11
4.3.	Membership in GRECo.....	11
4.4.	Development Partners: Icarus Power Generation and Solera Sustainable Energies	12
4.5.	Development Consultant: Options for Green Energy	12
4.6.	Community Wealth Non Profit (CW).....	12
4.7.	GRECo: Key Relationships	13
4.8.	Restrictions	13
4.9.	Project Management/Human Resources.....	14
4.10.	Authorizations, Licenses & Permits	15
4.11.	Real Estate	15
4.12.	Insurance.....	15
4.13.	Financial Statements.....	15
4.14.	Ancillary Documents.....	15
5.	BUSINESS PLAN	16
5.1.	Overview	16
5.2.	Projected Timeline.....	16
5.3.	Project Financing.....	17
5.4.	Debt Financing	17
5.5.	System Purchase and Installation.....	17
5.6.	Technology Choice.....	18
5.7.	Marketing Plan	18
5.8.	Lease Agreements.....	18
5.9.	Financials.....	19
6.	USE OF PROCEEDS OF BOND SALES.....	21
6.1.	Project Financing for 51% Ownership of Two Rooftop Solar Projects	21
6.2.	Repayments to Members in the Event Financing is Unavailable.....	22

7.	RISK FACTORS.....	22
8.	TERMS.....	25
9.	METHOD OF SALE OF BONDS.....	27
10.	DESCRIPTION OF THE MARKET ON WHICH THE SECURITIES MAY BE SOLD	27
11.	AMOUNT AND PARTICULARS OF ANY SECURITIES, MORTGAGES, BONDS, DEBENTURES OR OTHER DEBT OBLIGATIONS	27
12.	MATERIAL LEGAL PROCEEDINGS TO WHICH GRECo OR ITS SUBSIDIARY IS A PARTY.....	28
13.	MATERIAL INTERESTS OF DIRECTORS, OFFICERS AND EMPLOYEES OF THE CO-OPERATIVE OR ITS SUBSIDIARIES.....	28
14.	MATERIAL CONTRACTS ENTERED INTO IN THE TWO YEARS PRECEDING THIS PROSPECTUS	28
15.	PATRONAGE RETURNS, OR OTHER DISTRIBUTIONS PAID, DECLARED, OR ACCUMULATED BUT UNPAID DURING THE FIVE YEARS PRECEDING THIS PROSPECTUS	30
16.	ANY OTHER MATERIAL FACTS.....	31
17.	CERTIFICATE.....	31

1. GLOSSARY

The following terms and phrases used in this Prospectus have the meanings set out below:

Act means the *Co-operative Corporations Act* (Ontario) and the Regulations made pursuant to it;

Board means the board of directors of the Co-operative;

COD means Commercial Operation Date as defined by the IESO;

Community Wealth means **Community Wealth Non Profit Corporation (CW)**, of which the Co-operative is a member, that is assigned any Surplus generated by each of the Projects owned by the Co-operative in exchange for its collateral guarantee of the Debt Financing and the Community Solar Bonds;

Co-operative or GRECo means **Guelph Solar Community Co-operative Inc. (Operating as Guelph Renewable Energy Co-operative)**;

EPC means a company that provides engineering, procurement and construction services;

FIT means the IESO's Feed-in Tariff;

FIT Contract means the contract offered by the IESO under the FIT Program for a particular Project;

FIT Program means the IESO's FIT program for electricity purchase and connectivity to the Grid for renewable electricity generators as legislated by the Ontario Green Energy and Economy Act;

GRECo or Co-operative means **Guelph Solar Community Co-operative Inc. (Operating as Guelph Renewable Energy Co-operative)**;

Grid means the Ontario electricity transmission and distribution system;

IESO means the Independent Electricity System Operator ;

Investment Capital means the amount of community-supplied funding the Co-operative has invested in any one Project;

kW means kilowatt (one thousand watts);

kWh means kilowatt hour (one thousand watt hours);

LDC means the local distribution company, which delivers electricity to consumers;

Member means a member of the Co-operative;

MW means megawatt (one million watts or one thousand kilowatts);

Notice to Proceed (NTP) means the approval stage wherein the Connection Impact Assessment, Environmental Assessment, Domestic Content Plan and Financing Plan have been completed, submitted to, and approved by the IESO;

Options means Options for Homes Non-Profit Corporation and/or Options for Green Energy;

Options for Green Energy means the division of Options for Homes Non-profit that develops community based renewable energy projects;

Options for Homes (Options) means Options for Homes Non-profit Corporation and its division, Options for Green Energy, non-profit developers of community based Projects;

PV means photo-voltaic, a technology for converting sunlight directly into electricity;

Second Mortgage means a second mortgage in favour of Community Wealth Non Profit Corporation on the assets of the Co-operative for a principal amount equal to the estimated difference between the costs of a Project and its market value, as agreed upon by the Co-operative and Community Wealth Non-profit Corporation. The second mortgage secures the obligations of the Co-operative to Community Wealth Non Profit.

Surplus means the proceeds from a Project net of operating costs including: insurance, maintenance, rooftop leasing and/or land leasing or purchase financing costs, administration, debt financing, interest payments and principal repayments on Community Solar Bonds and operating reserves and;

2. CORPORATE INFORMATION

Name of Co-operative: Guelph Solar Community Co-operative Inc.

Date of Original Incorporation: June 15, 2011

Ontario Corporation No.: 1851801

Head office address: 468 Queen Street E.,
Suite 310
Toronto ON

Auditors: Cowperthwaite Mehta, Chartered Accountants,
187 Gerrard Street East
Toronto, Ontario

Registrar/Transfer Agent: the Co-operative will act as its own registrar and transfer agent in respect of the securities offered for sale.

Lawyers: Iler Campbell LLP
Barristers & Solicitors
150 John Street, 7th Floor
Toronto, Ontario

Fiscal Year End: December 31

3. DIRECTORS AND OFFICERS

The articles of incorporation of the Co-operative provide that it have a minimum of five and a maximum of nine directors. There are presently six directors. The directors and officers are:

NAME	TITLE	RESIDENCE ADDRESS	OCCUPATION
Mark Bailey	President	Guelph ON	Business Owner/School Trustee
Ricardo Ramirez	Secretary	Guelph ON	Researcher/Consultant
Mark Colvin	Treasurer	Guelph ON	Chartered Accountant
Evan Ferrari	Director	Guelph ON	Executive Director
Pierre Fogal	Director	Guelph ON	Research Associate
David Kupp	Director	Guelph ON	Development Consultant
Susan Watson	Director	Guelph ON	Teacher

Officers are as follows:

Mark Bailey: Mark Bailey was recently re-elected to the Upper Grand District School Board for his second term as a public school trustee. Mark is currently a Regional Vice-President with the Ontario Public School Board Association (OPSBA), Chair of the Editorial Board for Education Today Magazine, and Co-Chair of OPSBA's Effective Use of Technology in the Classroom Committee. Mark owns a small Information Technology business that employs 4, and has been in business for 12 years. He holds an MDiv from the Toronto School of Theology (Wycliffe College).

Ricardo Ramirez: Ricardo Ramirez is an independent researcher and consultant in rural and international development with 30 years of experience. He has worked with NGOs, the FAO of the United Nations, consulting firms, and was a professor of Capacity Development and Extension at the University of Guelph. He is also on the board of FarmStart.

Mark Colvin: Mark Colvin is a chartered Accountant at the University of Guelph. Before that he was in public practise assisting small business startup over the past 10 years. Mark also has not-for-profit board experience being a member of Guelph Environmental Leadership and Guelph Youth Basketball Association board of directors. Mark is also very enthusiastic about solar energy already installing a solar thermal and 5 kW photovoltaic system on his own house.

Evan Ferrari: Evan Ferrari is the Executive Director of eMERGE Guelph, a resource conservation not-for-profit. He has had leadership roles in the fields of wilderness protection, waste management, energy conservation and renewables. As manager of Guelph 2000, he delivered conservation and demand management programs for Guelph Hydro, Union Gas, and the City of Guelph water and waste management departments. As President of the WindShare Cooperative – he oversaw the operation North America’s first urban windmill at Toronto’s waterfront. He has helped community renewable energy projects get started around the province.

Pierre Fogal: Pierre Fogal is a senior research associate working in the Physics Department at the University of Toronto. Among other things he manages the Polar Environment Research Laboratory (PEARL) for the Canadian Network for the Detection of Atmospheric Change (CANDAC) at Eureka, Nunavut. His research focus is the determination of atmospheric composition through the study of how molecules in the atmosphere absorb and emit infrared radiation. He is a participant in several efforts in Canada and abroad that conduct research into atmospheric composition and its role in pollution and climate change. Pierre was born and raised in Guelph and has lived here most of his life. He spent 17 years living and working in Denver, Colorado. He received his Ph.D. from the University of Denver in 1994.

David Kupp: David Kupp is a specialist in community development, poverty and organizational change. He has extensive experience in project design and evaluation, with a background in appropriate technology and environmental assessment, having worked as a researcher, trainer and facilitator in over 25 countries. David is a consultant with Kabisa International, and lectures in Urban and International Development at Wycliffe College, University of Toronto.

Susan Watson: Susan Watson has lived in Guelph for 14 years. She is currently an Occasional Teacher with the Upper Grand District School Board. Her work experience includes the Communications Department of the Ontario Ministry of the Environment, Harbourfront School by the Water, The Toronto Board of Education and the Calgary Board of Education. Locally, Susan is active in Municipal politics and has been involved in a number of heritage preservation campaigns, including the Mitchell Farmhouse, the Loretto Convent and the Wilson Farmhouse. Susan served for 5 years on the Advisory Board of the Guelph Civic Museum. She also chaired the Community Life Committee at the Trillium Waldorf school for four years. Susan has directed and produced The Christmas Story at the Church of the Holy Trinity in Toronto for 25 years. This involves working with almost 100 volunteers, as well as a professional lighting crew and musicians. Susan welcomes the opportunity to make a meaningful contribution as a member of the Board of GRECo.

4. DESCRIPTION OF THE BUSINESS OF GRECO

4.1. Background

In 2009, the Government of Ontario enacted the *Green Energy and Economy Act*, which authorized incentives for renewable energy projects. Among these incentives are FITs - Feed in Tariff contracts. The Government of Ontario, through its FIT program, issues 20-year fixed price contracts for renewable energy generation projects. The government has guaranteed that it will buy electricity generated by the project at a set price for twenty years. The prices are set at different levels depending on the type of technology and the size of the project.

The FIT Program presents an opportunity for people in communities through the Co-operative to become owners of commercial scale solar energy installations. The inclusion of community members using the co-operative model for producing energy from renewable resources has been very successfully adopted in Europe over the past fifteen years.

GRECo provides an investment opportunity for Ontarians who wish to participate in and benefit from the Co-operative's proposed commercial-scale solar PV installations in the Guelph and Wellington County area of Ontario.

The core group on the current board of GRECo has been working towards developing community solar projects in Guelph and Wellington County for several years. The Co-op was incorporated as a non-profit renewable energy co-operative in 2011 in order to apply for projects under the FIT program. The electricity generated from the projects is to be sold into the electrical grid under the FIT program.

The Co-operative leases or purchases land and/or leases rooftop space on suitable buildings either on its own or in partnership with commercial developers (either as a Limited Partnership or Joint Venture). The Co-operative intends to apply to successive FIT application windows as opportunities arise. The Co-operative will retain a minimum of 51% ownership in any partnership.

In 2013 GRECo received its first two contracts in the FIT 2.1 application process. These projects will be built by and owned 49% by the respective developer partner:

Project Location	Developer Partner/49% Owner	Project Size	Partnership Name
218 Silvercreek Parkway	Icarus Power Generation Inc.	300 kW DC	Icarus and GSCC JV
2 Airpark Place	Solera Sustainable Energies Company Inc.	120 kW DC	Guelph Solar and EEDI LP

The purpose of this prospectus is to sell Community Solar Bonds in order to provide the capital to construct these projects.

By purchasing a Community Solar Bond, as described in this prospectus, members will earn interest, which comes from the sale of renewable energy into the electricity grid.

GRECo is a non-profit co-operative. Its net earnings, after payment of interest on its loans and the Community Solar Bonds, may be applied to meet the capital needs of GRECo and to repay loans, including the Community Solar Bonds, but may not be distributed to its members.

4.2. Joint Venture and Limited Partnership

The Solar Projects under this Prospectus will be developed through a Joint Venture and a Limited Partnership.

Though it is in the minority ownership position, the developer partner in each case will be the manager of the project. The Co-operative will nevertheless have the ability to approve budgets, recommend equipment choices and influence the development of the project in all key areas so that its interests, and those of its Members are adequately protected.

The Co-operative will retain a minimum of 51% ownership in each project.

4.3. Membership in GRECo

Admission – Membership in the Co-operative shall consist of all persons who are accepted as Members by the board providing they are residents of Ontario.

Membership Requirements – To become a Member, a person must apply and be admitted for membership by the Board and pay the membership fee as set out in the by-laws or established by board resolution from time to time.

Acceptance – No person shall become a Member until the Board has approved their application for membership. If the Board does not approve the application, any payment forwarded with the application shall be refunded without interest.

Transfer of Membership – Membership in the Co-operative shall not be transferable unless authorized by the Board.

Termination of Membership – Membership in the Co-operative shall terminate upon the withdrawal of the Member from the Co-operative, if the Member ceases to be a resident of Ontario, on the death of the Member, or on the termination of the Member from the Co-operative by a resolution passed by the Board pursuant to the procedures outlined in the *Act* or otherwise in accordance with the Act.

Voting Rights - Each Member in a co-operative is entitled to one vote at meetings of Members. No proxies are permitted. There is however, provision in the Co-operative's bylaws permitting Members to vote on matters at Members' meetings by electronic means.

Bond Purchasing Rights - Only Members are eligible to purchase Community Solar Bonds with the exception of corporations. Corporations may purchase Community Solar Bonds but may not be Members of GRECo and may not vote at meetings.

4.4. Development Partners: Icarus Power Generation and Solera Sustainable Energies

Icarus Power Generation Inc. and Solera Sustainable Energies Company Ltd. have extensive development experience and have managed numerous similar projects in both development and construction.

4.5. Development Consultant: Options for Green Energy (Options)

To manage the risk incurred in the critical development and construction stages, GRECo has engaged the Options for Green Energy division of Options for Homes Non-Profit Corporation as the development consultant for the projects. For a fixed 3% fee of the capital cost Options will assume certain functions including marketing, relationship management and document preparation required to bring the projects to successful completion.

4.6. Community Wealth Non Profit (CW)

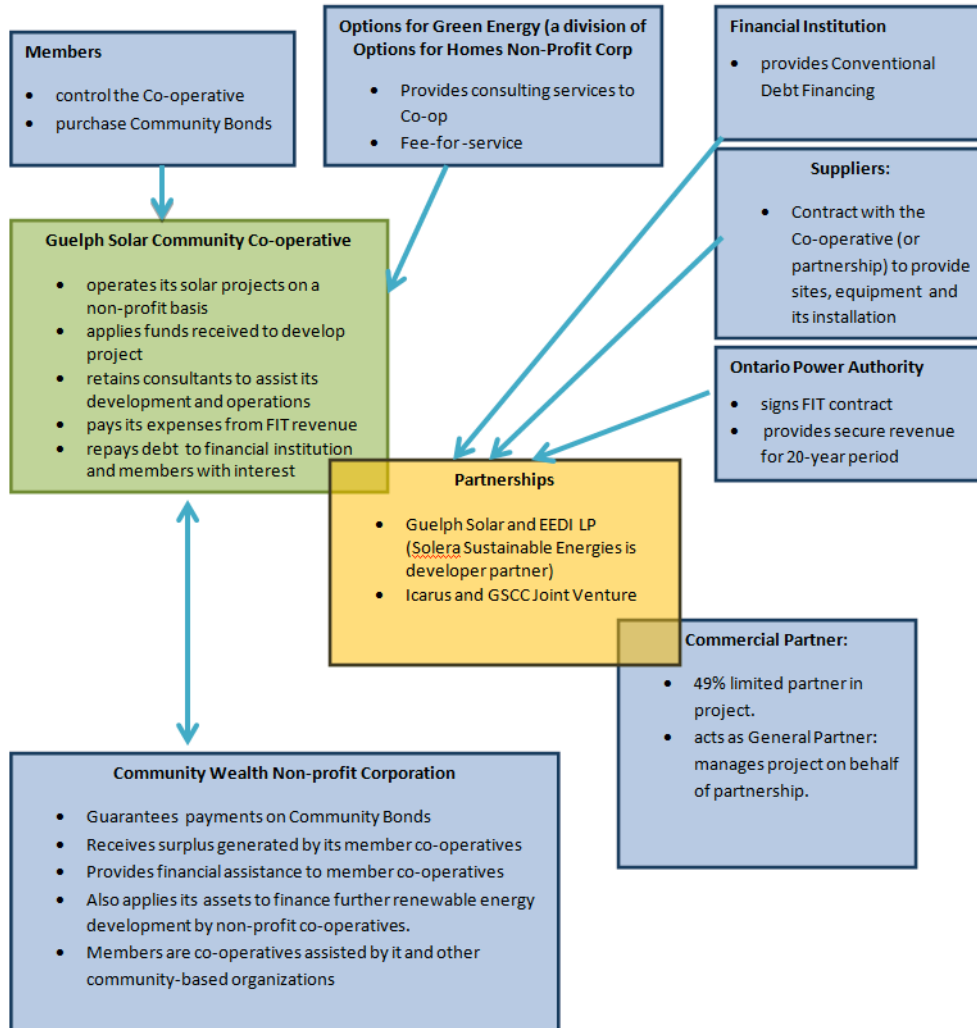
Community Wealth is a fund set up to pool the surplus from renewable energy co-operatives sustainable housing co-operatives, (and other social enterprises) that become part of Community Wealth in exchange for a guarantee of the bonds issued by the member organizations.

Any Surplus generated by the Co-operative's projects are assigned to Community Wealth in exchange for a guarantee given by Community Wealth to secure the Community Solar Bond interest payments and principal repayments. In return, the Community Wealth will hold a second mortgage on each project undertaken by the Co-operative as security for payments pursuant to the assignment.

At present Community Wealth has as its assets \$500,000 pledged to Community Wealth from a reserve fund of Options for Homes. This \$500,000 is to be reserved for the purpose of supporting the guarantee provided to participating renewable energy co-operatives by Community Wealth until such a time as Community Wealth has accumulated \$2 million in assets.

Community Wealth will use the Surplus generated by the Projects to provide cash should its guarantee of the Community Solar Bonds be called upon and to help its member co-operatives initiate future community economic development activities, including developing additional renewable energy projects.

4.7. GRECo Co-operative: Key Relationships



4.8. Restrictions

The Articles of Incorporation restrict the business of the Co-operative to:

- generating, within the meaning of the *Electricity Act, 1998*, electricity produced from one or more sources that are renewable energy sources for the purposes of that *Act*, and
- selling, as a generator within the meaning of that *Act*, electricity it produces from one or more renewable energy sources.

These restrictions mean the Co-operative is a “renewable energy cooperative” as defined in the *Act*, and is therefore exempt from the normal obligation on co-operatives to do at least 50% of its business with its Members.

4.9. Project Management/Human Resources

The Co-operative Board of Directors, through their Board Chair, will work in conjunction with Options for Green Energy staff, set marketing and operations policies and procedures, hire a project manager as necessary, and give direction to management.

Options for Green Energy's key staff gained technical and management experience in developing large housing co-operative based condominiums.

The development undertakings will ultimately be the responsibility of Options for Green Energy. They will use their staff to augment GRECo volunteers to undertake local activities required such as fund raising and client relations.

Options for Green Energy's consulting services are provided to the Co-operative by:

Michel Labbé who has created an innovative housing development and financing model that has made home ownership available to lower and middle income families. He has helped develop communities that emphasize low carrying cost, energy efficiency and high owner occupancy (and therefore strong community). Under Michel's guidance, Options has developed ten condominium communities in the GTA including the first three condominiums in the Distillery District. He has a degree in Urban Planning from the University of Waterloo.

Marc van Beusekom, an experienced social enterprise developer. He has been with Options for six years working on the business development of Options for Green Energy (and Options for Cars - a car sharing co-operative). Previously, he helped found St. John's Bakery, a social enterprise specializing in organic bread, and served as its business manager until 2008. Prior to that Marc developed databases systems for various corporations, government agencies as well as small businesses. He has a degree in Mass Communications from Carleton University.

Ian Rowberry, an Energy Systems Engineering Technologist and Certified Technician with five years' experience in the field of renewable energy project development in Ontario with Renewable Energy of Plum Hollow and Options for Green Energy and currently an instructor at St. Lawrence College Sustainable Energy Applied Research Centre, of which he is also a graduate. He has specific expertise in handling regulatory requirements including Ontario Power Authority contract acquisition and management, local authority permitting, engineering procurement and Electrical Safety Authority compliance.

The operation of the Solar Projects is not expected to require full time staff. In lieu of hiring employee(s), a service contract will be entered into to provide Member Payments, Operations and Maintenance and solar production monitoring/auditing etc.

4.10. Authorizations, Licenses & Permits

Each Project has or will obtain all authorizations, licenses and permits as necessary. These will include at a minimum:

- a. In the case of a rooftop system, a structural engineering study to ensure that the building can support and accommodate the intended system;
- b. a FIT contract from the IESO to purchase electricity produced at the site for 20 years;
- d. permission from Local Distribution Company to connect the solar installation to the Grid and
- e. all building permits required from the local municipality to construct the system.

4.11. Real Estate

The Co-operative, through its Joint Venture and Limited Partnership has signed two similar leases. The leases are 20 year leases effective from the date the PV installation reaches COD.

4.12. Insurance

The Co-operative has in place general liability and directors and officers insurance.

The Joint Venture or Limited Partnership will arrange before commissioning of the solar photovoltaic systems, property, general liability, and casualty insurance from insurers with experience in commercial solar photovoltaic projects.

4.13. Financial Statements

The Members of the Co-operative have a right under the Act to receive audited financial statements annually, 10 business days prior to the annual general meeting.

4.14. Ancillary Documents

Agreements related to this Prospectus, including the Articles of Incorporation, Bond Subscription Form, Community Wealth Board Structure, Community Wealth Non-Profit Corporation Articles of Incorporation and Bylaws, Community Wealth/Guelph Solar Renewable Energy Project Agreement, Community Wealth Loan Affirmation, Resolution of Board of Directors of Options for Homes re: \$500,000 Asset Allocation to Community Wealth and Development Consultant Agreement with Options for Green Energy are available for viewing by members of Guelph Solar upon request.

5. BUSINESS PLAN

5.1. Overview

The Co-operative seeks to acquire a portfolio of FIT contracted projects over the next few years.

After the costs of leasing or purchasing the land or leasing the rooftop, paying insurance, maintenance, administration and financing costs, the Co-operative will expect a minimum return of between 8% to 10% of its Investment Capital from which it will pay interest and principal on the Community Solar Bonds in accordance with their terms. Any Surplus will be assigned to the Community Wealth Non-Profit which will use that Surplus to provide cash should its guarantees of the Community Solar Bonds be called upon and to help its member co-operatives finance additional renewable energy projects as well as other future community economic development activities.

Revenues are reasonably predictable given the FIT contract that pays a set per kWh price for 20 years and the data supplied by solar irradiance tools which provide accurate average solar irradiance information for any location in Ontario. Solar panel manufacturers typically provide a minimum guaranteed performance warranty for their products. Performance degradation of the products can be estimated accurately and is factored into revenue projections. Maintenance costs are predicted based on existing systems as are insurance and administration costs. Since the feedstock (sunlight) is free, there are no fluctuating supply variables making this a business that can be modeled with reasonable accuracy. The variable with the greatest potential volatility is the cost of financing. This can be circumvented by securing long term (15 year plus) debt financing.

The Co-operative anticipates developing the two photovoltaic projects described above over the next year. They will have an aggregate value of approximately \$1.6 million in total or \$857,000 for the Co-operatives 51% ownership stake. In each case, the turnkey contractor will complete all necessary studies and obtain all permits required and construct the solar installations.

5.2. Projected Timeline

Milestone	Timeline
Option Lease Agreement signed	Jan. 2013
FIT Contracts Signed	July/Aug. 2013
Notice to Proceed Received	Jan. 2015
Panels installed	June/July 2015
System commissioned	Aug. 2015

Revenue producing energy begins flowing to grid	Sept. 2015
Community Bondholders begin receiving interest and principal payments	Spring 2016
External Debt retired	2030
Bondholders principal repaid in full	2035

5.3. Project Financing

Each project will be financed through a combination of proceeds from the sale of Community Solar Bonds (Investment Capital) and debt financing. The ratio of Investment Capital to debt financing will be between 10 and 20% Investment Capital to 80% to 90% debt financing though the actual ratio of bonds to debt may vary somewhat. The Co-operative will sell Community Solar Bonds only in the amount needed to provide sufficient Investment Capital for each Project as it arises up to the maximum outlined in this Prospectus (i.e. \$185,000).

Shortly after Notice to Proceed the Co-operative will be required to make an initial contribution of 15% of its 51% ownership share towards construction financing. This obligation will be met through the deployment of capital raised by bonds sold under this Prospectus and by short term financing, if required. Security for the bonds is provided by the \$500,000 guarantee provided by Community Wealth. The EPC contractor as part of the contract will provide the balance of construction financing.

Revenue and/or net income from each project will be pooled, though the financial performance of each project will be monitored independently.

5.4. Debt Financing

Icarus and Guelph Solar JV will obtain debt financing with a minimum term and amortization of 18 years at an interest rate not to exceed 6.25%. Icarus Power Generation has agreed to provide debt on these terms if the JV is unable to find financing of similar or better terms from a lender.

Guelph Solar and EEDI LP has been offered financing through Solera Sustainable Energies' financier for a 12 term and amortization at 6.09%.

5.5. System Purchase and Installation

The Joint Venture and Partnership, through their respective EPC contractors, will purchase equipment and installation services from a supplier that is in compliance with the rules of the FIT contract and can provide equipment with guaranteed minimum performance warranties.

5.6. Technology Choice

A technology choice will be made after careful consideration of the technologies available, the bankability of the technology, and based on the developer partners experience with its other PV systems.

5.7. Marketing Plan

GRECo currently has approximately 200 Members. Bonds will be sold to interested investors in the city of Guelph where the projects are located and to investor/members in neighboring Wellington County. The Co-operative has conducted preliminary marketing that indicates that it will be able to sell all of the bonds without difficulty.

5.8. Lease Agreements

The Co-operative, through its Joint Venture and Limited Partnership (the Lessee), has entered into Lease Agreements with the property owners. These agreements are 20-year agreements that give a fixed annual rental payment for 20 years starting at COD.

These are standard terms and conditions for Leases:

1. The Lease is for a term extending to the end of the term of the FIT Contract.
2. The location of the Solar Panels and ancillary equipment on the property owner's property.
3. The Lessee's right of access to the property for the purposes of installation, maintenance, repair and decommissioning of the Solar Panels.
4. The base rent to be paid by the Lessee to the property owner over the term of the contract and any ancillary charges payable by the Lessee.
5. Confirmation of the Lessee's ability to use the property for the purpose of PV Installations.
6. A covenant by the landlord that the landlord will not do any act or thing that will result in any shading or obstruction of the sun, thereby impairing the Solar Panels' ability to generate electricity.
7. The parties are required to obtain insurance for the Solar Panels and the property on which the Solar Panels are situated.
8. General indemnification provisions between the Lessee and the property owner whereby one party agrees to indemnify the other for damages suffered by the other party as a result of the conduct of the one party.

9. Terms and provisions regarding the transfer by a party of their interest in the contract.
10. Terms and provisions regarding the removal and replacement of the solar panel equipment in the event that maintenance work on the roof is required.
11. The property owner only has the ability to terminate the contract if the Leasee has defaulted in its obligations to the property owner in the contract, and has failed to remedy that default within a reasonable time.
12. Dispute resolution provisions, it being intended that the parties would initially proceed to non-binding mediation followed by binding arbitration in the event the non-binding mediation did not result in a resolution of the issue.

Given site variations and the fact that contracts must be negotiated separately with each property owner, not all of the contracts may be identical to one another.

In the case of the lease on Silvercreek, the Joint Venture may forward the landlord up to \$100,000 in advance lease payments to help pay for re-roofing of the building which is required before the system can be installed. The amount of the lease (\$21,600 per year) will be reduced to reflect the up-front payment.

5.9.Financials

Financial projections are based upon assumptions that the Board of Directors believes to be reasonable and which are consistent with similar systems operating elsewhere in Ontario. Actual results will vary, perhaps materially, from these projections. Some or many of the assumptions may change on account of circumstances beyond the control of the Co-operative.

Capital Costs for 51% Ownership Share

EPC Contracts	\$857,000
Project Management (Options fee)	\$24,800
Legal Fees	\$6,000
Total	\$887,800

Annual Income and for 51% Ownership Share

Expense Projections

Average Annual Revenue	\$115,400
Leases	(\$8,600)

Operations & Maintenance	(\$7,200)
Maintenance Reserve	(\$1,800)
Insurance	(\$6,200)
Project Administration	(\$2,450)
Co-op Management	(\$3,550)
Debt Financing	(\$54,400)
Bond Obligations	(\$15,200)
Total Annual Expenses	(\$99,400)
Average Annual Surplus	\$16,000

Financial Assumptions

Forecasts in this offering document have been prepared using the following assumptions:

1. Project Management describes the development costs associated with acquiring new projects, preparing FIT contract applications, acquiring new Members, attracting investment, preparing documents and negotiating and managing relationships with developer partners.
2. Revenues - GRECO's revenues from projects are based on estimates of system efficiency and solar radiation at each site. GRECO has endeavored to use conservative estimates when modeling the financial performance of the projects. The model is ultimately dependent upon the amount of sunshine that reaches the solar panels - something that will vary from year to year and, though it can be estimated, it cannot be guaranteed.
3. Revenue Inflation –the FIT contract has no escalation clause for solar projects.
4. Expense Inflation – Expenses are assumed to increase annually by 2.0%.
5. Construction financing – is included in the EPC pricing.
6. Co-op Administration is the annual expense associated with obtaining financing, administering the co-op and managing its Members.
7. Excess funds on hand - no amounts are included for any interest earned from cash-on-hand for temporary periods. Re-investment of Surplus is modeled at 1.5%.
8. Accounts receivable and accounts payable - Notwithstanding the debt owed to Community Wealth (see section 11 below), both accounts receivable and payable are expected to be at approximately the same levels as the first year. As such, they remain unchanged until the end of the projects at which they are assumed to be zero.

9. Decommissioning - There is no provision for decommissioning costs for any location. Solar PV systems have a life far greater than the 20 year FIT contracts and there are compelling arguments that these systems will be operable on a profitable basis from the 21st year onward. However no income has been forecast beyond the 20 year FIT contracts.
10. Equipment replacement - Some equipment replacement, such as inverters will take place during the life of the project. Amounts are included in the income/expense projections up to the years that the replacements are expected to occur.
11. Solar panel performance degradation - Solar panels gradually wear out over time so that less power is generated each year. GRECo's financial pro-formas all take degradation into account.
12. Lease rents - Lease rents are based on those negotiated in current lease options.
13. Operations and maintenance - The Co-operative will have an operations and maintenance contract for each project. Expenses from operations and maintenance are estimates calculated on a per project basis
14. Project Administration Fee - Management of the billing interactions with the utility and financial reporting.
15. Co-op management - Management of the co-op's back office function will be done under contract and is based on a fee of \$50 per bondholder to which inflation is added in at 2% per year.
16. Community Wealth Non-Profit - Payments to CW under the terms of the Renewable Energy Project Agreement will be made in accordance with the terms of the agreement.
17. Taxation - GRECo is a non-share capital co-operative incorporated for non-profit purposes. GRECo claims an exemption from income tax under section 149(1)(l) of the Income Tax Act, and so it is assumed that no income tax will be payable. As a registrant for Harmonized Sales Tax, the impact of HST on the co-ops finances will be neutral.
18. Reserves - Community Solar Bond Purchasers are advised that GRECo is not establishing any reserve for the replacement of equipment, other than as is required for ordinary maintenance. Accordingly, at the end of 20 years, after which the solar panels will have been entirely depreciated, if there is no remaining production value in the panels, the net assets of GRECo will have been entirely eroded and GRECo will have no residual assets. However, if the panels have production value beyond 20 years, any option to renew electric production contracts could have considerable value to the Co-operative of an unknown amount at this time.

6. USE OF PROCEEDS OF BOND SALES

This prospectus contemplates that the two projects described above will be constructed in 2015. The Co-operative will only proceed with each of the projects if an adequate level of funds and the debt financing are available at acceptable terms. Fund raising pursuant to this prospectus will be suspended once \$185,000 has been raised.

6.1. Project Financing for 51% Ownership of Two Rooftop Solar Projects

Sale of Community Solar Bonds	\$185,000
Debt financing	\$625,000
Total	\$810,000

6.2. Repayments to Members in the Event Financing is Unavailable

If sufficient funds are not available through the sale of Community Solar Bonds, the Co-operative may enter into an arrangement to borrow the equity needed to proceed with the projects if the terms of such arrangement allow the Co-operative to replace the borrowed money with proceeds from future sales of Community Solar Bonds.

If debt financing or money borrowed for equity is not available at a rate such that the net return on Investment Capital is greater than or equal to between 8% and 10% or if, in the opinion of the Co-operative's board, the financial, technical or other requirements of the projects are not met, the projects will not proceed and funds will be returned.

7. RISK FACTORS

Community Solar Bonds are intended to be low-risk investments, however, there are still risks, as described in this section.

The Co-operative and its investors will be subject to a number of risks common to start-up ventures in general and will also be subject to the significant risks involved in the construction and operation of the solar projects. The failure to prevent or mitigate any of the following circumstances could jeopardize bondholders' investments in the Co-operative and/or financial returns.

Before investing, prospective purchasers should carefully consider, in light of their own financial circumstances, the factors set forth below in alphabetical order as well as the other information contained in this prospectus.

1. **Cash Flow:** The Co-operative anticipates positive cash flow over the life of its projects. However these projections are based on a number of assumptions. If any one or more of these assumptions turns out to be significantly in error then the Co-operative may be unable to manage its cash flow requirements. In this event, Community Wealth would provide a cash flow backup. However, if the production revenues were catastrophically low, this could jeopardize the viability of each project and/or its expected returns.

2. **Construction Risk:** A portion of bondholder funds will be applied to projects at or shortly after Notice to Proceed. If construction of the project should fail, due to bankruptcy of the contractor or for some other reason, bondholders could lose their investment.

3. **Failure of Some Equipment:** The equipment the Co-operative intends to install is expected to be low maintenance and trouble free, with the exception of the power inverters, which are planned to be replaced. The solar panels are covered by warranty for twenty (20) years. However, should issues with the solar panels and/or inverters develop, there could be a loss of energy production and associated revenue for the period of time a failure occurs. This loss may not be covered by warranty or insurance.

4. **Feed-In Tariff Program:** The IESO has the right to amend or suspend the FIT program at any time. It is assumed, but cannot be guaranteed, that any contract for a project under the FIT program signed prior to an amendment or suspension will be honoured throughout its 20-year term.

5. **Financial Projections:** These projections are based upon assumptions and hypotheses which the Board of the Co-operative believes to be reasonable and which are consistent with the forecasts and projections prepared by the Co-operative. There can be no assurance that these forecasts and projections will actually be achieved. Actual results will vary, perhaps in a materially negative way, from these forecasts and projections. The assumptions upon which these forecasts and projections are based may change, whether due to circumstances beyond the control of the Co-operative or otherwise.

6. **Guarantee:** The guarantee of repayment of Community Solar Bonds issued by Community Wealth is dependent upon Community Wealth having assets sufficient to make good on its guarantee when it is called upon.

7. **Income Tax Risk:** In Canada, income tax exemption for a non-profit organization is obtained by structuring and operating the organization in accordance with the requirements of the Income Tax Act, but may be challenged if the requirements for that exemption, as interpreted by Canada Revenue Agency and/or the courts, are not complied with.

8. **Limited Early Repayment:** With respect to the 20 Year Bonds, upon payment of an administrative fee, the Member is allowed to redeem his/her remaining principal at any time after the initial five year term *provided the equivalent replacement amount can be found from an existing or new Member*. There is no guarantee however that the replacement amount will be found. If a replacement cannot be found, the Member will be placed on a waiting list until such a time as a replacement can be found. All Member requests for repayment will be addressed on a first come first served basis.

9. **Market for Securities:** There is at present no market for the bonds being issued nor is a market expected to develop. Purchasers may not be able to resell bonds purchased pursuant to the prospectus. Transfers of bonds will require Board approval. Management will use its best efforts to match buyers and sellers, but no guarantee is offered that holders of the bonds will be able to sell them.

10. **Political Risk:** The viability of the solar industry in Ontario and Canada is dependent upon tax policies, government programs, and environmental regulations which provide an incentive to generate electricity from the sun. The further development of the solar industry in Canada will require the implementation of a range of federal and/or provincial government programs, policies, and/or regulations which are currently not in place and/or only in the early stages of implementation. There can be no assurances that the federal and/or provincial governments will fully implement the measures necessary to ensure the future viability and growth of a domestic solar industry or that they won't curtail the incentives currently in place.

11. **Priority of Lenders:** The net proceeds from the bonds offered herein will be subordinate to the debt financing which will rank in priority to all bondholders in the event of a default or bankruptcy.

12. **Projections and Forward-Looking Information:** This prospectus contains forward-looking statements and projections which involve numerous assumptions, hypotheses, risks and uncertainties. Actual results of operations will vary, perhaps materially and adversely, from the projections contained in this prospectus. No representations or warranties are given that these projections will actually be achieved. The assumptions and hypotheses upon which these projections are based may change on account of circumstances beyond the control of the Co-operative.

13. **Property Taxes:** Though there is no property tax premium on solar installations (ie. beyond the rate charged on the land or building on which the system is situated), if the Ministry of Finance decides to tax properties with solar installations, either rooftop or ground-mount, at a commercial tax rate, this may increase the Co-operative's operating costs. This could have a negative impact on the Co-operative's operations and solvency. The lease agreements the Co-operative, or its Joint Ventures or Limited Partnerships have entered into require the Co-operative or its Joint Ventures or Limited Partnerships to pay for any increase in property tax due to the installation of the solar system. This is in line with industry standards.

14. **Solar Resource Projections:** The financial projections are significantly dependent on the quality of the solar projections for each system site. There is no assurance that the solar panels, when placed in the same general locale as the study was conducted, will experience the same solar intensity.

15. **Technology Risk:** Solar energy technology is, in the Province of Ontario, in its early stages. It is anticipated that this technology will evolve and improve rapidly and that future technology will become more efficient and more reliable. It is further anticipated that the technology available at the time of this prospectus and used as the basis of the Business Plan will be, when compared to new technology, less efficient and may, during the twenty year term of the FIT Contracts, become obsolete. With the development of new technology, the maintenance and availability of replacement parts for the solar panels may become more expensive, which may

impact on the profitability and viability of the Co-operative. Any decrease in profitability will have a negative impact on the investment in the Co-operative.

16. **Timing:** The timeline for the projects is subject to the Co-operative receiving all necessary permissions and licenses, obtaining timely delivery of solar panels and complete requirements for a FIT contract with the IESO. There may be a negative impact on the Co-operative if the timing set forth in the timeline is not met.

17. **Unknown Risk Factors:** The Co-operative may also be subject to other unknown or unforeseen risk factors that could potentially affect its profitability and solvency. Some of these risk factors could include, but are not limited to, failure to comply with new or revised governing statutes, or climate variability resulting in reduced performance. Any adverse unforeseen risk factors that materialize may negatively affect GRECo’s revenues and solvency.

18. **Warranties:** The Co-operative will endeavour to choose products and technologies with solid warranties from reputable companies with a track record of performance and that are in good financial health, however, there is no assurance that the Co-operative’s suppliers will not go out of business and thus be unable to honour their warranties.

While the Board of Directors of the Co-operative does not view these risk factors as of immediate concern at this time, potential adverse changes in these areas may limit the Co-operative's ability to pay interest and repay principal on the Community Solar Bonds.

8. **TERMS**

<p>Guarantee</p>	<p>Payment of the interest and repayment of principal on the Community Solar Bonds is guaranteed by Community Wealth Non-profit, a non-profit corporation established to encourage the development of community based renewable energy projects and other activities, and enhances the ability of its members to raise capital by providing guarantees for their community bonds.</p> <p>In return, the co-operative members of Community Wealth, including GRECo, agree to pay all Surplus to Community Wealth, after payment of reasonable expenses and financing costs, including the scheduled repayment of debt financing and interest on the Community Solar Bonds as well as annual principal repayments, less an agreed upon sum for the Co-operative’s working capital and ongoing operations to a maximum level established from time to time by Community Wealth Non-profit, acting reasonably.</p> <p>Any unexpected shortfall in revenue such that any portion of the interest or annual principal repayments owed to bondholders cannot be covered</p>
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	<p>by the Co-operative shall be paid by Community Wealth.</p> <p>Community Wealth current assets consist of a \$500,000 reserve fund pledged to it from Options for Homes Non-Profit Corporation.</p>
Right of Redemption by Co-operative	<p>GRECo may, before maturity, and upon 60 days' notice, offer to repay all or a portion of the principal outstanding, and shall communicate such offer to all Members. It shall then repay those who express a desire to be repaid pro rata. GRECo also has the right to prepay at any time without penalty.</p> <p>To address concerns that debt-financing lenders may raise in light of possible future market interest rate fluctuations, principal repayment on maturity may not occur until GRECo is able to do so or replacement capital is obtained. Such decision would be made by the Board of Directors of GRECo. The rights of the bondholders are not otherwise affected by such a postponement and their outstanding bonds will continue to accrue interest at the indicated rate.</p>
Payment Schedule	All payments shall be made annually on the anniversary date of the bond.
Rank	Community Solar Bonds will be direct obligations of the Co-operative, subordinate to the first mortgage for the Debt Financing, and will rank equally with each other and any other unsecured indebtedness of the Co-operative.
Transfer	Community Solar Bonds may be transferred with the consent of the Board of Directors to another Member of the Co-operative.
Early Redemption by Bondholder	<p>Bondholders of 20 Year Bonds are entitled to early repayment of remaining principal, at the option of the bondholder, provided there is replacement Member capital available,</p> <ul style="list-style-type: none"> ● at any time after 5 years with an administrative fee of \$100 ● administrative fee shall be waived if member provides a replacement member with sufficient replacement capital to pay out the original member's redemption request
RRSP Eligibility	Co-operative will pursue RRSP eligibility for Community Solar Bonds once PV Installations have been constructed.
Dissolution	In the event of the dissolution or liquidation of the Co-operative, the holders of Community Solar Bonds shall be entitled to be paid, after the retirement of the debt financing, the amount of principal outstanding,

	plus any interest unpaid. Upon payment of the above amount, the holders of Community Solar Bonds, as Members, shall not be entitled to any further share in the distribution of the assets of the Co-operative. Net assets of the Co-operative on dissolution after payment of all liabilities, are to be paid to one or more co-operatives or charitable organizations as determined by the membership.
Voting Rights	No voting rights attach to the Community Solar Bonds. The Members have a right to vote at all meetings of Members.

9. METHOD OF SALE OF BONDS

Bonds will be sold exclusively by directors, officers, employees of the Co-operative, and Members of the Co-operative designated by the President of the Co-operative.

None of the persons selling the Community Solar Bonds under this Prospectus have been formally trained to sell securities. There are no commissions payable or discounts allowed.

10. DESCRIPTION OF THE MARKET ON WHICH THE SECURITIES MAY BE SOLD

No Securities of the Co-operative may be transferred without the express consent of the Board. Management will use its best efforts to match buyers and sellers but there can be no guarantee that holders of the Securities will be able to sell them.

11. AMOUNT AND PARTICULARS OF ANY SECURITIES, MORTGAGES, BONDS, DEBENTURES OR OTHER DEBT OBLIGATIONS

Co-operative has an unsecured, non-interest bearing \$55,075 debt obligation to Community Wealth Non-profit. This debt covers the costs of operations since the start of the Co-operative's renewable energy initiative. This debt is to be repaid to Community Wealth from the Surplus generated by the Co-operatives' projects. This debt is collectable only from the Surplus generated by the solar projects of the Co-operative. If the Co-operative fails to successfully develop any solar projects, the debt will be deferred until revenues from future projects will be sufficient to repay the debt. It is the understanding of Community Wealth, that Community Wealth has loaned funds towards the development of the Co-operative's solar Projects that Community Wealth may never recoup and that this risk is acceptable to Community Wealth and borne by it.

The Co-operative currently has no other outstanding debt obligations. It will enter into three mortgages on all of its assets, including the Leases:

- (a) A first mortgage for the Debt Financing, if applicable; and

(b) A second mortgage in favour of Community Wealth Non-profit Corporation to secure the obligations of the Co-operative to it, the payment of the Surplus from each project to the CW and to secure the obligation of CW to the Co-operative.

The mortgages shall be registered in the relevant Land Registry Office.

The value of the Co-operative's assets, namely the solar equipment, will depreciate to zero and at the time the final principal repayments on the Bonds are due, the equipment that has been mortgaged to secure the obligations is expected to have minimal value.

12. MATERIAL LEGAL PROCEEDINGS TO WHICH GRECO DEVELOPMENT CO-OPERATIVE OR ITS SUBSIDIARY IS A PARTY

The Co-operative is not party to any legal proceedings.

13. MATERIAL INTERESTS OF DIRECTORS, OFFICERS AND EMPLOYEES OF THE CO-OPERATIVE OR ITS SUBSIDIARIES

Each of the Directors of the Co-operative is a Member of the Co-operative. No individual director, officer or employee has a material interest in the business or operations of the Co-operative other than disclosed herein.

Officers and employees will be offered the securities to be issued under this prospectus on the same terms as are available to all other Members.

14. MATERIAL CONTRACTS ENTERED INTO IN THE TWO YEARS PRECEDING THIS PROSPECTUS

There are no material contracts, other than in the normal course of business within the last two years except :

(a) **Development Consultant Agreement:** The Co-operative has entered into a Development Consultant Agreement with the Options for Green Energy division of Options for Homes to provide project development services and co-ordination and training of Members, board and staff in ongoing management of the Co-operative as are necessary to develop solar PV projects as envisioned by this prospectus.

The contract requires Options to perform the services outlined in the agreement in an efficient manner and exercise reasonable care, skill and diligence in the performance thereof.

Options is required to indemnify and save harmless the Co-operative from and against all claims, actions, losses, expenses, costs or damages which the Co-operative may suffer as a result of negligence by Options

Either party may terminate the Contract for cause upon 60 days written notice.

The Co-operative agrees to pay Options' fees and disbursements in the amounts and at such times as are outlined in the Contract.

(b) **Community Wealth:** The Co-operative is a member of **Community Wealth**, established to provide financial and other assistance to its members. Copies of the articles of incorporation and by-laws, as well as an overview of the purpose and structure of Community Wealth are available upon request.

Community Wealth Non-profit is a key element of the Options model.

A Renewable Energy Project Agreement (REPA) entered into between **Community Wealth Non-profit** and the Co-operative provides:

1. Community Wealth guarantees payment of interest and principal of all bonds issued by the Co-operative for a project approved by Community Wealth.
2. Community Wealth shall provide development stage funding for future projects of the Co-operative approved by Community Wealth.
3. Community Wealth's membership shall include the Co-operative and other co-operatives developing renewable energy projects as well as housing co-operatives and potentially other social enterprises.
4. The Co-operative and Community Wealth shall maintain a comprehensive asset-lock, ensuring that the assets of both entities are used solely for pursuit of their social goals, namely the repayment of bondholders and the use of any Surplus to develop additional renewable energy developments, sustainable housing projects, and potentially other social enterprises. 50% of the monies received from any single project cannot be applied by Community Wealth without approval of the delivery agency responsible for generating those monies.
5. Any Surplus generated by the Co-operative is paid to Community Wealth for its use in financing future projects and honouring any claims on its guarantees. Such payment of Surpluses to Community Wealth by the Co-operative are reduced by the scheduled repayment of debt financing and the Community Solar Bonds, and an agreed upon sum for the Co-operative's working capital and ongoing operations. Payments to Community Wealth therefore do not affect the ability of the Co-operative to meet its obligations as they fall due. Community Wealth will work closely with its member co-operatives to ensure that their cash flow, supplemented from the assets of Community Wealth if needed, suffices to pay bondholders as scheduled. All of the members of Community Wealth have the same interest – to maintain the integrity and reputation of the community-based renewable energy sector. GRECo intends to retain assets on its own books, that will not be transferred to or from Community Wealth, sufficient to repay all the bondholders the principal on the bonds as it comes due. In the event that GRECo has a shortfall in its own assets, then the guarantee provided by Community Wealth will apply.
6. A second mortgage in favour of Community Wealth for a principal amount equal to the estimated difference between the costs of its projects and their market value, as agreed upon by the Co-operative and Community Wealth secures the obligations of the Co-

operative. The mortgage is on depreciating assets which are expected to have little or no value at the time that the final principal on the Bonds is to be repaid. The mortgage is not a conventional mortgage on real estate but rather a mortgage on a lease agreement with an expiry date and depreciating solar panels.

7. The assets of CW are applied by its board of directors as follows:
- At least 60% of its expenditures as loans and guarantees for renewable energy projects being undertaken by its Co-operative members,
 - No more than 10% of its expenditures on capacity building and education for members and staff of Co-operative Members and Delivery Agency members, and
 - No more than 30% in support of the activities and initiatives of its social enterprise members.

Its assets, beyond the seed capital provided by Options for Homes, are acquired through agreements with co-operatives, on terms similar to its agreement with the Co-operative. Accordingly, CW's ability to honour its guarantees of Community Solar Bonds is limited to the extent it has assets to satisfy them.

The Renewable Energy Project Agreement (REPA) between Community Wealth Non-Profit and its members is available on request.

(c) **Joint Venture Agreement with Icarus Power Generation Inc. :** The Co-operative has entered into a Joint Venture Agreement for the purpose of developing the Silvercreek project where GRECo owns a 51% share of the project and Icarus owns 49%.

(d) **EPC Agreement with Icarus Power Generation Inc.:** The Joint Venture has entered into an Engineering/Procurement/Construction agreement with Icarus Power Generation Inc. for the construction of the Silvercreek project.

(e) **Limited Partnership Agreement with Solera Sustainable Energies Company Inc. :** The Co-operative has entered into a Limited Partnership for the purpose of developing the Airpark project where GRECo owns a 51% share of the project and Solera owns 49%.

(f) **EPC Agreement with Solera Sustainable Energies Company Inc.:** The Limited Partnership has entered into an Engineering/Procurement/Construction agreement with Solera Sustainable Energies Company Inc. for the construction of the Airpark project.

15. PATRONAGE RETURNS, OR OTHER DISTRIBUTIONS PAID, DECLARED, OR ACCUMULATED BUT UNPAID DURING THE FIVE YEARS PRECEDING THIS PROSPECTUS

None.

16. ANY OTHER MATERIAL FACTS

None.

17. CERTIFICATE

WE CERTIFY THAT THE FORGOING CONSTITUTES THE FULL TRUE AND PLAIN DISCLOSURE OF ALL OF THE MATERIAL FACTS RELATING TO THE BONDS OFFERED BY THIS PROSPECTUS.

Dated on this 23rd day of April 2015

Mark Bailey, President

Mark Colvin, Treasurer