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Ontario Corporation number: 1851991

Co-operative Corporations Act, R.S.O. 1990, c. C.35

RECEIPT FOR AN OFFERING STATEMENT

TREC SOLARSHARE CO-OPERATIVE (NO. 1) INC.

TREC SolarShare Co-operative (No. 1) Inc. (the "Co-operative"), filed an Offering Statement dated June 1, 2024.

As a condition of the Chief Executive Officer issuing a Receipt under subsection 36(1) of the *Co-operative Corporations Act*, the Co-operative has undertaken in accordance with Section 18 of the Offering Statement that:

- a) the Offering Statement will expire on May 31, 2025 and after that date no further securities will be issued unless a new Offering Statement has been filed and receipted;
- b) a copy of the Offering Statement will be given to each prospective investor before payment for securities is accepted by the Co-operative; and
- c) none of the securities issued by the Co-operative pursuant to this Offering Statement will be in bearer form.

A Receipt for the Offering Statement relating to securities to be issued by the Co-operative is hereby issued under subsection 36(1) of the *Co-operative Corporations Act*.

Dated at Toronto, this 23rd day of August, 2024.



Huston Loke
Executive Vice President
Market Conduct Division
By Delegated Authority from the
Chief Executive Officer

This offering document contains important information about the Solar Bonds offered for sale by the Co-operative named below.

You should read the entire Offering Statement before deciding whether or not to purchase these bonds. All prospective purchasers must receive this Offering Statement before completing their purchase.

Offering Statement of
TREC SolarShare Co-operative (No. 1) Inc.
("SolarShare")

June 1, 2024

MAXIMUM TOTAL TO BE RAISED UNDER THIS OFFERING STATEMENT: \$19,000,000

SolarShare is offering Solar Bonds for purchase by residents of Ontario. Prospective individual purchasers of the bonds must first become members of SolarShare. Corporations and organizations may purchase bonds, but are not eligible to be members of SolarShare.

SolarShare is the largest renewable energy co-operative in Canada in terms of membership, investment and asset ownership. It owns and operates a portfolio of 51 solar generation Projects, all of which earn revenues from long-term fixed-rate Feed-In-Tariff (FIT) contracts with Ontario's Independent Electricity System Operator (IESO). These contracts were established with an original term of 20 years under Ontario's Green Energy Act and remain in force.

The majority of SolarShare's capital is in the form of Solar Bonds, with \$36.5 million outstanding as of December 31, 2023. SolarShare also employs long-term debt with a value outstanding of \$10.6 million, described in Section 13 and 16.7 or 16.8 below. Any cash flow surplus after the payment of interest and repayment of principal on Solar Bonds and other debt will be assigned to the TREC Renewable Energy Cooperative (TREC) Renewable Energy Fund, which will be used acquire or develop renewable energy projects and for educational purposes.

Proceeds from Solar Bond issuance will be used to refinance existing debt as it comes due, including maturing Solar Bonds, and to develop or make new acquisitions of solar or ancillary electric services from time to time and for any period(s) of time should such opportunities arise with government backed organizations.

This Offering Statement describes thirty-five Solar Bonds, each with a term of two to seven years and earning annual simple interest between 3% and 6%, summarized in the table below:

Two-year, 3%	Two-year, 3.5%	Two-year, 4%	Two-year, 4.5%	Two-year, 5%	Two year, 5.5%	Two-year, 6%
Three- year, 3%	Three- year, 3.5%	Three- year, 4%	Three- year, 4.5%	Three- year, 5%	Three- year, 5.5%	Three- year, 6%

Four-year, 3%	Four-year, 3.5%	Four-year, 4%	Four-year, 4.5%	Four-year, 5%	Four year, 5.5%	Four-year, 6%
Five-year, 3%	Five-year, 3.5%	Five-year, 4%	Five-year, 4.5%	Five-year, 5%	Five-year, 5.5%	Five-year, 6%
Seven- year, 3%	Seven- year, 3.5%	Seven- year, 4%	Seven- year, 4.5%	Seven- year, 5%	Seven- year, 5.5%	Seven- year, 6%

In its sole discretion, SolarShare may choose to sell, or not sell, any one or more of these bonds. SolarShare is not offering Solar Bonds for investment in registered accounts under this Offering Statement.

The securities offered 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.

No official of the Government of the Province of Ontario has considered the merits of the matters addressed in this Offering Statement. Neither the Financial Services Regulatory Authority of Ontario 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 Offering Statement.

There is no established market through which these securities may be sold. Due to the characteristics of these securities and the restrictions on their transfer, no such market is likely to develop. The board of directors of SolarShare has set the price of the securities offered.

The Solar Bonds issued under this Offering Statement are secured by:

- a mortgage of each lease of property where a Project is located, which mortgage is registered in the Land Registry Offices in Ontario where the Projects are located; and
- with respect to each Project, a Security Interest in certain of the assets and personal property of, as applicable, SolarShare and/or one of its subsidiaries, related to the applicable Project, which Security Interest is perfected pursuant to the Personal Property Security Act of Ontario (see Section 9.1 for more details); and
- mortgages of two parcels of land owned by SolarShare upon which Projects are located.

A traditional mortgage is usually applied to appreciating assets such as land, whereas the mortgages registered are on leases, with a fixed term, and depreciating assets (the solar generating facilities). Therefore, prospective purchasers are encouraged to study the cash flow model in Schedule A – Pro Forma Financial Statements, since the cash position of SolarShare is most relevant for the repayment of the principal.

Investors should not rely on any information other than what is contained in this Offering Statement. This is a high-risk investment as there is no guarantee that SolarShare will be able

to pay interest or repay any of the Solar Bonds offered under this Offering Statement. SolarShare may be unable to generate adequate cash flow, default on commercial loans, have short term loans withdrawn, experience insufficient cash flow due to equipment failure or fail to secure refinancing. Potential buyers should pay careful attention to all the risk factors noted in this Offering Statement. See Section 7 for a description of risk factors.

The information in any projections or pro forma statements contained in this Offering Statement may vary materially from actual results.

This Offering Statement expires on May 31, 2025. No further securities may be issued after this date unless a new Offering Statement is filed and receipted.

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1 GLOSSARY, DEFINITIONS AND INTERPRETATION

1.1 Glossary, Definitions

In this Offering Statement, unless the context requires otherwise:

"2-Year Solar Bond" refers to bonds with a term of two years issued by SolarShare, including those being offered under this Offering Statement.

"3-Year Solar Bond" refers to bonds with a term of three years issued by SolarShare, including those being offered under this Offering Statement.

"4-Year Solar Bond" refers to bonds with a term of four years issued by SolarShare, including those being offered under this Offering Statement.

"5-Year Solar Bond" refers to bonds with a term of five years issued by SolarShare, including those being offered under this Offering Statement.

"7-Year Solar Bond" refers to bonds with a term of seven years issued by SolarShare, including those being offered under this Offering Statement.

"15-Year Solar Bond" refers to self-amortizing (regularly paying a fixed amount, comprised of a mixture of principal and interest) bonds with a term of fifteen years previously issued by SolarShare. **No 15-Year Solar Bonds are being offered under this Offering Statement.**

"Act" means the Co-operative Corporations Act (Ontario) and the Regulations thereunder.

"Affiliate Fees" means operating, management and/or contractor fees to an entity associated with SolarShare.

"Board" means the board of directors of SolarShare

"Bondholders" means the holders from time to time of Solar Bonds.

"Borrower" means Community Solar Assets 1 Limited or Community Solar Assets 2 Limited, (and **"Borrowers"** refers to both of them).

"Commercial Operation" means, with respect to each Project, that the Project is mechanically, electrically, and structurally complete and is delivering electricity to the electricity grid.

"Commercial Operation Date" or **"COD"** means the date on which a Project achieved Commercial Operation under the FIT Contract.

"Community Solar Assets 1" or **"CSA 1"** means the Special Purpose Vehicle with the legal name Community Solar Assets 1 Limited that was incorporated to hold some of SolarShare's FIT1 Projects as described in this Offering Statement.

"Community Solar Assets 2" or **"CSA 2"** means the Special Purpose Vehicle with the legal name Community Solar Assets 2 Limited that was incorporated to hold some of SolarShare's FIT 2 Projects, one FIT 3 project and one FIT 4 project as described in this Offering Statement.

"Community Solar Assets 4" or "CSA 4" means the Special Purpose Vehicle with the legal name Community Solar Assets 4 Limited that was incorporated to hold some of SolarShare's FIT 3 Projects as described in this Offering Statement.

"Community Solar Assets 5" or "CSA 5" means the Special Purpose Vehicle with the legal name Community Solar Assets 5 Limited that was incorporated to a FIT 2 Project as described in this Offering Statement.

"Debt Financing" means senior debt from a long-term commercial debt lender.

"Debt Lender" means the lender under a Debt Financing, and includes its successors and assigns.

"Debt Service Coverage Ratio" or "DSCR" means the debt service coverage ratio established by commercial lenders for the CSA 1 and CSA 2 portfolios, being the ratio of the Operating Income to the Debt Service Costs for the most recent four consecutive quarter periods.

"Debt Service Reserve Requirement" means an amount equal to up to six months' (for CSA 1) or twelve months' (for CSA 2) principal and interest next due on the loan.

"FIT Contract" means an agreement made with the IESO in accordance with the FIT Program, and includes a FIT 1 Contract, a FIT 2 Contract a FIT 3 Contract a FIT 4 Contract and a FIT 5 Contract. SolarShare currently owns Projects with FIT 1 Contracts, FIT 2 Contracts and FIT 3 Contracts.

"FIT 1 Contract" means a FIT Contract with the IESO pursuant to an application made in accordance with the FIT Program, and which is not a FIT 2 Contract, a FIT 3 Contract, a FIT 4 Contract or a FIT 5 Contract.

"FIT 2 Contract" means a FIT Contract with the IESO pursuant to an application made in accordance with the FIT Program between 14 December, 2012 and 18 January, 2013.

"FIT 3 Contract" means a FIT Contract with the IESO pursuant to an application made in accordance with the FIT Program between 4 November 2013 and 13 December, 2013.

"FIT 4 Contract" means a FIT Contract with the IESO pursuant to an application made in accordance with the FIT Program between 5 October, 2015 and 23 October, 2015.

"FIT 5 Contract" means a FIT Contract with the IESO pursuant to an application made in accordance with the FIT Program between 7 November, 2016 and 25 November, 2016.

"FIT Program" means the renewable energy Feed-In-Tariff program established by the IESO, which, pursuant to a FIT Contract, provides for 20 years of guaranteed rates per kilowatt hour paid for electricity delivered from a FIT project. Projects of different sizes and different FIT contract versions, earn different revenues per kilowatt-hour, all known in advance. There were five different FIT Contract rounds under the FIT program.

"FIT project" means a qualified renewable energy project that is located in Ontario, with a capacity greater than 10 kilowatts to generate electricity exclusively from a single renewable energy source that is one of on-shore wind, solar (PV) (rooftop), solar (PV) (Non-Rooftop),

renewable biomass, biogas, landfill gas or waterpower, and which delivers that electricity through its own meter to the IESO-controlled grid or a distribution system for electricity that is connected to the IESO-controlled grid and is the subject of a FIT Contract.

"GEA" means Ontario's Green Energy and Green Economy Act, 2009, which was the legislation enacted by the Government of Ontario that created the MicroFIT Program and the FIT Program. The GEA was repealed in late 2018.

"IESO" is the Independent Electricity System Operator, including the former Ontario Power Authority, a not-for-profit corporate entity tasked with real-time operations of the Ontario electricity grid and long-term planning, procurement and conservation efforts.

"Joint Venture Security Interest" has the meaning given to it in Section 9.1 below.

"MicroFIT Contract" means an agreement with the IESO made in accordance with the MicroFIT Program.

"MicroFIT Program" means the renewable energy Feed-in-Tariff program established by the OPA, which, pursuant to a MicroFIT Contract, provides for 20 years of guaranteed rates per kilowatt hour paid for electricity delivered from qualified renewable energy projects having a capacity for the generation of electricity that is 10 kilowatts or less.

"MicroFIT project" means a qualified renewable energy project having a capacity for the generation of electricity that is 10 kilowatts or less and which is the subject of a MicroFIT Contract.

"MicroFIT Projects Security Interest" has the meaning given to it in Section 9.1 below.

"Net Income" means all revenues received by SolarShare and its subsidiaries (including Project Revenues and other revenues) minus all expenses incurred by SolarShare and its subsidiaries (including Project Expenses, amortization, interest, general and administrative and other expenses).

"Offering Statement" refers to this document, including all attachments and schedules.

"Operating Income" means, with respect to a Project, the Project Revenues of the Project including any interest paid or payable on Reserve Accounts, minus the Project Expenses of the Project.

"Project" means those assets used to generate electricity through solar power which are owned, or in the case of a prospective project, will be owned, by SolarShare, a subsidiary of SolarShare, or a joint venture in which SolarShare or a subsidiary has an ownership interest (and "Projects" refers to more than one of them).

"Project Expenses" means, with respect to a Project, all expenditures in respect of the operations of the Project, determined on an accrual basis, including reimbursable costs and expenses incurred for operations and maintenance, insurance and contributions to the major maintenance reserve fund, but excluding interest and principal payable on the Debt Financing loan, fees to an Affiliate other than the Affiliate Fees, non-cash items, major maintenance costs and income taxes.

"Project Leasehold Mortgages" has the meaning given to it in Section 9.1 of this Offering Statement.

"Project Revenues" means, with respect to a Project, the sum of all amounts received or receivable from the operation of the Project which would be considered revenue in accordance with Canadian generally accepted accounting principles, including all refundable taxes received but excluding extraordinary, unusual or non-recurring items.

"PV", which stands for 'photovoltaic' means the technology used for the generation of electricity using photovoltaic solar cells, which convert sunlight directly into electricity.

"Renewable Energy Fund Agreement" means an agreement made between SolarShare and TREC, dated January 17, 2012.

"Renfrew Mortgage" has the meaning given to it in Section 9.1 below.

"Security Interest" means an interest in assets, undertaking and property, both real and personal, which secures payment or performance of an obligation, and any such interest that is created by a general security agreement, assignment, mortgage, charge, hypothecation and pledge or any one or more of the foregoing.

"Solar Bonds" refers to 2-Year Solar Bonds, 3-Year Solar Bonds, 4-Year Solar Bonds, 5-Year Solar Bonds, 7-Year Solar Bonds, and 15-Year Solar Bonds, in each case as issued by SolarShare, and **"Solar Bond"** means any one of them.

"Solar Bonds Security" includes:

- the SPV FIT Projects Security Interests, SolarShare FIT Projects Security Interests, any Joint Venture Security Interest, and the MicroFIT Projects Security Interests;
- the Project Leasehold Mortgages;
- the Timiskaming Mortgage; and
- the Renfrew Mortgage,

as described more particularly in Section 9.1 below.

"SolarShare FIT Projects Security Interest" has the meaning given to it in Section 9.1 below.

"SolarShare Joint Venture Interest" means the joint venture interests that SolarShare owns and through which it participates in the operation of one or more FIT projects.

"Special Purpose Vehicle" or **"SPV"** means a special purpose vehicle that is a business corporation, wholly-owned by SolarShare, which owns a group of FIT projects. SolarShare's SPVs include CSA 1, CSA 2, CSA 4 and CSA 5.

"SPV FIT Projects Security Interest" has the meaning given to it in Section 9.1 below.

"Tapestry" means Tapestry Community Capital, a fully-owned subsidiary of TREC, which provides investment management, accounting and administrative services to SolarShare.

"Timiskaming Mortgage" has the meaning given to it in Section 9.1 below.

"TREC" means TREC Renewable Energy Co-operative Inc., a not-for-profit co-operative established to promote renewable energy through its project development, project management and educational activities.

"TREC Renewable Energy Fund" means the fund that TREC maintains as per the terms of the Renewable Energy Fund Agreement.

"Turnkey Project Development" means a project development and construction service that includes construction management, engineering, procurement, permitting, construction and commissioning of a complete solar PV system.

"Trust Agreement" means the agreement made between SolarShare and Brian Iler, as trustee, dated 29 October, 2012, as amended or restated at any time or from time to time.

"Trustee" means the person who is appointed, and who has accepted, to exercise the trusts and other obligations under the Trust Agreement, and includes any successors appointed in accordance with the terms of the Trust Agreement.

1.2 Interpretation

In this Offering Statement, unless the context requires another interpretation, a reference to "SolarShare projects" (or any similar reference) includes the Projects that are owned and operated by CSA 1, CSA 2, CSA 4 and CSA 5 as well as Projects operated through a joint venture in which SolarShare has an interest.

2 CORPORATE INFORMATION

Name of the Co-operative: TREC SolarShare Co-operative (No. 1) Inc.

Date of Incorporation: Jan 18, 2010 (subsequent certificates of amendment effective March 25, 2011 and amalgamation effective January 1, 2015).

Ontario Corporation No.: 1851991 (formerly 1613555)

Head Office Address: 192 Spadina Avenue, Suite 429
Toronto, Ontario M5T 2C2

Auditors: Kriens LaRose LLP
Thomas Kriens CPA, CA
37 Main Street
Toronto, Ontario M4E 2V5

Fiscal Year End: December 31st

Registrar/Transfer Agent: SolarShare subcontracts with Tapestry Community Capital to act as registrar and transfer agent in respect of the securities offered for sale under this Offering Statement.



Figure 1: SolarShare's Abilene project in Mississauga

3 DESCRIPTION OF THE BUSINESS OF SOLARSHARE

3.1 Background

SolarShare was established in 2010 with the goal of fostering democratically controlled community ownership of solar PV generation resources in Ontario and the belief that all

Ontarians should have the opportunity to invest in and benefit from the transition to a low-carbon economy.

SolarShare is a non-share capital co-operative amalgamated and continued pursuant to the *Co-operative Corporations Act* (Ontario) that operates on a co-operative basis and as a not-for-profit co-operative. SolarShare's business model relies on contracts that guarantee a certain price is paid for electricity or other ancillary services sold to the electricity grid. After payment of interest on term loans and Solar Bonds, cash flows are applied to meet the capital needs of SolarShare and to repay principal on commercial debt, term loans and Solar Bonds. As a not-for-profit co-operative, surplus cash flows may not be distributed to SolarShare's members.

SolarShare presently owns and operates 51 solar PV Projects that have reached Commercial Operation and are generating electricity under a FIT Contract or MicroFIT Contract. These Projects are located throughout many communities in Ontario and represent a total generating capacity of 12.2 MW. Further details on the individual Projects can be found in Schedule O – Project Descriptions.

All of SolarShare's Projects have been financed with a combination of construction and bridge loans from private lenders, Solar Bonds issued by SolarShare, and commercial debt. SolarShare successfully secured \$4.2 million in long-term debt from Equitable Life Insurance for a portfolio of Projects held in CSA 1 and \$13.2 million in long-term debt from CorpFinance International Ltd. for a portfolio of Projects held in CSA 2.

3.2 Co-operative Ownership and Investment: SolarShare's Competitive Advantage

There are many privately held companies competing to finance solar energy projects that employ the traditional model of private finance. SolarShare's value proposition and competitive advantage comes from community investment and the use of the not-for-profit co-operative model. There are two strategic advantages to this approach:

- The FIT rules in Ontario gave a regulatory advantage to community-owned solar energy projects
- Business partners and members/investors value a socially-driven enterprise that provides a reasonable return on investment

3.3 Restrictions

SolarShare's Articles of Amalgamation restrict the business of SolarShare and those of each of its existing SPVs to:

1. 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
2. selling, as a generator within the meaning of that Act, electricity it produces from one or more renewable energy sources.

This restriction means SolarShare is a “renewable energy co-operative” as defined in the Co-operative Corporations Act and therefore cannot pursue projects that do not meet the definitions set out in the Articles.

3.4 Management and Administration of SolarShare

The Board is responsible for the affairs of SolarShare. It provides management oversight and retains all final decision-making authority related to material changes in the annual operating budget, business plan, and asset ownership. Individual directors may also be involved in the daily management of SolarShare.

The Board has established seven committees to support the work of the Board. These include Finance and Planning, New Business, Governance, Marketing, Operations and Maintenance, Human Resources, and Audit. More information on the scope of work of the Board and committees is provided in Schedule M – Board and Committee Roles and Responsibilities.

SolarShare employs nine staff to manage its key operations, and engages service providers for administrative and accounting functions as well as investor management. The general terms of the service agreement with TREC and Tapestry Capital are described in Section 16 below. SolarShare also contracts with three private service providers for maintenance of its Projects.

3.5 Board and Committee Experience

SolarShare’s By-laws (Organizational By-law – see Schedule D to this Offering Statement) stipulate that the Board shall consist of a minimum of five and a maximum of twelve directors. The Board currently consists of nine directors and is supported by seven committees, which include director and non-director members.

The first table below describes Board members while the second table describes non-Board committee members.

Table 1: Board Membership

NAME (Director Since)	RESIDENCE	TITLE	OCCUPATION	SOLARSHARE ROLE	COMMITTEE MEMBERSHIP
Shama Ahmed (2017)	Toronto	Director	Senior Manager, Corporate Citizenship	Financial Services strategy and engagement	Governance, Human Resources
Mike Brigham (2010)	Toronto	President, Director	Retired Business Owner and philanthropist	Business development, finance, operations and maintenance	Finance and Planning, New Business, Operations and Maintenance

NAME (Director Since)	RESIDENCE	TITLE	OCCUPATION	SOLARSHARE ROLE	COMMITTEE MEMBERSHIP
Graysanne Bedell (2019)	Toronto	Vice President, Director	Retired lawyer, former corporate legal counsel	Governance, new business, negotiation	Governance, New Business
Glen Campbell (2018)	Toronto	Chair of the Board, Director	Retired Telecom and Capital Markets Executive	Finance and planning, financing strategy	Finance and Planning
Patrick Collie (2018)	Toronto	Director	Engineer-In-Training	Engineering, development, business strategy	Operations and Maintenance, New Business
Pieter de Koning (2017)	Toronto	Director	Engineer	Business strategy, marketing, technical analysis	Marketing, Finance and Planning, Operations and Maintenance
Doug Finley (2021)	Toronto	Director	Retired Software Executive	Finance and planning, marketing and communications strategy	Finance and Planning, Marketing
Ron Seftel (2019)	Toronto	Treasurer, Director	Chief Financial Officer	Finance, planning, renewable energy	Audit, Finance and Planning
Ashley Reid (2019)	Kitchener-Waterloo	Director	Chartered Professional Accountant	Finance and planning, audit, compliance	Audit, Finance and Planning

Table 2: Committee Membership

NAME	RESIDENCE	TITLE	OCCUPATION	SOLARSHARE ROLE	COMMITTEE MEMBERSHIP
Jen Aitchison	Toronto	Committee Member, Past Board Member	Solar sales and development	Insurance, human resources	Human Resources
Newton Chan	Vaughan	Committee Member	Consultant	Governance and new business strategy	Governance
Thomas Haubenreisser	Toronto	Committee Member, Past Board Member	Retired banking executive	Financing strategy, marketing, compliance, finance and planning	Finance and Planning, Marketing
David Robertson	Toronto	Committee Member, Past Board Member	Chartered Professional Accountant	Financial controls and compliance, budgeting, financing strategy	Finance and Planning, Audit

3.6 Management Team

SolarShare is managed by an experienced team that ensures quality control, effective project evaluation and delivery, and fiscal accountability. SolarShare employs one full-time and nine part-time staff.

Mike Brigham, President, also plays a strong role in the daily activities of SolarShare. With over 25 years of experience in solar PV technology and having active roles in the Green Energy Act Alliance and the Canadian Solar Industries Association, Mr. Brigham leverages his considerable project and technical experience with his industry involvement to best represent the interests of SolarShare and its members.

Chris Caners, General Manager, is a professional engineer with fifteen years of experience in renewable energy, climate and energy efficiency. He has worked for ICF, the University of Toronto, and M-Kopa Solar, and has held volunteer positions with The Atmospheric Fund, the Clean Air Partnership and the Centre for Social Innovation and is currently a director of the

Ontario Co-operative Association. Chris is responsible to the Board for the management of SolarShare.

Bob Ross, Operations and Maintenance Coordinator, has managed over 300 solar projects throughout North America utilizing his skills in design, evaluations, engineering, installation, commissioning and monitoring. He teaches in the Renewable Energy Techniques program at Conestoga College. Prior to joining SolarShare, Bob was a Project Manager at Efston Science (eSolar) and Operations Manager at Solar Ontario.

SolarShare also employs seven local technicians part-time in the Timiskaming and Kingston areas to provide site maintenance services for SolarShare's ground mounted Projects in those regions.

The management team is supported by TREC staff and resources for bookkeeping and administration, as well as investment management services from Tapestry Community Capital which shares offices with TREC.

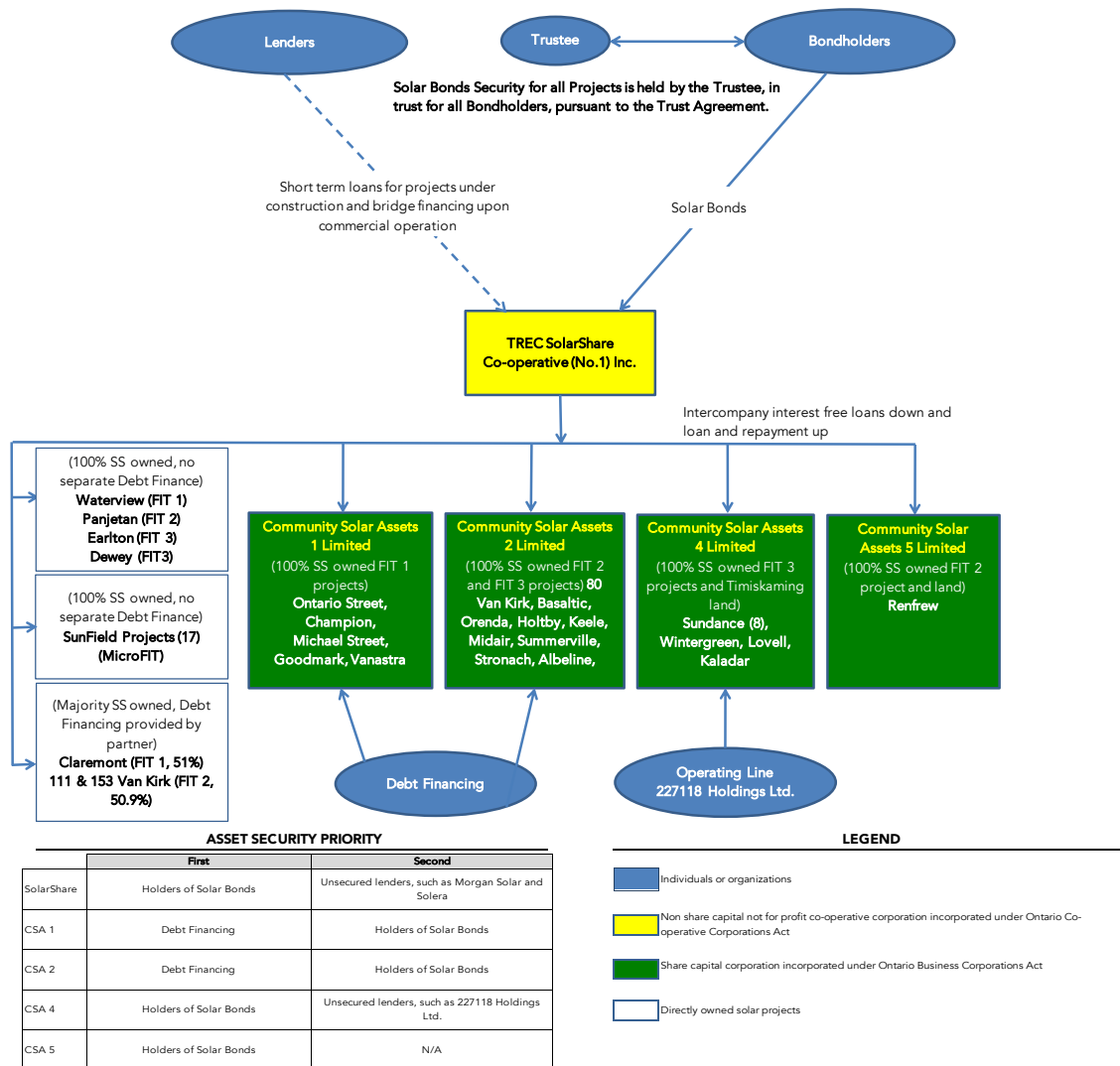
3.7 Legal Structure and Key Relationships

SolarShare holds some of its Projects directly, while it holds others in its SPVs (i.e. CSA 1, CSA 2, CSA 4 and CSA 5). SolarShare also holds an additional interest in two joint ventures, one with 50.9% interest in two Projects and another joint venture with 51% interest in one Project.

In the past, SolarShare has received construction and bridge financing from private lenders to construct or acquire Projects, which was then repaid from capital raised from the sale of Solar Bonds, Debt Financing or other sources. SolarShare may obtain similar debt financing should it be required in the future.

All of these relationships are shown and described in Figure 2 and Table 3 below. More information on each Project is provided in Schedule O – Project Descriptions.

Figure 2: Corporate Structure



In 2021, SolarShare was successful in acquiring the Keeler and Renfrew Projects. The Keeler Project was added to the CSA 2 portfolio in order to improve the DSCR for the Debt Financing, while the Renfrew Project was added to a new SPV, CSA 5.

Table 3: SolarShare Company Descriptions

ENTITY	DESCRIPTION
SolarShare	<p>The parent co-operative that owns some of the Projects outright, others through its SPVs, CSA 1, CSA 2, CSA 4 and CSA 5, and three Projects through two different joint ventures.</p> <p>Solar Bonds and interest are repaid from the revenues from all of the Projects.</p>
Community Solar Assets 1 (CSA 1)	<p>An SPV that holds FIT projects pursuant to FIT 1 Contracts. SolarShare is the sole shareholder of CSA 1. The Debt Financing provided to CSA 1 for the FIT projects that it owns was provided by Equitable Life Insurance Company and is secured by the Project assets held within CSA 1 only. The assets of the Projects held directly by SolarShare and the assets of the Projects held within CSA 2, CSA 4 and CSA 5 are not included in the security for the Debt Financing provided by Equitable Life Insurance Company.</p>
Community Solar Assets 2 (CSA 2)	<p>An SPV that holds FIT Projects pursuant to FIT 2 and FIT 3 Contracts. SolarShare is the sole shareholder of CSA 2. The Debt Financing provided to CSA 2 for the FIT Projects that it owns was provided by CorpFinance International and is secured by the Project assets held within CSA 2 only. The projects held directly by SolarShare and those within CSA 1, CSA 4 and CSA 5 are not included in the security for the Debt Financing provided by CorpFinance International.</p>
Community Solar Assets 4 (CSA 4)	<p>An SPV that holds FIT projects pursuant to FIT 3 Contracts. SolarShare is the sole shareholder of CSA 4. There is currently no Debt Financing outstanding in place for CSA 4.</p>
Community Solar Assets 5 (CSA 5)	<p>An SPV that holds a FIT project pursuant to a FIT 2 Contract. SolarShare is the sole shareholder of CSA 5. There is currently no Debt Financing outstanding in place for CSA 5.</p>
Joint Ventures	<p>SolarShare owns a 50.9% interest in a joint venture that operates two FIT projects, 111 Van Kirk and 153 Van Kirk, which are both the subject of FIT 2 contracts.</p> <p>SolarShare also owns a 51% interest in a joint venture that operates a FIT project, referred to as Claremont which is the subject of a FIT 1 Contract. The other joint venturers are the local distribution company and the project developer.</p>

3.8 Technology

The major components of any solar PV system are the solar PV modules, the inverters and the mounting system, which may include either fixed racking or moveable trackers. The PV modules and the inverters are the most expensive components. In order to lower the risks associated with any of its Projects, SolarShare regularly reviews solar technologies and will employ only those that are considered to be quality products from reputable companies offering effective warranties that are expected to endure for the life of the equipment.

Many of SolarShare's Projects have also undergone a rigorous third-party due diligence assessment as a component of Debt Financing. All CSA 1 and CSA 2 Projects have been evaluated by independent engineers who have conducted site visits and carefully reviewed the installed equipment, as well as SolarShare's contracts, financial models and regulatory requirements. These reviews are used by Debt Financing lenders to assess the quality of SolarShare's solar PV Projects, which in all cases have shown the Projects and their upkeep to have been acceptable to the lenders.

All of SolarShare's Projects have live monitoring of electricity generation and equipment operational status, which can be viewed online via the SolarShare website (solarbonds.ca). Members can see how the systems are performing and can access a variety of other data, along with educational information about solar electricity.

SolarShare monitors the systems daily in order to respond quickly to any disruptions in performance. In the case of a disruption, SolarShare employs local, part-time maintenance staff, and contracts with several maintenance service providers, which conduct both emergency repairs and regularly scheduled maintenance on all Projects. Further details on the maintenance service providers can be found in Section 16 below.

3.9 SolarShare Membership

Membership in SolarShare is open to individuals who are residents of Ontario. Members are required to pay a one-time membership fee of \$40.

Members are entitled to one vote at co-operative member meetings regardless of the amount of bonds they have purchased. Membership in SolarShare shall not be transferable unless authorized by the Board, and is subject to a \$50 transfer fee, in accordance with SolarShare's by-laws. SolarShare may at its discretion charge members reasonable administrative fees.

The members of SolarShare have a right under the Co-operative Corporations Act to receive the financial statements and the auditor's report annually at least 10 days before each annual meeting of members.

More information about the membership in SolarShare is available in Schedule N – SolarShare Members.



Figure 3: SolarShare's Renfrew project near Arnprior, Ontario, acquired in 2021.

3.10 Authorizations, Licenses, and Permits

SolarShare, and in the case of Projects owned and operated through the SPVs, the applicable SPV hold all authorizations, licenses and/or permits that are, or were, required to complete and operate its Project portfolios, including the following:

- FIT Contracts from the IESO to sell electricity produced at the site for approximately 20 years at a fixed rate, which depends on the FIT Contract round;
- Permission from the local distribution company to connect the solar installation to the electricity grid;
- Relevant certificates and authorizations from the Electrical Safety Authority confirming the safety of the installation, including as the certificate of inspection and authorization to connect;
- A structural engineering study for rooftop installations to ensure that the buildings can safely accommodate the intended system;
- Lease agreements for the term of the FIT Contracts; and,
- Municipal building permits confirming the Project conforms with the local building code.

3.11 Environmental Compliance

In accordance with Ontario Regulation 359/09 under the Environmental Protection Act, renewable energy facilities generating less than 10 kW and all rooftop PV systems are exempt from obtaining a Renewable Energy Approval (REA) from the Ministry of the Environment,

Conservation and Parks for the Province of Ontario. All of SolarShare's rooftop Projects covered by this Offering Statement are therefore exempt from the REA.

As of November 18, 2012, certain small ground-mounted solar facilities must register in the Environmental Activity and Sector Registry (EASR), as per O. Reg. 350/12 under the Environmental Protection Act. The EASR applies to ground mounted solar Projects with a nameplate capacity between 10 kW and 500 kW. Some of the Projects covered by the Offering Statement therefore require and have registrations under the EASR.

The EASR sets out criteria that must be met in order for a facility to be registered. If a facility cannot meet these criteria, it may require a full REA or Environmental Compliance Approval (ECA). The criteria include or may include restrictions on zoning, length of off-property distribution lines, compliance with the Niagara Escarpment Planning and Development Act, noise and proximity to water bodies and archaeological sites, etc. SolarShare is required to ensure that the information for each Project registered under the EASR remains up to date and that the Project continues to meet the requirements of O. Reg. 350/12 throughout its operating life.

3.12 Real Estate

SolarShare owns two parcels of land. One is in Timiskaming, Ontario, where a communications tower is located that is necessary for the functioning of the Sundance Projects. The second (which actually is comprised of two parcels side by side) is the land on which the Renfrew Project is located near Arnprior, Ontario. The remainder of SolarShare's real property interests is limited to the leasehold interests in properties on which its Projects are located. SolarShare and the SPVs have entered into lease agreements with property owners to host the Projects. SolarShare may purchase land associated with operating projects in future. See Section 16 below for a summary of existing lease agreements.

3.13 Insurance

SolarShare carries appropriate insurance for its operations. Coverage includes direct physical loss or damage (subject to exclusions including flood, earthquake and equipment breakdown); commercial general liability insurance; business interruption; errors and omissions; and directors' and officers' liability, including employment practices liability.

3.14 Business Development

While the FIT program was eliminated in July 2018, SolarShare's contracts under the FIT program remain in force for their full 20 year term. Opportunities for more investment in new projects in the province have changed significantly with the elimination of the FIT program.

SolarShare continues to seek opportunities to invest in or purchase additional solar projects. SolarShare is also assessing opportunities to invest in solar power and battery storage assets that have revenue contracts with government-backed organizations.

3.15 Project Financing

3.15.1 Construction, Acquisition and Other Financing

SolarShare's business model historically used construction, acquisition (bridge) or other financing from construction and/or other private lenders so as to shield SolarShare from construction and development risk. SolarShare may continue to use financing from private or other suitable lenders for the acquisition of additional projects in Ontario or for other purposes.

3.15.2 Re-financing

Financing from construction/bridge lenders or other suitable lenders is typically refinanced with Solar Bonds or Debt Financing, or repaid from Project Revenues.

Furthermore, as bonds reach maturity, refinancing of that debt will continue through the sale of more Solar Bonds. SolarShare will be entitled to sell Solar Bonds up to the maximum stated in this Offering Statement.

SolarShare is not currently planning to seek further Debt Financing for its Projects over the term of this Offering Statement, but may do so if appropriate.



Figure 4: 80 Van Kirk project in Brampton, Ontario.

4 FINANCIAL AND OPERATING PERFORMANCE HISTORY

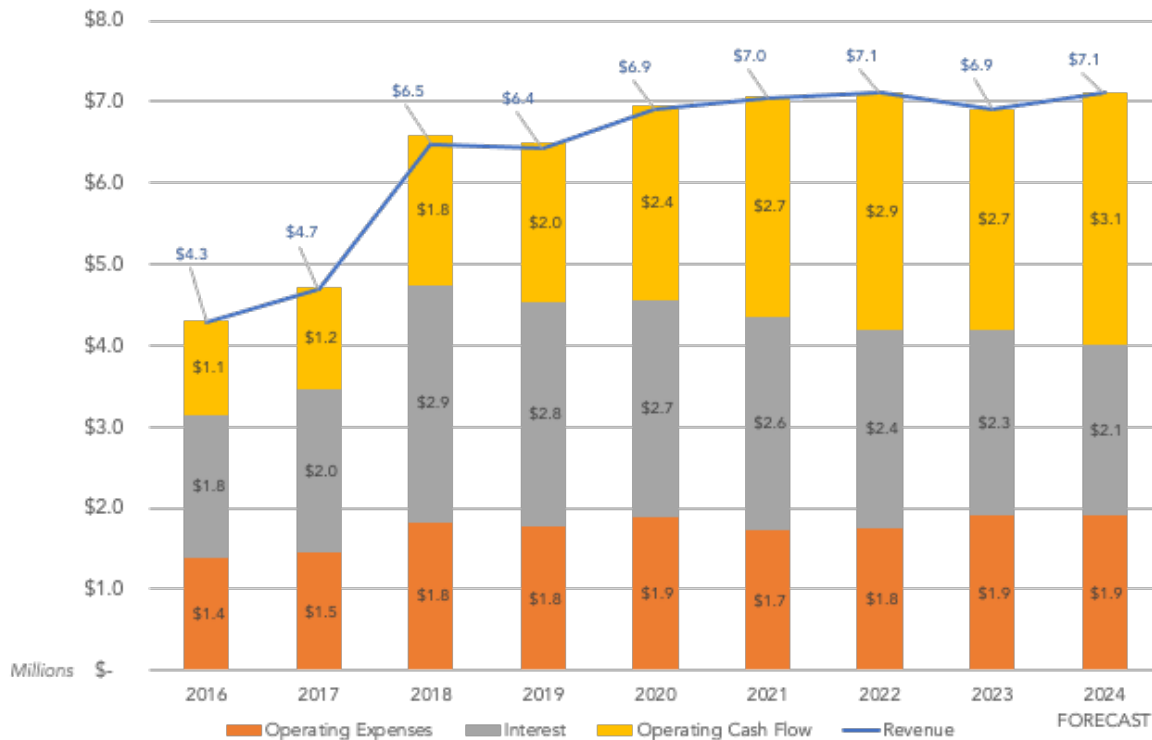
4.1 Overview

SolarShare projects a positive cash flow that increases over time at an accelerating rate as aggregate debt and associated interest expenses decline. As shown in Schedule A – Pro Forma Financial Statements, Net Income is forecast to become positive in 2025 and to continue to increase as the balance of Solar Bonds and debt outstanding (and therefore annual interest) decreases.

SolarShare’s portfolio of solar assets includes 51 individual Projects, all operating with MicroFIT or FIT Contracts. All but three Projects are 100% owned by SolarShare, or by one of its three SPVs. Two Projects are 50.9% owned by SolarShare, with 49.1% owned by the landowner of the sites, and one Project is 51% owned by SolarShare, with 49% owned by the local distribution company and the original Project developer. Details of each Project are provided in Schedule O – Project Descriptions.

Figure 5 below summarizes the operating cash flow performance history of SolarShare. Revenue increased from \$4.3 million in 2016 to \$6.5 million in 2018 primarily due to the addition of the CSA 4 portfolio. Revenues increased from 2020 to 2022 due to operational improvements in the CSA 4 portfolio and the addition of two new Projects in 2021. Revenues in 2024 are expected to be similar to annual revenues for the period from 2021 to 2023.

Figure 5: Operating Cash Flow History (in millions of dollars)



The tables in Sections 4.2 to 4.8 provide a multi-year summary of revenues (Project Revenues along with other revenue) and cash flows, including projections for 2024.

4.2 Consolidated Operating Results and Forecasts

	Historic Actuals								Forecast
Year to December 31	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
Consolidated Totals (\$ thousands)									
Project Revenues									
SolarShare	679	745	712	800	860	828	812	796	824
CSA1	844	779	780	716	777	758	771	737	741
CSA2	2,405	2,270	2,287	2,236	2,383	2,360	2,381	2,214	2,331
CSA4	-	487	2,369	2,338	2,456	2,450	2,359	2,404	2,334
CSA5	-	-	-	-	-	271	365	296	361
Claremont JV at 51%	-	-	-	23	29	29	28	27	26
Van Kirk JV at 50.9%	210	394	392	358	401	376	393	366	384
Subtotal	4,138	4,675	6,541	6,470	6,907	7,072	7,109	6,839	7,001
Minority Interest in Van Kirk JV	-	-	-	-	-	-	-	-	-
TOTAL	4,138	4,675	6,541	6,470	6,907	7,072	7,109	6,839	7,001
Project Expenses									
SolarShare	181	187	169	205	230	234	233	287	229
CSA1	129	122	214	148	125	186	70	148	167
CSA2	315	332	362	376	383	382	402	420	385
CSA4	-	48	291	317	355	312	316	426	363
CSA5	-	-	-	-	-	45	84	40	220
Claremont JV at 51%	-	-	-	3	4	5	4	5	5
Van Kirk JV at 50.9%	49	94	94	95	94	97	98	98	95
Subtotal	674	782	1,132	1,144	1,191	1,261	1,208	1,423	1,465
Minority Interest in Van Kirk JV	-	-	-	-	-	-	-	-	-
TOTAL	674	782	1,132	1,144	1,191	1,261	1,208	1,423	1,465
Operating Income									
SolarShare	498	558	542	595	630	594	579	508	595
CSA1	715	657	566	568	652	572	702	589	574
CSA2	2,089	1,939	1,924	1,860	2,000	1,978	1,978	1,794	1,946
CSA4	-	439	2,078	2,021	2,101	2,137	2,043	1,978	1,971
CSA5	-	-	-	-	-	226	281	256	140
Claremont JV at 51%	-	-	-	19	25	24	24	22	21
Van Kirk JV at 50.9%	162	300	298	262	307	279	295	268	288
Subtotal	3,464	3,893	5,409	5,325	5,716	5,810	5,901	5,415	5,536
Co-op	-	-	-	-	-	-	-	0	-
TOTAL	3,464	3,893	5,409	5,325	5,716	5,810	5,901	5,415	5,536
Interest Expense									
SolarShare	1,572	1,688	2,074	1,955	1,817	1,857	1,762	1,638	1,550
CSA1	188	164	169	158	147	135	123	111	98
CSA2	-	162	671	635	599	562	524	485	445
CSA4	-	-	-	20	93	50	14	51	22
CSA5	-	-	-	-	-	-	-	-	-
Claremont JV at 51%	-	-	-	4	5	5	5	4	4
Total Interest Expense	1,761	2,014	2,914	2,772	2,661	2,609	2,428	2,290	2,119
Net Operational Cashflow, post-interest	1,703	1,878	2,495	2,554	3,055	3,201	3,473	3,126	3,416
General Revenues									
TOTAL General Revenues	43	35	38	25	43	37	29	87	64
General Expenses									
TOTAL General Expenses	684	662	662	585	664	519	558	475	448
Non-Operational Gain (Loss)	(641)	(626)	(624)	(560)	(621)	(481)	(529)	(389)	(384)
Net Cashflow After Interest & General Expenses	1,062	1,252	1,871	1,994	2,434	2,720	2,944	2,737	3,033
Amortization									
TOTAL	1,394	1,994	2,929	2,980	3,000	3,181	3,231	3,230	3,237
Net Income After Amortization	(332)	(742)	(1,058)	(986)	(566)	(461)	(287)	(493)	(204)
Total Revenue	4,181	4,710	6,578	6,495	6,950	7,109	7,137	6,925	7,065
Total Expense	4,513	5,452	7,637	7,481	7,516	7,570	7,424	7,419	7,269
Net Income	(332)	(742)	(1,058)	(986)	(566)	(461)	(287)	(493)	(204)

NOTES:

SolarShare's revenue projections are based on historic performance. The most significant influence on deviations from anticipated Project Revenues generation year to year across SolarShare's portfolio of Projects are weather conditions. These conditions vary over time and include irradiance (the amount of sunlight that reaches the surface of the earth), precipitation (which may deposit or remove snow and dirt in the case of rain) and temperature (which impacts the conditions for snow melt and the efficiency of the panels).

2016 – 2023 Revenue Results: In 2016, Project Revenues generation exceeded expectations due to advantageous weather conditions throughout the year, particularly in the final three quarters of the year. In 2017 through 2019, Project Revenues generation were reduced by poor weather conditions in Q1 and Q4, while conditions and therefore revenue generation in Q2 and Q3 were generally consistent with expectations. SolarShare's annual revenue in 2020 was the largest to that year, which was exceeded in both 2021 and 2022 as two new Projects were added in the first half of 2021. Project Revenues in 2023 decreased compared with the previous three years due to poor solar irradiance (e.g. forest fires). Project Expenses were 0.5% higher than forecast primarily due to higher than expected use of the 227118 Holdings Ltd. loan, and a larger than expected increase in human resource costs.

2024 Forecast: Project Revenues across the SolarShare Project portfolio are forecast to increase from 2023 to 2024 with the expectation of a return to average irradiance levels, and taking into account the degradation of the production of the solar panels over time. Project Expenses are projected to increase over 2023, driven by expenses for major maintenance for projects in CSA 1 and CSA 5.

4.3 SolarShare Operating Results and Forecasts (Directly-Owned Projects)

Year to December 31	Historic Actuals								Forecast
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
SolarShare (\$ thousands)									
Project Revenues									
Sunfields	275	245	243	238	260	250	246	256	247
Waterview	295	262	262	262	281	275	268	267	269
Panjetan	108	96	97	92	99	96	96	92	95
Operations General	-	-	-	-	-	-	-	-	-
Earlton Arena	-	140	84	79	88	80	78	78	86
Dewey	-	-	28	128	131	127	124	102	127
Total	679	742	714	800	860	828	812	796	824
Project Expenses									
Sunfields	64	62	81	71	81	84	61	77	74
Waterview	75	65	63	66	59	67	64	65	67
Panjetan	22	24	25	22	22	29	23	33	24
Operations General	20	25	(24)	3	34	15	29	53	27
Earlton Arena	-	10	16	23	20	27	35	38	20
Dewey	-	-	8	20	13	12	21	22	17
Claremont JV realted Expenses	-	-	1	0	0	0	0	0	-
Total	181	187	169	205	230	234	233	287	229
Operating Income									
Sunfields	212	183	162	167	179	166	185	180	173
Waterview	220	196	199	196	222	208	204	202	202
Panjetan	87	72	73	70	77	67	73	59	71
Operations General	(20)	(25)	24	(3)	(34)	(15)	(29)	(53)	(27)
Earlton Arena	-	130	68	56	67	53	43	40	66
Dewey	-	-	20	108	119	115	103	80	111
Total	498	556	545	595	631	594	579	508	595

NOTES:

SolarShare directly owns a variety of Projects including Waterview, Panjetan, Earlton and Dewey, as well as the Sunfields portfolio (consisting of 17 MicroFIT projects) and two joint ventures (Van Kirk and Claremont); Van Kirk and Claremont are presented separately below. These Projects represent a wide range of vintages and geographies in Ontario, including in Mississauga, Markham, Earlton, Kingston and across Manitoulin Island and MicroFIT, FIT 1 Contract, FIT 2 Contract and FIT 3 Contract contracts.

The performance of the portfolio of Projects directly held by SolarShare in 2020 and 2021 was excellent. In 2022 and 2023, revenues were slightly less than budgeted.

Project Revenues for the SolarShare directly owned projects in 2024 are expected to be consistent with previous years. Project Expenses increased in 2023 due to the repair of one of the Sunfields systems that was damaged during a storm and the cost of infrared maintenance scans of SolarShare's entire portfolio.

4.4 Van Kirk and Claremont Joint Venture Operating Results and Forecasts

Year to December 31	Historic Actuals								Forecast
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
Van Kirk JV (\$ thousands)									
Ownership	0								
Minority Interest	0								
Project Revenues									
111 Van Kirk at 50.9%	106	199	200	190	204	187	206	205	197
153 Van Kirk at 50.9%	104	194	192	168	197	189	188	161	187
Total	210	394	392	358	401	376	393	366	384
Project Expenses									
111 Van Kirk at 50.9%	24	47	47	48	47	48	49	48	48
153 Van Kirk at 50.9%	25	47	47	47	47	49	50	50	48
Total	49	94	94	95	94	97	98	98	95
Operating Income									
111 Van Kirk at 50.9%	82	152	153	142	157	139	157	157	149
153 Van Kirk at 50.9%	79	147	145	121	150	140	138	111	139
Total	162	300	298	262	307	279	295	268	288

NOTES:

The Van Kirk Joint Venture Projects are owned by SolarShare through its ownership of 50.9% joint venture interest, and these Projects consist of two 600 kW DC roof mounted arrays located in the municipality of Brampton. Both are FIT 2 Contract contracts, with a rate of 0.539 \$/kWh.

In the spring of 2019, the single central inverter at the 153 Van Kirk Project, and as a result the Project did not generate any Project Revenues for more than one month due to an extremely long lead time to purchase replacement parts. Most of the lost Project Revenues were recovered through SolarShare's insurance. To reduce the risk of extended generation outages in future and to maximize Project Revenues, SolarShare has purchased a comprehensive inventory of key spare parts for its fleet of central inverters.

The Van Kirk Joint Venture portfolio performed well in 2020, 2021 and 2022. In 2023, Project Revenues for 153 Van Kirk were lower than expected due to a string from the system being disconnected to allow the landlord to install a rooftop vent and the failure of the central inverter which has now been repaired. In 2024, Project Revenues and Project Expenses are expected to be consistent with previous years.

Please note that the Van Kirk Joint Venture partnership share of Project Revenues and Project Expenses are accounted for in a single line item in the financial pro-formas presented in Schedule A – Pro Forma Financial Statements and as a result, total Project Revenues across SolarShare are higher as the joint venture amount is not removed from the total.

	Historic Actuals								Forecast
Year to December 31	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
Claremont JV (\$ thousands)									
Project Revenues									
Claremont JV at 51%	-	-	-	23	29	29	28	27	26
Total	-	-	-	23	29	29	28	27	26
Project Expenses									
Claremont JV expenses at 51%	-	-	-	3	4	5	4	5	5
Total	-	-	-	3	4	5	4	5	5
Operating Income									
Claremont JV at 51%	-	-	-	19	25	24	24	22	21
Total	-	-	-	19	25	24	24	22	21

NOTES:

The Claremont Joint Venture Project is owned by SolarShare through its ownership of 51% joint venture interest. The Project consists of one 100 kW DC roof mounted array located in the municipality of Pickering, holding a FIT 2 Contract with a rate of 0.548 \$/kWh.

The interest in the Claremont Project was acquired in 2019 and the Project has performed well since then. Project Revenues and Project Expenses in 2024 are expected to be in-line with historic performance.

4.5 CSA 1 Operating Results and Forecasts

	Historic Actuals								Forecast
Year to December 31	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
CSA 1 (\$ thousands)									
Project Revenues									
Ontario Steet	125	116	113	112	119	119	116	114	113
Goodmark	110	101	123	57	97	98	102	101	95
Michael Street	113	102	101	96	104	103	103	98	101
Champion Mushroom	198	180	172	174	172	158	173	148	164
Vanastra	298	279	271	277	286	280	277	276	267
Total	844	779	780	716	777	758	771	737	741
Project Expenses									
Ontario Steet	23	21	24	22	21	21	21	23	21
Goodmark	16	18	102	37	20	21	16	17	16
Michael Street	22	21	21	22	21	20	21	21	19
Champion Mushroom	43	35	42	40	38	99	(15)	55	85
Vanastra	25	25	24	26	25	25	25	31	26
Operations General	-	-	-	-	-	-	-	-	-
Total	129	119	214	148	125	186	70	148	167
Operating Income									
Ontario Steet	103	95	89	90	97	98	95	91	93
Goodmark	94	83	21	19	77	76	86	84	80
Michael Street	175	82	79	74	84	83	82	77	82
Champion Mushroom	70	145	130	133	134	59	187	92	79
Vanastra	273	254	247	252	261	256	252	244	241
Operations General	-	-	-	-	-	-	-	-	-
Total	715	660	566	568	652	572	702	589	574

NOTES:

The CSA 1 portfolio consists of 5 roof-mounted Projects of varying sizes, totalling just over 1 MW DC. The Projects are located in the municipalities of Ottawa, St. Catharines, Moose Creek, Toronto and Clinton. All five of the Projects are FIT 1 Contract contracts, with a rate of 0.713 \$/kWh.

Due to the fire that occurred at the Goodmark Project in spring of 2018 and subsequent technical issues associated with the newly installed optimization system, Project Expenses were greater than budgeted in 2018 and 2019. Project Revenues were higher than forecast in 2018 due to the insurance claim but lower than expected in 2019 due to the optimizer issues which were subsequently resolved.

Champion Mushroom has experienced lower than budgeted Project Revenues due to frequent inverter arc-faults and extremely long warranty claims. Project Expenses for Champion Mushroom were higher than budgeted in 2021 as SolarShare purchased replacements for these inverters. However, the existing inverters were repaired at a much lower cost and the new inverters were not installed. The expense of the inverters was reversed in 2022, and the inverters were added to the equipment inventory. In 2024 Project Expenses are projected to increase for Champion Mushroom as the repairs that were conducted on the existing inverters did not satisfactorily correct the issue and new inverters are expected to be installed.

Project Revenues for the CSA 1 portfolio exceeded budget in 2020, 2021 and 2022 while Project Revenues were under budget for 2023. Project Revenues and Project Expenses (notwithstanding the Champion Mushroom inverter replacement expense) are expected to be consistent with previous years in 2024.

4.6 CSA 2 Operating Results and Forecasts

Year to December 31	Historic Actuals								Forecast
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
CSA 2 (\$ thousands)									
Project Revenues									
Summerville	174	163	162	153	164	153	155	149	159
80 Van Kirk	420	382	378	359	384	377	386	357	372
Holtby	350	320	285	324	322	303	304	281	297
Midair	391	370	369	353	384	376	378	357	358
Abilene	399	346	363	335	379	363	368	311	353
Keele	202	184	184	174	186	178	174	163	179
Basaltic	201	183	172	177	188	184	176	160	181
Orenda	195	166	171	163	167	175	167	167	170
Stronach	44	185	203	197	209	202	201	195	195
Keeler	-	-	-	-	-	49	73	74	66
Total	2,405	2,270	2,287	2,236	2,383	2,360	2,381	2,214	2,331
Project Expenses									
Summerville	32	31	33	31	31	31	34	34	32
80 Van Kirk	11	66	68	66	66	65	65	68	64
Holtby	16	61	70	70	77	67	83	79	74
Midair	27	28	26	26	27	26	28	31	28
Abilene	66	26	23	21	24	23	25	34	26
Keele	58	7	10	11	16	18	14	19	11
Basaltic	21	49	52	55	56	53	54	64	51
Orenda	32	35	36	41	40	39	35	30	34
Stronach	12	30	46	55	45	43	42	44	44
Keeler	-	-	-	-	-	16	21	15	19
Total	315	332	362	376	383	382	402	420	385
Operating Income									
Summerville	142	132	130	122	133	122	120	114	127
80 Van Kirk	409	316	310	293	317	312	320	288	308
Holtby	334	259	215	254	245	235	220	203	223
Midair	364	342	344	327	356	350	349	326	331
Abilene	333	320	340	314	355	340	343	278	327
Keele	144	177	174	163	171	160	160	144	167
Basaltic	180	135	119	122	132	131	121	97	129
Orenda	164	132	136	123	126	136	133	137	136
Stronach	32	155	157	142	165	159	159	151	152
Keeler	-	-	-	-	-	33	52	58	47
Total	2,089	1,939	1,924	1,860	2,000	1,978	1,978	1,795	1,946

NOTES:

The CSA 2 portfolio consists of ten roof-mounted Projects, located in Brampton, Vaughan, Mississauga, Aurora and Colbourne. Five of the Projects are 300 kW DC each, while four are 600 kW DC each. All except the Stronach and Keeler Projects are FIT 2 Contract contracts with a rate of 0.539 \$/kWh.

The Keeler Project is a 300 kW system located on the roof of a municipal ice rink, with a FIT 4 contract and rate of 0.225 \$/kWh was purchased in 2021 and added to CSA 2 in order to improve the projected debt service coverage ratio of the portfolio.

String inverters common to four of the ten Projects in the CSA 2 portfolio were replaced on the Orenda site in late 2019 in order to provide an inventory of spare string inverters for CSA 2 Projects, reducing downtime and improving Project Revenues.

The Abilene and Midair Projects experienced intermittent inverter and combiner box faults from 2017 to 2019 which have now been corrected. SolarShare has invested in an inventory of spare central inverter parts (Abilene and Midair both use central inverters) to improve Project Revenues generation and prevent unnecessary generation outages.

In 2023, Project Revenues were generally lower than previous years. The Orenda and Abilene Projects experienced failures of their central inverters over several weeks which have now been corrected. The Basaltic Project also experienced numerous arc fault issues and downtime; these issues have been addressed by replacing electronic connectors and inverter power boards. In 2024, Project Revenues and Project Expenses are expected to be consistent with past years.

4.7 CSA 4 Operating Results and Forecasts

Year to December 31	Historic Actuals								Forecast
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
CSA 4 (\$ thousands)									
Project Revenues									
Lovell	-	144	224	242	245	242	238	238	233
Wintergreen	-	154	239	247	253	253	257	249	240
Kaladar	-	71	99	123	122	118	117	118	120
Dane Tower	-	-	-	4	4	4	4	4	4
Sundance 1	-	-	206	212	224	224	213	218	212
Sundance 2	-	-	224	210	225	227	214	221	214
Sundance 3	-	12	235	216	230	231	219	225	218
Sundance 4	-	15	228	214	228	224	218	233	215
Sundance 5	-	24	235	218	232	231	223	227	220
Sundance 6	-	20	229	216	226	228	215	220	215
Sundance 7	-	24	233	219	233	234	217	227	221
Sundance 8	-	23	218	217	233	233	224	225	221
Total	-	487	2,369	2,338	2,456	2,450	2,359	2,404	2,334
Project Expenses									
Lovell	-	10	25	36	42	33	27	40	31
Wintergreen	-	10	26	24	36	34	31	40	32
Kaladar	-	5	17	14	15	16	15	20	20
Kingston General	-	-	-	-	14	9	3	9	-
General	-	1	13	69	10	-	5	2	-
Sundance General	-	-	-	-	66	45	52	73	24
Dane Tower	-	-	-	2	3	3	3	2	6
Sundance 1	-	1	28	18	17	18	19	21	28
Sundance 2	-	1	20	19	17	18	18	20	26
Sundance 3	-	3	25	23	23	21	21	34	31
Sundance 4	-	4	29	25	26	26	28	59	35
Sundance 5	-	3	20	18	17	23	17	23	33
Sundance 6	-	3	28	24	26	25	34	30	34
Sundance 7	-	5	31	25	25	25	26	28	35
Sundance 8	-	3	30	19	18	18	18	24	29
Total	-	48	291	317	355	312	316	426	363
Operating Income									
Lovell	-	135	199	206	203	209	211	197	202
Wintergreen	-	144	213	223	217	219	226	208	207
Kaladar	-	65	82	108	107	103	102	98	100
Kingston General	-	-	-	-	(14)	(9)	(3)	(9)	-
General	-	(1)	(13)	(69)	(10)	-	(5)	(2)	-
Sundance General	-	-	-	-	(66)	(45)	(52)	(73)	(24)
Dane Tower	-	-	-	3	1	1	1	2	(2)
Sundance 1	-	(1)	177	194	207	206	194	197	185
Sundance 2	-	(1)	204	191	208	209	196	201	189
Sundance 3	-	9	210	193	207	210	197	191	187
Sundance 4	-	10	199	189	203	199	190	173	180
Sundance 5	-	21	216	200	216	208	207	204	187
Sundance 6	-	17	201	192	201	202	181	190	181
Sundance 7	-	19	202	194	208	210	191	199	186
Sundance 8	-	20	188	198	215	215	206	202	192
Total	-	439	2,078	2,021	2,101	2,137	2,043	1,978	1,971

NOTES:

The CSA 4 portfolio consists of ten 600 kW DC and one 300 kW DC dual axis tracker facilities, with eight located in Timiskaming and three near Kingston.

In 2018, the first year of commercial operation for the CSA 4 Projects, Project Revenues were approximately 20% lower than expected. To improve Project Revenues, a used snow groomer machine was purchased for snow management at the Sundance sites located in Timiskaming. In addition, part-time staff were hired in Timiskaming and Kingston to improve system operation. Budgeted Project Revenues from 2019 to 2022 were reduced by between 5% and 15% compared to original energy output forecasts.

Project Revenues for 2023 and future years were based on actual historic performance, approximately 15.4% lower than the original energy output forecasts. Project Expenses in 2023 were higher than anticipated due to the failure and replacement of a main breaker, the re-crimping of electrical connections,

and the purchase of an all-terrain vehicle to support maintenance activities. Project Revenues and Project Expenses are expected to be consistent with previous years in 2024.

4.8 CSA 5 Operating Results and Forecasts

Year to December 31	Historic Actuals								Forecast
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
CSA 5 (\$ thousands)									
Project Revenues									
Braeside	-	-	-	-	-	271	365	296	361
Total	-	-	-	-	-	271	365	296	361
Project Expenses									
Braeside	-	-	-	-	-	45	84	40	220
Total	-	-	-	-	-	45	84	40	220
Operating Income									
Braeside	-	-	-	-	-	226	281	256	140
Total	-	-	-	-	-	226	281	256	140

NOTES:

The CSA 5 portfolio consists of one 600 kW DC dual axis tracker facility located near Arnprior, named the Renfrew Project. The Renfrew Project was acquired in 2021 and has a FIT 2 Contract with a rate of 0.398 \$/kWh.

The Renfrew Project generated less revenue than expected in 2023. Since its acquisition in 2021, improvements to the facility have been ongoing. In 2024, Project Expenses are expected to increase significantly as changes to the method by which the dual axis trackers operate are implemented (changing from optical to astronomical tracking). These changes are expected to improve Project Revenues in 2024 and future years compared with 2023.

4.9 Debt Financing

The CSA 1 and CSA 2 portfolios each has Debt Financing, which, in each case, is secured by charges and security interests in the assets and undertaking of, as applicable CSA 1 and CSA 2. Each Debt Financing is also secured by a limited recourse guarantee from SolarShare in favour of the Debt Lender.

Under the CSA 1 and CSA 2 Debt Financing agreements, the recourse of the Debt Lender to SolarShare is limited to the shares in the capital of CSA 1 or CSA 2, as applicable, owned by SolarShare and all obligations, liabilities and indebtedness of CSA 1 or CSA 2, as applicable, owing to SolarShare, and the Debt Lender has no other recourse against any other property, assets or undertaking of SolarShare.

The respective Debt Financing agreements are subject to conventional commercial credit agreement covenants which impose on CSA 1, CSA 2 and SolarShare certain obligations and which give to the applicable Debt Lender rights and remedies. These covenants are summarized below, followed by a more detailed description of three of the covenants (related to funding for maintenance reserve funds for the CSA 1 Projects and the CSA 2 Projects; the application of Project Revenues from the CSA 1 Projects and the CSA 2 Projects; and the Debt Service Coverage Ratio that CSA 1 and CSA 2 must maintain in respect of their operations).

Affirmative Covenants

Under its respective Debt Financing, the Borrowers, and SolarShare (as guarantor) must do the following:

- Punctual Payment: Borrower must pay all amounts due on time.
- Existence and Conduct of Business: Maintain good standing and necessary qualifications to operate.
- Compliance with Legislation: Comply with all applicable laws and keep permits in force.
- Financial Statements and Other Information: Regularly provide financial statements, budgets, and reports to the Debt Lender.
- Insurance: Maintain comprehensive insurance coverage.
- Notice of an Event of Default: Notify the Debt Lender immediately of any default.
- Payment of Taxes: Pay all taxes and file necessary returns.
- Security: Provide and perfect the necessary security as required.
- Necessary Acts for Security: Take actions to maintain the validity of security interests.
- Adequate Books: Maintain proper accounting records and allow inspections.
- Material Project Agreements: Comply with and enforce all major agreements.
- FIT Contracts: Ensure compliance with FIT Contracts.
- Information: Provide information about the project as requested by the Debt Lender.
- Access: Allow the Debt Lender to inspect properties and records.
- Independent Engineer: Allow the Debt Lender to appoint an Independent Engineer if the need ever arises.
- Notices: Provide prompt notice of significant events affecting Projects.
- Remedy of Force Majeure: Use efforts to remedy Force Majeure events.
- Management and Control of Projects: Manage Projects according to industry practices and agreements.
- Protection of Assets: Maintain and protect the Projects.
- Major Maintenance Reserve Fund Account: Maintain a reserve fund for major maintenance (described in greater detail below).
- Ownership: Maintain ownership structure and management of the Project.
- Community Participation: Ensure compliance with "community participation" requirements under the FIT rules.
- Construction Lien Act: Comply with lien-related legislation.
- Damages and Errors and Omissions Insurance: Apply insurance proceeds as required.

- Application of Project Revenues: Follow specified priority for revenue application (described in greater detail below)
- Leases: Maintain and defend lease rights.
- Debt Service Coverage: Maintain debt service coverage ratio (described in greater detail below).
- O&M Provider: Retain a qualified operations and maintenance provider.
- Working Capital: Maintain sufficient working capital.
- Directors and Officers: Notify Debt Lender of changes in directors or officers.
- Expropriation: Notify Debt Lender of any expropriation notices.
- Representations and Warranties: Ensure continuing accuracy of representations and warranties.

Negative Covenants

Under its respective Debt Financing, the Borrowers, and SolarShare (as guarantor) must **not** do the following:

- No Sale of Assets: No disposal of collateral without consent.
- No Incurring of Indebtedness: Restrict incurring new debt.
- No Investments or Guarantees: No unauthorized investments or guarantees.
- Distributions and Reduction of Capital: Limit distributions and capital reductions.
- No Merger, Reorganization, etc.: No mergers or reorganizations without consent.
- No Amendment to Key Contracts or New Key Contracts: No unauthorized changes to key contracts.
- No Dissolution: No dissolution or winding up.
- Non Arm's Length Transactions: No non-arm's length transactions without fair market terms.
- No Encumbrance: Restrict new liens on collateral.
- Single Purpose Entity: Borrower must focus solely on the Projects.
- No Project Expansion: No significant project expansions without consent.
- Leases: Restrict new lease agreements without consent.
- Non-Disturbance Agreements, Etc.: No unauthorized agreements affecting leases.
- No Change in Project: No abandoning or significant changes to the project.
- Capital Expenditures: Limit capital expenditures to budgeted amounts.

- Management Services: Restrict changes to management services agreements.
- FIT Contracts: No changes to FIT Contracts without written consent of Debt Lender.
- Payments to Associates and Affiliates: Limitation on payments to affiliates or associates (in each case, within the meaning of the *Canada Business Corporations Act*) or to any person not dealing at arm's length with, as the case may be, CSA 1 or CSA 2.
- No Change in Shareholder: Restrict changes in shareholder structure.
- Project Auditors and Fiscal Year: Restrict changes to auditors and fiscal year.
- Location of Collateral: Notify Debt Lender of changes in location of collateral.
- Name: Notify Debt Lender of name changes.
- Borrower Account: Restrict changes to the Borrower's account.
- Community Participation: Maintain required community participation level.
- Breach of Covenants: Avoid actions that would breach covenants.

Environmental Covenants

Under its respective Debt Financing, CSA 1 and CSA 2 must do the following with respect to environmental matter affecting their respective Projects:

- Compliance with Laws: Comply with environmental laws.
- Notice of Violation: Notify Debt Lender of environmental law violations.
- Release of Hazardous Substances: Prevent hazardous substance releases.
- Liability under Environmental Laws: Prevent activities that could lead to environmental liability.
- Removal of Hazardous Substances: Remove hazardous substances as required.
- Environmental Audits: Provide environmental audits as needed.
- Production of Hazardous Substances: Avoid production of hazardous substances.
- Environmental Records: Maintain environmental records.
- Permits: Maintain necessary environmental permits if any are required.

4.9.1 Major Maintenance Reserve

This covenant under the Debt Financing to CSA 1 and the Debt Financing to CSA 2 requires that funds be set aside to pay for future major maintenance Project costs. For a period of ten years, CSA 1 and CSA 2, pursuant to the respective Debt Financing applicable to them, are required to deposit cash into a segregated maintenance reserve bank accounts, both established and maintained by the Debt Lender (each referred to as a "**Major Maintenance Reserve Fund Account**"); these funds may be invested from time to time. Major maintenance costs are subject to review and approval and relate to costs that are in excess of the regular operating budget,

including the replacement of major components resulting from failure and the cost of removal and reinstallation of Project components for the purpose of roof repair or replacement.

Projects that are not part of CSA 1 or CSA 2 are not subject to this covenant, and are therefore not required to set aside capital for future major maintenance costs. Future major maintenance costs for all Projects are included as a part of the operating expenses of the financial pro-formas provided in Schedule A.

4.9.2 Application of Project Revenues

This covenant under the Debt Financing to CSA 1 and the Debt Financing to CSA 2 requires that Project Revenues be deposited to the bank account in the name of, as applicable, CSA 1 and CSA 2, and the Project Revenues so deposited are to be applied in the following order of priority, such that all higher-priority obligations are covered before making lower-priority payments:

- a) Payment of Project Expenses, including those to related parties, taxes, and maintaining adequate reserves;
- b) Payment of all other amounts due to the Debt Lender, excluding interest, principal, and Prepayment Fees;
- c) Payment of principal, interest, and Prepayment Fees due to the Debt Lender;
- d) Funding of the Major Maintenance Reserve Fund Account, if applicable;
- e) Funding any shortfall in the Debt Service Reserve Fund Account;
- f) Payment of other Project expenses not previously covered;
- g) At the discretion of, as applicable, CSA 1 and CSA 2, making distributions or repaying certain indebtedness.

The Borrowers are only allowed to make discretionary payments (item “g”) after meeting all required payment obligations and maintaining adequate reserves. If a default occurs, then, as applicable, the Borrowers must halt discretionary payments and can only resume them once the Debt Lender confirms that the default has been resolved to its satisfaction.

Projects that are not part of CSA 1 or CSA 2 are not subject to this covenant, and therefore the use of Project Revenues resulting from those Projects are not restricted and are allocated at SolarShare’s discretion.

4.9.3 Debt Service Coverage

The terms of the Debt Financing for CSA 1 and CSA 2 require that if the DSCR (calculated on the latest four quarters’ results) falls below 1.50, the level of cash reserves must be increased when cash is available for that purpose; if the DSCR falls below 1.20, the loan is in default. In the case of default, the entire outstanding principal amount of the loan and all accrued and unpaid interest and applicable fees become due and the lender may exercise any right or recourse permitted by the law to recover the debt. The following table shows the DSCR ratios for CSA 1 and CSA 2 for the past eight quarters.

Table 4: CSA 1 and CSA 2 DSCR

	CSA 1 DSCR	CSA 2 DSCR
Q1 2022	1.37	1.45
Q2 2022	1.38	1.49
Q3 2022	1.53	1.51
Q4 2022	1.84	1.52
Q1 2023	1.94	1.44
Q2 2023	1.88	1.42
Q3 2023	1.85	1.41
Q4 2023	1.66	1.48
Q1 2024	1.69	1.51

Poorly performing inverters at the Champion Mushroom Project reduced revenues and increased costs (due to the purchase of replacement inverters in Q3 2021), and as a result the DSCR for CSA 1 fell below 1.50 to 1.49 in Q4 of 2021 and rose above 1.5 in Q3 2022 as the expense was reversed as the inverters were not ultimately used for the Champion Mushroom Project and instead were added to SolarShare's equipment inventory.

Under the terms of the CSA 1 loan, when the DSCR is 1.50 or greater, a reserve of three months principal and interest is set aside. When the DSCR falls below 1.50 (but is still above 1.20), additional funds are deposited into the reserve account, increasing the reserve amount to cover six months principal and interest.

The Keeler Project was acquired in 2021 and added to the CSA 2 portfolio in order to improve the DSCR of that portfolio. The DSCR for CSA 2 portfolio remained above 1.50 for all of 2021, and fell below 1.50 in the first quarter of 2022, but remained above the default threshold of 1.20. Starting in Q3 2022, the DSCR for CSA 2 again rose above 1.50. The DSCR then fell below 1.5 again in Q1 2023 and remained just below 1.5 for the entirety of 2023, before rising above 1.5 again in Q1 2024.

Under the terms of the CSA 2 loan, when the DSCR is 1.50 or greater, a reserve of six months principal and interest is set aside. When the DSCR falls below 1.50 (but is still above 1.20), additional funds are deposited into the reserve account when cash for that purpose is available, increasing the reserve amount to cover twelve months principal and interest.

5 FINANCIAL PROJECTIONS

SolarShare has prepared financial projections through 2038 for its operations as shown in Schedule A. These projections are based upon assumptions that the Board believes to be reasonable and which are summarized below. 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 SolarShare. A comprehensive statement of these risk factors is set out in Section 7 of this Offering Statement.

Each SolarShare Project requires substantial initial investment, and then generates relatively predictable positive cash flows over a period of 20 years, during which pricing for electricity generated is fixed under the FIT energy supply contract for that Project. SolarShare's Projects will remain in operating condition beyond the terms of the FIT Contracts, but the financial projections do not include any revenues after the end of the FIT Contracts. Project electricity generation varies year to year based on weather conditions. Operating expenses, including lease, property tax, insurance, repairs and maintenance, are typically very predictable. When considering potential project acquisitions, the Board applies a rate-of-return threshold that is significantly higher than the rate of interest paid on Solar Bonds.

5.1 **Use of Surplus**

Any cash flow surpluses generated by SolarShare's Projects, after all Solar Bonds and other obligations have been repaid (including those described in Section 16.14 below relating to Community Wealth Non-Profit Corporation), will be assigned to the TREC Renewable Energy Fund, which will use the funds to acquire or develop renewable energy projects and for educational purposes. The TREC board of directors and membership are comprised of individuals who have championed the community-based renewable energy sector.

Surpluses are defined as the proceeds from Projects net of operating costs, which costs include insurance, maintenance, leasing, administration, utility costs, debt financing and interest and principal payments on Solar Bonds and operating reserves. While there is an obligation to assign any surpluses to the TREC Renewable Energy Fund, SolarShare has full discretion to keep sufficient funds to meet its financial obligations.

While Projects may incur an accounting loss in their early years, they generate positive net income generally by the fourth or fifth year of the Project. Cash flows are consistently positive. Up-front costs such as those related to bond sales are treated conservatively, and are fully expensed as incurred, rather than being capitalized. The statements provided in Section 4.4 and Schedule A – Pro Forma Financial Statements show that the Projects produce net positive cash flow after operating expenses. Operating cash flow surpluses are used for payment of bond principal at maturity, non-Project operating expenses, and cash safety maintenance reserve.

Modelling shown in Schedule A – Pro Forma Financial Statements, projects the surplus (cash) to be approximately \$1 million in 2038.



Figure 6: SolarShare's Holtby project in Brampton

5.2 Financial Assumptions

The pro forma financial projections have been prepared using Canadian generally accepted accounting principles for not-for-profit organizations as described in Part III of the CPA Canada Handbook. The following financial assumptions were used:

1. **Project Revenues** – Revenue estimates are based on the applicable FIT Contract rate and estimates of site-specific electricity generation. These estimates are based on historic performance and include reductions to account for panel degradation, system downtime and transformer losses. The revenue from CSA 4 has been reduced by 15.4% from 2023 onwards, compared to original energy output forecasts, due to the lower than expected revenue generated.
2. **Revenue Inflation** – Revenue from sale of electricity under the fixed price contract does not include an escalation clause.
3. **Solar Panel Performance Degradation** – Solar panels gradually wear out over time so that less electricity is generated each year. The financial projections assume an initial 2.0% reduction, followed by a 0.6% reduction of electricity every year thereafter. Modules used in the Projects include manufacturer performance warranties that stipulate that their modules will produce at least 90% of their rated capacity in year 10 and 80% of their capacity in either year 20 or 25.
4. **Equipment Replacement** – Some equipment is expected to require replacement after the end of the term of the warranty, such as inverters. The financial projections include estimated expenses for such replacements.

5. **Lease Payments (Rent)** – Almost all of the Projects under contract have a fixed roof or land lease rate; some lease rates are a percentage of electricity revenue.
6. **Operations and Maintenance** – Project Expenses from operations and maintenance are calculated on a per Project basis, based largely on system size and characteristics and include repairs and maintenance, monitoring, insurance, lease payments, utility account fees and contingency. These expenses are intentionally conservative in order to provide a financial buffer. The Project Expenses for some Projects in SolarShare, CSA 4 and CSA 5 include snow removal during the winter and grass maintenance during the summer to improve revenue generation.
7. **SolarShare and SPV Management** – It is assumed that there will be a cost to administer SolarShare and the SPVs over the life of the FIT Contracts.
8. **Expense Inflation** – Expenses are assumed to increase annually by an inflation factor of 2.0%, unless the rates are otherwise known (for example, leases). Wage increases have in past been based on the consumer price index.
9. **Maintenance Expenditure** – The cost of day-to-day repairs and replacements is included in Project Expenses and is based on historic costs. The forecasts assume inverter replacement after ten years, and in several cases removal and replacement of the solar array to allow re-roofing, with these costs expensed.
10. **Accounts Receivable and Accounts Payable** – Both accounts receivable and payable are expected to remain at approximately the same levels as the first year for each Project. As such, they remain unchanged until the end of the FIT Contract at which point they are assumed to be zero.
11. **Project Residual Value and Decommissioning** – There is no provision for decommissioning costs for any Project location. Solar facilities 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, the assumption has been made that the net value of the facility after expiry of the FIT Contract is zero, and no Project Revenues have been forecast beyond the 20-year FIT Contracts.
12. **Interest Rates** –
 - a. CSA 1 Debt Financing – long term commercial debt financing for CSA 1 has been secured for a term of 16 years from February 20, 2015, at a 4.789% interest rate, maturing in March 2031.
 - b. CSA 2 Debt Financing – long term commercial debt financing for CSA 2 has been secured for a term of 15 years from September 6, 2017, at a 5.262% interest rate, maturing in April 2033.
 - c. CSA 4 Operating (Credit) Line with 227118 Holdings Ltd. – a \$5,000,000 facility has been secured for short term borrowing with an interest rate of RBC prime rate minus 1.20%.

- d. Solar Bonds – The Solar Bond interest expense is assumed to accrue at the rate associated with the terms of the issued bonds. Pursuant to this Offering Statement, Solar Bonds may be issued for the terms and annual simple interest rates summarized in the table below:

Two-year, 3%	Two-year, 3.5%	Two-year, 4%	Two-year, 4.5%	Two-year, 5%	Two-year, 5.5%	Two-year, 6%
Three-year, 3%	Three-year, 3.5%	Three-year, 4%	Three-year, 4.5%	Three-year, 5%	Three-year, 5.5%	Three-year, 6%
Four-year, 3%	Four-year, 3.5%	Four-year, 4%	Four-year, 4.5%	Four-year, 5%	Four-year, 5.5%	Four-year, 6%
Five-year, 3%	Five-year, 3.5%	Five-year, 4%	Five-year, 4.5%	Five-year, 5%	Five-year, 5.5%	Five-year, 6%
Seven-year, 3%	Seven-year, 3.5%	Seven-year, 4%	Seven-year, 4.5%	Seven-year, 5%	Seven-year, 5.5%	Seven-year, 6%

Some Solar Bonds issued in the past accrue 3%, 3.5%, 4%, 4.5%, 5% or 6% interest.

- 13. Solar Bond Refinancing** – Solar Bonds with principal repaid at maturity will be refinanced with future Solar Bond offerings and funds from operations. If those sources of financing are insufficient, SolarShare will seek other financing from private lenders, financial institutions, or other sources.

Future Solar Bond interest rates will be set according to market conditions. SolarShare carefully monitors interest rates and their potential impact on financing activities. The interest rates of Solar Bonds are set according to operating needs and market conditions. SolarShare's financial models assume that bond interest rates will remain constant from 2025 onwards.

For all Solar Bonds other than those held in a registered account with the Canadian Workers Co-operative Federation and 15-Year Solar Bonds, interest is calculated and paid twice a year as specified on the Solar Bond certificate.

For those 5-Year Solar Bonds held in a registered account with the Canadian Workers Co-operative Federation, interest is compounded annually and paid at maturity.

All 15-Year Solar Bonds are repaid by mixed payments of interest and principal, calculated annually and paid biannually.

14. **Financing** – Private or other lenders as available and needed may provide capital to SolarShare for operations, the construction or acquisition of solar facilities, refinancing of other debts or repayment of bonds.
15. **Operating (Credit) Lines** – CSA 4 has established an agreement with 227118 Holdings Ltd. (owned and controlled by Mike Brigham, President of SolarShare), as a source of working capital. Up to \$5,000,000 is available from this facility. Please see Schedule L – 227118 Holdings Ltd. Operating (Credit) Line for more information.
16. **Excess Funds on Hand** – To be conservative, no amounts are included in revenue to SolarShare (or any SPV) for any interest earned from cash-on-hand for temporary periods.
17. **Early Repayments** – SolarShare has the right to repay Solar Bonds before their maturity date. If SolarShare is no longer growing and begins to accumulate cash from the sale of electricity, or as the value of the solar assets decline, then SolarShare may reduce its interest expense and its liabilities by buying back Solar Bonds.
18. **TREC Renewable Energy Fund** – Payments to the Renewable Energy Fund Agreement will be made in accordance with the terms of the Renewable Energy Fund Agreement. See Schedule K – Terms of Renewable Energy Fund Agreement.
19. **Taxation** – SolarShare is a non-share capital co-operative incorporated for non-profit purposes. SolarShare and each of the SPVs claim 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. However, in the event that SolarShare is obliged to pay income tax, payment would be from surplus otherwise payable to the TREC Renewable Energy Fund, and the impact on SolarShare's ability to pay interest and principal on the Solar Bonds would be minimal. SolarShare and each of the SPVs is a registrant for Harmonized Sales Tax purposes, and therefore it is anticipated that the impact of HST on their respective finances will be neutral.
20. **Additional Acquisitions** – The financial projections currently assume that SolarShare and the SPVs will not acquire new Projects, but they will be updated if such an acquisition is likely or occurs.
21. **Amortization** – Amortization on energy production assets is charged using the straight line method over 20 years from start of commercial operation. Amortization on capital spare inverters is charged using the straight line method over 10 years commencing with the installation date.

6 USE OF PROCEEDS OF THE OFFERING

6.1 Solar Bonds

Minimum Offering: Nil

Maximum Offering: \$19,000,000

SolarShare is seeking to raise up to \$19 million in Solar Bonds under this Offering Statement. The funds raised will be used to refinance Solar Bonds (up to approximately \$14 million) and, if fiscally prudent, make capital investments in new or existing assets. Over the term of this Offering Statement, SolarShare has combined principal debt repayment obligations related Solar Bonds, CSA 1 Debt Financing and CSA 2 Debt Financing of \$14.3 million.

More specifically, refinancing of Solar Bonds includes refinancing some of those Solar Bonds that are maturing over the term of the Offering Statement as SolarShare uses free cash flow to repay the balance of maturing Solar Bonds. SolarShare may also choose to reduce interest expenses and/or manage Solar Bond maturities by offering early redemptions to refinance Solar Bonds maturing in future (up to approximately \$5 million). Finally, if fiscally prudent, and if capital is available, SolarShare may make capital investments in new or existing assets. In particular, SolarShare is assessing opportunities to invest in solar power and battery storage assets that have revenue contracts with government-backed organizations.

6.2 Debt Financing

SolarShare does not plan to seek additional commercial debt on its Projects over the term of this Offering Statement; however, should the Board determine that additional Debt Financing is required then SolarShare may seek such financing.

6.3 Construction, Acquisition and Operational Financing

SolarShare sometimes uses financing to purchase or build Projects. The amount of financing varies depending on SolarShare's financing needs and the terms of the financing. If required, SolarShare expects that this financing would again be obtained from private lenders.

6.4 227118 Holdings Ltd. Operating (Credit) Line

Because revenue from solar facilities is very seasonal (much higher in the summer than in the winter), and because the timing of Solar Bond issuance does not necessarily coincide with refinancing or other capital requirements, CSA 4 has established an agreement with 227118 Holdings Ltd. (owned and controlled by Mike Brigham, President of SolarShare), as a source of working capital. Up to \$5,000,000 is available from this facility. The facility is unsecured and is subordinate to Debt Financing and Solar Bonds. The facility may be cancelled or withdrawn at the discretion of the lender. Please see Schedule L – 227118 Holdings Ltd. Operating (Credit) Line for a copy of the credit agreement.

6.5 Morgan Solar and Solera Loans

In order to mitigate some operational risk, two loans, one from Morgan Solar, the tracker manufacturer for the Sundance Projects, and one from Solera Sustainable Energies Company,

the Project developer for the Orenda Project are currently in place. See Section 16.9 and 16.10 below for further details on these loans.

6.6 The Plan if Solar Bonds Sales are Insufficient

If for any reason there are insufficient Solar Bonds raised to meet the financing requirements of SolarShare before this Offering Statement expires, then SolarShare intends to seek other suitable financing arrangements with private lenders, financial institutions, or other sources, such as existing and former lenders and their affiliates. If suitable financing were not able to be obtained, SolarShare would consider the sale of assets in the existing market for Ontario solar FIT projects to repay Solar Bonds and commercial debts as required.

The solar energy business model employed by SolarShare requires up-front capital investments with revenues that achieve a financial return over the life of the Projects. SolarShare's current deficit of \$6.8 million is forecast to shrink and become positive within the lifetime of the Projects, as revenues decrease only slightly and the annual cost of Solar Bonds and Debt Financing decrease significantly. The long term debt of 2.2 million for CSA 1 will have been repaid by March 2031 and the long term debt of 8.7 million for CSA 2 will have been repaid by April 2033 and the community bonds outstanding are expected to reach zero several years before our FIT Contracts expire.

6.7 Debt Ranking

The ranking of debt obligations is described in the table below.

Table 5: Ranking of Debt Obligations

	First Rank	Second Rank
CSA 1	Debt Financing	Holders of Solar Bonds
CSA 2	Debt Financing	Holders of Solar Bonds
CSA 4	Holders of Solar Bonds	Unsecured lenders, such as 227118 Holdings Ltd.
CSA 5	Holders of Solar Bonds	
SolarShare	Holders of Solar Bonds	Unsecured lenders, such as Morgan Solar and Solera

7 RISK FACTORS

This is a high-risk investment as there is no guarantee that SolarShare will be able to pay interest or repay any of the Solar Bonds offered under this Offering Statement. SolarShare will be subject to a number of risks common to business as well as specific risks associated with electricity generation and solar PV technology. They are listed below.

The following risks could jeopardize investors' financial returns and possibly their investment in Solar Bonds:

1. Repayment of Bonds: There is no assurance that SolarShare will be able to repay any of the Solar Bonds offered under this Offering Statement. Investors who require guaranteed returns from their investments with no risk should not purchase Solar Bonds.
2. Cash Flow and Solvency: There is no certainty that SolarShare will maintain positive cash flow and that SolarShare will be able to pay interest or redeem its Solar Bonds. In addition, there can be no guarantee SolarShare will be able to meet the solvency tests mandated by the Co-operative Corporations Act when a request is made by a member to redeem their Solar Bonds or when membership ceases. As such, there can be no assurance SolarShare will be able to redeem Solar Bonds when so requested or when membership ceases.
3. Revenue: SolarShare projects positive cash flow over the life of its Projects, and SolarShare's structure of SPVs is intended to mitigate the impact of lower than expected revenue on SolarShare. However, these projections are based on a number of assumptions, and if any one or more of these assumptions turns out to be significantly in error then SolarShare may be unable to manage its cash flow requirements. This could jeopardize the viability of a Project or SolarShare's portfolio of Projects and/or its expected returns.
4. Defaults on Project Debt: The CSA 1 and CSA 2 Debt Financing loan agreements include Debt Service Coverage Ratio covenants. Failure to maintain the DSCR at or above the required levels triggers an increase in Debt Service Reserve Requirement and/or an event of default under these loan agreements, depending on the level of severity of the debt service shortfall. In the year 2023, the DSCR for CSA 1 has been above 1.50, while poor weather conditions caused the DSCR for CSA 2 to fall below 1.50, requiring an increase in the required cash reserves for both loans. Should the DSCR for either CSA 1 or CSA 2 fall to less than 1.20, the Debt Financing loan would be in default and the lender may recall the loan using any specified remedy.
5. Performance Risk: In the event that any of the solar facilities do not generate the anticipated amount of electricity due to insufficient sunlight, underperformance of the systems or other causes beyond the control of SolarShare, Project Revenues could be adversely affected. The financial projections are significantly dependent on the quality of the solar projections for each system site. There is no assurance that the solar

facilities, when placed in the same general locale as the data utilized to predict solar intensity, will experience the predicted production of electricity.

6. Operations and Maintenance: The ongoing maintenance of solar facilities and general administration of SolarShare and its SPVs are critical to achieve SolarShare's estimated production numbers and financial projections. While SolarShare has endeavoured to budget adequately for all general administrative, operations and maintenance expenses including equipment replacement expenses and contingency fees, unforeseen events could cause these expenses to exceed projections. Equipment failure may reduce cash available to replace equipment, repay loans and Bondholders' interest and/or principal on time or in full.
7. Equipment Failure: When purchasing equipment, SolarShare carefully evaluates technology options and purchases equipment from suppliers judged to be reputable but warranties can still fail to be honoured as originally expected and some companies have not provided the expected service. Power inverters are expected to be replaced in SolarShare's financial projections. The solar panels are covered by a warranty for a minimum of twenty years. However, should issues with the solar panels and/or inverters develop, there could be a loss of energy production and associated revenues for the period of time a failure occurs. This loss may not be fully recoverable through warranty or insurance, needed repairs or upgrades to equipment and software may not be readily available and as a result there may be insufficient cash to replace equipment, repay loans or Bondholders' interest and/or principal on time or in full.
8. Priority of Lenders: The Solar Bonds and the Solar Bonds Security will be subordinate to the indebtedness under and security for Debt Financing, but have priority over loans payable to construction lenders and other debt lenders (operating line, Morgan Solar and Solera loans). In event of a default or bankruptcy, the indebtedness under the Debt Financing will be repaid to the Debt Lenders ahead of the repayment of interest and principal under the Solar Bonds then outstanding and as a result Bondholders' interest and/or principal may not be paid on time or in full.
9. Interest Rate Fluctuation: If prevailing market interest rates rise significantly, raising capital to repay the Solar Bonds as they mature with the sale of new Solar Bonds may prove difficult. If the interest paid on newly-issued Solar Bonds were to rise higher than 5.0% in 2025 and remain at that level for the balance of the FIT Contract terms, Solar Bonds may not be repaid in full or when due. If this were to occur, repayment would be remitted in the following order of priority: Debt Financing, then Solar Bonds and then unsecured loans. Repayment will be subject to the availability of replacement funds, and the amounts available for such purpose in TREC's Renewable Energy Fund. This risk diminishes over time as cash surpluses increase.
10. Failure to Raise Sufficient Capital: There are no assurances that SolarShare will be able to raise sufficient capital from the proceeds of this and future Offering Statements and/or Debt Financing to meet refinancing and other capital requirements of its (and the SPVs') businesses, including repayment by SolarShare of maturing Solar Bonds, or

that the terms and conditions of that financing will not change in a significantly negative way. If unable to raise additional funds under a future offering statement, SolarShare would meet its financial obligations by soliciting financing from other sources (for example, private lenders and credit unions that have already stated their interest in providing credit lines), and / or selling parts of its portfolio into the existing market for Ontario FIT projects. If SolarShare is unable to secure additional debt financing on acceptable terms, it may become necessary to refinance SolarShare, which could result in a delay and/or reduction of interest and/or principal repayments to Solar Bond holders.

11. Currency Risk: Solar facility components are often imported and are paid in a foreign currency, therefore changes to the value of the Canadian dollar could potentially have an adverse material impact and adverse effect on the cost of future Projects or on the component costs for maintenance and replacement.
12. Depreciation of Assets: Investors are advised that the Board is not establishing any reserve for the replacement of equipment, other than inverters, tracker parts and ordinary maintenance items and is depreciating the value of the system to zero at the end of its 20th year of operation. However, Solar PV systems have long operating life spans and it is anticipated that in its 21st year of operation and for some time beyond, any SolarShare Project should produce electricity between 80% and 90% of its initial rated output which will have some monetary value. Since at a future date, the residual value of the systems and any production cannot be determined today, no value has been assigned to them.
13. Financial Projections: This Offering Statement contains forward-looking statements and projections that involve numerous assumptions, hypotheses, risks and uncertainties including, among others, those set out in this section as "Risk Factors". These projections are based upon assumptions and hypotheses that both SolarShare's Board and experts consulted by the long-term debt lenders believe to be reasonable and which are consistent with the forecasts and projections prepared by SolarShare. No representations or warranties are given that these 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 SolarShare or otherwise. Investors are advised not to rely solely upon these projections in making their investment decision.
14. 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 such structuring and operation may be challenged if the requirements for that exemption, as interpreted by Canada Revenue Agency and/or the courts, are not complied with.

15. Long-Term Investment: There is no market into which these securities may be sold. Solar Bonds should be considered long-term investments and are not suitable for investors who may desire or need a more liquid investment.
16. Major Contracts: SolarShare and its SPVs have entered into contracts with others to operate parts of their respective Projects. Non-compliance by such contractors and the availability of remedies in the case of default could materially affect SolarShare's financial projections.
17. Management: SolarShare is a small organization and may have difficulty attracting and retaining high-calibre management and staff.
18. Market for Securities: There is currently no market for the Solar Bonds offered and the development of such a market cannot be assumed. Solar Bonds are an illiquid security. No membership may be transferred without the express consent of the Board. Management may use reasonable efforts to match buyers and sellers, but no guarantee is offered that holders of Bonds will be able to sell them if they need to, regardless of the need, or if they want to.
19. New Project Performance: SolarShare may invest in renewable energy or ancillary assets such as battery storage facilities as permitted by its by-laws. While SolarShare does not plan to make investments that do not enhance the projected long-term financial position of SolarShare, there is no assurance that any newly acquired asset will perform financially as expected.
20. Property Taxes: The Ontario Government has declared that there will be no property tax payable on rooftop solar PV systems or ground mount systems that are smaller than 10kW. This may change in the future and such unforeseen taxes could adversely affect SolarShare's financial projections.
21. Registered Account Eligibility Risk: Solar Bonds are RRSP and TFSA eligible because they are fully secured by mortgages on real property at the time the Solar Bonds are issued. There is a risk that Canada Revenue Agency might determine that solar PV installations are not fixtures, and therefore Solar Bonds are not secured against real property. There is a risk that the Solar Bonds cease to be fully secured if the total value of Solar Bonds outstanding becomes greater than the value of the property securing the Solar Bonds. This could happen if SolarShare sells more bonds than it has (directly or through its SPVs or joint ventures in which it is participating) completed projects to secure them, or if SolarShare is not diligent in buying back Solar Bonds to match the decreasing value of the mortgages that back them. Anyone considering purchasing a Solar Bond pursuant to this Offering Statement should note, however, that SolarShare is not offering Solar Bonds for investment in registered accounts under this Offering Statement.
22. Regulatory Risks: The IESO regulates Ontario's electricity system, and there are risks associated with non-compliance as outlined below:

- a. *Domestic Content* – In order to maintain the validity of FIT 1 and FIT 2 contracts, each generation facility must meet the domestic content requirements that were present at the time of the FIT Contract approval, as outlined by the IESO (this requirement does not apply to FIT 3 and later). SolarShare must, for the duration of each FIT 1 Contract and FIT 2 Contract, maintain records that verify that the domestic content requirements have been met. SolarShare engaged a third party to review these records for completeness, and those FIT 1 and FIT 2 projects held by CSA 1 and CSA 2 have been further scrutinized during long term commercial debt due diligence processes. However, the IESO can audit these records at any time and if it deems that the records are insufficient, the FIT Contract can be cancelled. SolarShare has made reasonable efforts to ensure the proper documentation has been maintained, but there are no absolute assurances that the IESO will deem this sufficient in the case of an audit.
 - b. *FIT Contract Risk* – IESO and Ontario government regulations and policies may change. In 2009, the Government of Ontario enacted the Green Energy and Green Economy Act, which authorized incentives for renewable energy projects (including FIT Contracts) in pursuit of the policy goals including ending the use of coal, attracting investment and job creation. The GEA was repealed in late 2018 and the FIT Contracts for projects that had not yet reached construction phase (“Notice to Proceed”) were cancelled. While FIT Contracts for post-COD operations are legally binding obligations, there is no absolute assurance that the IESO or the Ontario government will not attempt to curtail or cancel contracts or change the regulations and policies.
 - c. *Membership Risk* – SolarShare’s Community Participation Projects require that SolarShare maintain a minimum number of qualifying members in each Project’s host jurisdiction. SolarShare regularly monitors membership to ensure ongoing compliance and the IESO provides a grace period to come into compliance; however, FIT Contracts may be in jeopardy should SolarShare fail to maintain the required membership.
23. Roof-top Destruction: In some of SolarShare’s leases, should the building under a SolarShare rooftop installation be so significantly damaged by fire or another casualty that its owner decides to demolish it, rather than rebuild, the lease for that rooftop may be terminated. SolarShare’s (and the SPVs’) insurance would replace any solar equipment damaged by such casualty and provide some revenue protection under business interruption coverage up to 12 months. However, should the building not be rebuilt, SolarShare may lose the revenues for the remaining duration of the FIT Contract. This risk only applies to a portion of the portfolio, is a common risk shared by all in the solar industry, and the possibility of it occurring is remote.
24. Sinking Fund: No sinking fund or reserve has been established to redeem maturing Solar Bonds. SolarShare plans to redeem maturing Solar Bonds out of its operating

income, the sale of new Solar Bonds or by using its revolving demand facility. There is no guarantee that these funds will be sufficient to redeem all Solar Bonds as they come due. In the event that SolarShare is unable to redeem Solar Bonds, holders of Solar Bonds may not receive payments of principal and/or interest.

25. Warranties: SolarShare has endeavoured 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 SolarShare's suppliers will not go out of business and thus be unable to honour their warranties, which could lead to increased costs and potential loss of revenues for SolarShare. For instance, some SolarShare projects use Satcon inverters, Uni-Solar panels, Advanced Energy inverters, Kaco inverters and Meca trackers. Some of these companies have exited the market or have gone bankrupt, affecting the quality and availability of warranty service.
26. Climate Change: SolarShare's ability to generate revenue may be impacted by the effects of climate change. For instance, increasing amounts of water vapour in the atmosphere or significant wildfires may reduce air quality and may result in reduced irradiance reaching SolarShare's projects.
27. Unknown Risk Factors: SolarShare may also be subject to other unknown or unforeseen risk factors that could potentially affect its profitability and solvency. SolarShare's plans include contingency funds to mitigate any adverse unforeseen risk factors that may negatively affect SolarShare's profitability and solvency; however, these funds may not be sufficient.

8 DESCRIPTION OF CAPITAL STRUCTURE

SolarShare is a non-profit co-operative corporation and has no share capital.

A description of the Solar Bonds being offered can be found in Section 9 below. Securities and other debt obligations of SolarShare are described in Section 13 below, including operating (credit), debt financing for CSA 1 and CSA 2, and other loans.



Figure 7: The Wintergreen project, near Kingston.

9 DESCRIPTION OF SECURITIES OFFERED

9.1 Solar Bonds

SolarShare is offering to sell Solar Bonds to its members and to corporations and, in its sole discretion, may choose to sell or not any of those bonds described below. Corporations may purchase the bonds, but are not permitted to be members of SolarShare, in order to meet the IESO's requirement for renewable energy co-ops.

The form of the Solar Bonds is attached in Schedule C – Form of 2-YEAR, 3-Year, 4-YEAR, 5-Year and 7-year Solar Bonds (Simple Interest). The following tables describe the Solar Bonds being offered in detail.

Table 6: Description of Solar Bonds Offered

DESCRIPTION OF THE SOLAR BONDS OFFERED	
Minimum Offering:	Nil
Maximum Offering:	\$19,000,000
Minimum Single Purchase:	No minimum unless indicated at time of purchase request. The Board may in its sole discretion impose a minimum single purchase amount before the first sale of a particular class of Solar Bond, in which case, all sales will be subject to that minimum single purchase amount.
Maximum Single Purchase:	No maximum unless indicated at time of purchase request. The Board may in its sole discretion impose a maximum single purchase amount for a bond for any reason, or for no reason, including to permit wider bond sales or because the sale would result in SolarShare receiving amounts in excess of those required as determined by the Board.
Solar Bonds Security	<p><u>General Overview of Security</u></p> <p>SolarShare's repayment of the Solar Bonds, together with all interest and any other amounts owing under the Solar Bonds, are secured by a Security Interest in certain assets, undertaking and property, both real property and personal property, used in connection with the Projects (that is, the Projects owned and operated by SolarShare and the SPVs).</p> <p>Where a Project has been acquired by or transferred to an SPV, such as CSA 1 or CSA 2, SolarShare has taken steps to ensure that the Bondholders maintain security over these Projects in the form of the Solar Bonds Security. The Solar Bonds Security is held by the Trustee pursuant to the Trust Agreement.</p>

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>Since SolarShare is the sole shareholder of the SPVs, the Solar Bonds Security given by the SPVs secures SolarShare's obligations to the Bondholders. The fact that SolarShare is the only shareholder of each SPV allows SolarShare to have control over each SPV's affairs. The constitutional documents of each SPV provides that their assets are prevented from being transferred to, and also prohibits each from amalgamating with, a corporation unless (in either case) it is a non-profit corporation whose objects include the promotion and development of renewable energy resources. The shares, or beneficial interest in shares, in the capital of the SPVs may only be transferred to a non-profit corporation whose objects include the promotion and development of renewable energy resources. It is a requirement imposed by the Debt Financing lenders, however, that the shares in the capital of CSA 1 and CSA 2 be transferable to the lender that has made the Debt Financing loan in the event of a default under the terms of the loan. In that event, amendments to the bylaws may be made to eliminate the transfer constraints.</p> <p>The scope of the Solar Bonds Security is set out in the security agreements and other charges / mortgages that create the Security Interest in, and encumber, the assets, undertaking and property used in connection with the Projects, and is described in general terms below.</p> <p>No changes in the Solar Bonds Security can be made without sufficient Bondholders' consent by vote as set out in the Trust Agreement.</p> <p><u>Scope of Solar Bonds Security</u></p> <p>The Solar Bonds Security consists of the following:</p> <ul style="list-style-type: none"> • a mortgage of each lease of property where a Project is located, which mortgage is registered in the Land Registry Office in Ontario where the Project is located (each such mortgage is called a "Project Leasehold Mortgage", and collectively called the "Project Leasehold Mortgages", and a reference to a Project Leasehold Mortgage includes as it may be amended from time to time); • a mortgage of a parcel of land comprising Property Identifier Number 61243-0064 (LT) in Timiskaming, Ontario, which mortgage was registered as Instrument Number DT81331 on April 7, 2022 (the "Timiskaming Mortgage"); • a mortgage of a parcel of land comprising Property Identifier Numbers 57328-0065 (LT) and 57328-066 (LT) in Braeside, Ontario, which mortgage was registered as Instrument Number RE274958 on April 1, 2021 (the "Renfrew Mortgage"); • with respect to the FIT projects owned by each of the SPVs, by a general security agreement made by each SPV in favour of the Trustee, being a Security Interest in all of the assets, undertaking and property of each of the SPVs <u>related to the applicable SPV's Projects only</u>, which Security Interest is perfected pursuant to the Personal Property Security Act of Ontario (each such Security Interest is referred to

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>as a “SPV FIT Project Security Interest” and collectively referred to as the “SPV FIT Projects Security Interests”);</p> <ul style="list-style-type: none"> • by a general security agreement made by SolarShare in favour of the Trustee, a Security Interest granted by SolarShare in each SolarShare Joint Venture Interest (a “Joint Venture Security Interest”, and collectively called the “Joint Venture Security Interests”); • with respect to the FIT projects that SolarShare owns and operates directly, by a general security agreement made by SolarShare in favour of the Trustee, being a Security Interest in all of the assets and property of SolarShare related to its FIT projects, which Security Interest is perfected pursuant to the Personal Property Security Act of Ontario (each such Security Interest is referred to as a “SolarShare FIT Project Security Interest” and collectively referred to as the “SolarShare FIT Projects Security Interests”); and • with respect to the MicroFIT projects owned by SolarShare, by a general security agreement made by SolarShare in favour of the Trustee, being a Security Interest in all of the assets and personal property of SolarShare related only to the MicroFIT projects (and not related to any of the FIT projects), save the MicroFIT contracts themselves, which are not assignable, which Security Interest is perfected pursuant to the Personal Property Security Act of Ontario (each such Security Interest is referred to as a “MicroFIT Project Security Interest” and collectively referred to as the “MicroFIT Projects Security Interests”). <p>In each Project that has been financed by Debt Financing, the Solar Bonds Security <u>rank second</u> behind the leasehold mortgage / charge granted as security for the Debt Financing. This means that the Project Leasehold Mortgages and other security for the FIT projects owned and operated by CSA 1 and CSA 2 <u>rank second</u> behind the charges / mortgages of leases and other security granted by CSA 1 and CSA 2 to, respectively, Equitable Life Insurance (for the CSA 1 Debt Financing) and CorpFinance International (for the CSA 2 Debt Financing).</p> <p>The Project Leasehold Mortgages are different from traditional mortgages on appreciating assets. A traditional mortgage is usually applied to appreciating assets such as land, whereas this mortgage is on a lease and on depreciating assets (the solar generating equipment), and so the security for the Bondholders will decline over time and may have little value at the time the principal on the bonds is redeemed. Since the value of the security declines over time, the cash position of SolarShare becomes more important as the source of security for the repayment of the principal.</p> <p>The Project Leasehold Mortgages do <u>not</u> include a charge / mortgage of lease in favour of the Trustee for FIT projects that SolarShare operates through a joint venture.</p>

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>As noted above, the Solar Bonds Security does include a Security Interest granted by SolarShare in each SolarShare Joint Venture Interest.</p> <p>The Solar Bonds Security is held by the Trustee, in trust for all Bondholders, pursuant to the Trust Agreement (see Schedule B – Terms of Trust Agreement).</p>
Interest Rate	<p>All 2-Year, 3% Solar Bonds earn <u>simple interest</u> at the rate of 3% per year (the “2-Year 3% Interest Rate”), all 2-Year, 3.5% Solar Bonds earn <u>simple interest</u> at the rate of 3.5% per year (the “2-Year 3.5% Interest Rate”), all 2-Year, 4% Solar Bonds earn <u>simple interest</u> at the rate of 4% per year (the “2-Year 4% Interest Rate”), all 2-Year 4.5% Solar Bonds earn <u>simple interest</u> at the rate of 4.5% per year (the “2-Year 4.5% Interest Rate”), all 2-Year 5% Solar Bonds earn <u>simple interest</u> at the rate of 5% per year (the “2-Year 5% Interest Rate”), all 2-Year 5.5% Solar Bonds earn <u>simple interest</u> at the rate of 5.5% per year (the “2-Year 5.5% Interest Rate”), all 2-Year 6% Solar Bonds earn <u>simple interest</u> at the rate of 6% per year (the “2-Year 6% Interest Rate”), all 3-Year, 3% Solar Bonds earn <u>simple interest</u> at the rate of 3% per year (the “3-Year 3% Interest Rate”), all 3-Year, 3.5% Solar Bonds earn <u>simple interest</u> at the rate of 3.5% per year (the “3-Year 3.5% Interest Rate”), all 3-Year, 4% Solar Bonds earn <u>simple interest</u> at the rate of 4% per year (the “3-Year 4% Interest Rate”), all 3-Year 4.5% Solar Bonds earn <u>simple interest</u> at the rate of 4.5% per year (the “3-Year 4.5% Interest Rate”), all 3-Year 5% Solar Bonds earn <u>simple interest</u> at the rate of 5% per year (the “3-Year 5% Interest Rate”), all 3-Year 5.5% Solar Bonds earn <u>simple interest</u> at the rate of 5.5% per year (the “3-Year 5.5% Interest Rate”), all 3-Year 6% Solar Bonds earn <u>simple interest</u> at the rate of 6% per year (the “3-Year 6% Interest Rate”), all 4-Year, 3% Solar Bonds earn <u>simple interest</u> at the rate of 3% per year (the “4-Year 3% Interest Rate”), all 4-Year, 3.5% Solar Bonds earn <u>simple interest</u> at the rate of 3.5% per year (the “4-Year 3.5% Interest Rate”), all 4-Year, 4% Solar Bonds earn <u>simple interest</u> at the rate of 4% per year (the “4-Year 4% Interest Rate”), all 4-Year 4.5% Solar Bonds earn <u>simple interest</u> at the rate of 4.5% per year (the “4-Year 4.5% Interest Rate”), all 4-Year 5% Solar Bonds earn <u>simple interest</u> at the rate of 5% per year (the “4-Year 5% Interest Rate”), all 4-Year 5.5% Solar Bonds earn <u>simple interest</u> at the rate of 5.5% per year (the “4-Year 5.5% Interest Rate”), all 4-Year 6% Solar Bonds earn <u>simple interest</u> at the rate of 6% per year (the “4-Year 6% Interest Rate”), all 5-Year 3% Solar Bonds earn <u>simple interest</u> at the rate of 3% per year (the “5-Year 3% Interest Rate”), all 5-Year 3.5% Solar Bonds earn <u>simple interest</u> at the rate of 3.5% per year (the “5-Year 3.5% Interest Rate”), all 5-Year 4% Solar Bonds earn <u>simple interest</u> at the rate of 4% per year (the “5-Year 4% Interest Rate”), all 5-Year, 4.5% Solar Bonds earn <u>simple interest</u> at the rate of 4.5% per year (the “5- Year 4.5% Interest Rate”), all 5-Year, 5% Solar Bonds earn <u>simple interest</u> at the rate of 5% per year (the “5- Year 5% Interest Rate”), all 5-Year, 5.5% Solar Bonds earn <u>simple interest</u> at the rate of 5.5% per year (the “5- Year 5.5% Interest Rate”), all 5-Year, 6%</p>

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>Solar Bonds earn <u>simple interest</u> at the rate of 6% per year (the “5- Year 6% Interest Rate”), all 7-Year, 3% Solar Bonds earn <u>simple interest</u> at the rate of 3% per year (the “7-Year 3% Interest Rate”), all 7-Year, 3.5% Solar Bonds earn <u>simple interest</u> at the rate of 3.5% per year (the “7-Year 3.5% Interest Rate”), all 7-Year, 4% Solar Bonds earn <u>simple interest</u> at the rate of 4% per year (the “7-Year 4% Interest Rate”), all 7-Year 4.5% Solar Bonds earn <u>simple interest</u> at the rate of 4.5% per year (the “7-Year 4.5% Interest Rate”), all 7-Year 5% Solar Bonds earn <u>simple interest</u> at the rate of 5% per year (the “7-Year 5% Interest Rate”), all 7-Year 5.5% Solar Bonds earn <u>simple interest</u> at the rate of 5.5% per year (the “7-Year 5.5% Interest Rate”), all 7-Year 6% Solar Bonds earn <u>simple interest</u> at the rate of 6% per year (the “7-Year 6% Interest Rate”).</p> <p>The interest on each of the Solar Bonds is calculated and payable as outlined below. Bondholders can choose to hold Solar Bonds either directly and personally, or in a non-registered investment account.</p> <ul style="list-style-type: none"> Solar Bonds that are held directly and personally by Bondholders or held in non-registered investment accounts earn <u>simple interest</u>, calculated and paid semi-annually at, as applicable, the 2-Year 3% Interest Rate, 2-Year 3.5% Interest Rate, 2-Year 4% Interest Rate, 2-Year 4.5% Interest Rate, 2-Year 5% Interest Rate, 2-Year 5.5% Interest Rate, 2-Year 6% Interest Rate, 3-Year 3% Interest Rate, 3-Year 3.5% Interest Rate, 3-Year 4% Interest Rate, 3-Year 4.5% Interest Rate, 3-Year 5% Interest Rate, 3-Year 5.5% Interest Rate, 3-Year 6% Interest Rate, the 4-Year 3% Interest Rate, the 4-Year 3.5% Interest Rate, 4-Year 4% Interest Rate, 4-Year 4.5% Interest Rate, 4-Year 5% Interest Rate, 4-Year 5.5% Interest Rate, 4-Year 6% Interest Rate, 5-Year 3% Interest Rate, 5-Year 3.5% Interest Rate, 5-Year 4% Interest Rate, 5-Year 4.5% Interest Rate, 5-Year 5% Interest Rate, 5-Year 5.5% Interest Rate, 5-Year 6% Interest Rate, 7-Year 3% Interest Rate, 7-Year 3.5% Interest Rate, 7-Year 4% Interest Rate, 7-Year 4.5% Interest Rate or 7-Year 5% Interest Rate, 7-Year 5.5% Interest Rate or 7-Year 6% Interest Rate; <p>Interest on the 2-Year 3% Solar Bonds, 2-Year 3.5% Solar Bonds, 2-Year 4% Solar Bonds, 2-Year 4.5% Solar Bonds, 2-Year 5% Solar Bonds, 2-Year 5.5% Solar Bonds, 2-Year 6% Solar Bonds, 3-Year 3% Solar Bonds, 3-Year 3.5% Solar Bonds, 3-Year 4% Solar Bonds, 3-Year 4.5% Solar Bonds, 3-Year 5% Solar Bonds, 3-Year 5.5% Solar Bonds, 3-Year 6% Solar Bonds, 4-Year 3% Solar Bonds, 4-Year 3.5% Solar Bonds, 4-Year 4% Solar Bonds, 4-Year 4.5% Solar Bonds, 4-Year 5% Solar Bonds, 4-Year 5.5% Solar Bonds, 4-Year 6% Solar Bonds, 5-Year 3% Solar Bonds, 5-Year 3.5% Solar Bonds, 5-Year 4% Solar Bonds, 5-Year 4.5% Solar Bonds, 5-Year 5% Solar Bonds, 5-Year 5.5% Solar Bonds, 5-Year 6% Solar Bonds, 7-Year 3% Solar Bonds, 7-Year 3.5% Solar Bonds, 7-Year 4% Solar Bonds, 7-Year 4.5% Solar Bonds and on the 7-Year 5% Solar Bonds, 7-Year 5.5% Solar Bonds and on the</p>

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>7-Year 6% Solar Bonds at the applicable rate described above, is simple interest on the principal sum (the "Principal Sum") stated on the certificate for the applicable Solar Bond (the "Solar Bond Certificate") or the outstanding balance of the Principal Sum, whichever is less. Interest will be calculated and payable semi-annually, in arrears, in the manner and at the times stated on Solar Bond Certificate.</p>
Terms and Redemption	<ul style="list-style-type: none"> • 2-Year, 3% Solar Bonds, 2-Year, 3.5% Solar Bonds, 2-Year, 4% Solar Bonds, 2-Year 4.5% Solar Bonds, 2-Year 5% Solar Bonds, 2-Year 5.5% Solar Bonds and 2-Year 6% Solar Bonds issued under this Offering Statement mature 2 years after the date of issue. • 3-Year, 3% Solar Bonds, 3-Year, 3.5% Solar Bonds, 3-Year, 4% Solar Bonds, 3-Year 4.5% Solar Bonds, 3-Year 5% Solar Bonds, 3-Year 5.5% Solar Bonds and 3-Year 6% Solar Bonds issued under this Offering Statement mature 3 years after the date of issue. • 4-Year, 3% Solar Bonds, 4-Year, 3.5% Solar Bonds, 4-Year, 4% Solar Bonds, 4-Year 4.5% Solar Bonds, 4-Year 5% Solar Bonds, 4-Year 5.5% Solar Bonds and 4-Year 6% Solar Bonds issued under this Offering Statement mature 4 years after the date of issue. • 5-Year, 3% Solar Bonds, 5-Year, 3.5% Solar Bonds, 5-Year, 4% Solar Bonds, 5-Year, 4.5% Solar Bonds, 5-Year 5% Solar Bonds, 5-Year, 5.5% Solar Bonds and 5-Year 6% Solar Bonds issued under this Offering Statement mature 5 years after the date of issue. • 7-Year, 3% Solar Bonds, 7-Year, 3.5% Solar Bonds, 7-Year, 4% Solar Bonds, 7-Year 4.5% Solar Bonds, 7-Year 5% Solar Bonds, 7-Year 5.5% Solar Bonds and 7-Year 6% Solar Bonds issued under this Offering Statement mature 7 years after the date of issue. <p>The principal invested by Bondholders may be prepaid by SolarShare at its option, in whole or in part, at any time, without penalty, but including interest accrued to the date of prepayment.</p> <p>To address concerns that Debt Financing lenders may raise in light of possible future market interest rate fluctuations, principal repayment on maturity of the principal of the Solar Bonds may not occur until some later date (after maturity) when SolarShare is able to do so or SolarShare has obtained replacement capital which will enable it to make such repayment. Such a decision would be made by the Board. 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>
Rank	First: Debt Financing (CSA 1 & CSA 2)

DESCRIPTION OF THE SOLAR BONDS OFFERED	
	<p>Second: Solar Bonds</p> <p>Third: Other Unsecured Lenders</p> <p>The Solar Bonds will rank equally with each other but will rank second (including the Solar Bonds Security) to the indebtedness under, and the security for, all Debt Financing made to CSA 1 and CSA 2.</p> <p>Solar Bonds rank ahead of other obligations as described in Section 6.7 above, including unsecured private lenders, the operating (credit) line and the contribution of surplus to TREC's Renewable Energy Fund.</p>
Transfer	Subject to a \$50 administration fee and approval from the Board. Such approval shall not unreasonably be withheld, provided the transfer is to another member of SolarShare.
Dissolution	In the event of the dissolution or liquidation of SolarShare, the Bondholders shall be entitled to be paid, after the retirement of the senior debt, the amount of principal outstanding, plus any interest earned but unpaid. Upon payment of such amount, the holders of Bonds shall not be entitled to any further share in the distribution of the assets of SolarShare.
Voting Rights	Bondholders who are members of SolarShare have a right to one vote per member at all meetings of SolarShare members, irrespective of the Solar Bond amount held.

Private Lenders

SolarShare has previously borrowed, and may continue to borrow, from private lenders such as Community Power Capital or 227118 Holdings Ltd. for operations, construction, acquisitions or for any other reason. This debt is not offered to members but to a specific lender.

This debt may be repaid or refinanced with a combination of funds from the sale of Solar Bonds, further Debt Financing, surplus cash, and/or other means. Please see Section 16 below for details.

10 METHOD OF THE SALE OF SECURITIES

The Solar Bonds being offered and sold pursuant to this Offering Statement will be sold exclusively by agents of SolarShare. No commission or discounts are permitted for the sale of securities.



Figure 8: One of the Sundance Projects utilizing Morgan Solar Savanna trackers.

11 DESCRIPTION OF THE MARKET IN WHICH THE SECURITIES MAY BE SOLD

There is no market through which Solar Bonds may be sold and none is expected to develop. Purchasers may not be able to resell Solar Bonds purchased pursuant to this Offering Statement. No Solar Bonds may be transferred without the express consent of the Board.



Figure 9: One of the SunFields 12 kW DC MicroFIT projects.

12 MINIMUM AND MAXIMUM AMOUNTS

There is no minimum amount SolarShare seeks to raise via this Offering. SolarShare may meet its financial obligations by soliciting financing from other sources (for example, private lenders and/or other commercial lenders), and/or selling parts of its portfolio into the robust existing market for Ontario FIT projects.

The minimum and maximum single purchases permitted for the Solar Bonds offered pursuant to this Offering Statement are as follows:

Table 7: Minimum and Maximum Single Purchase

	2-YEAR SOLAR BONDS	3-YEAR SOLAR BONDS	4-YEAR SOLAR BONDS	5-YEAR SOLAR BONDS	7-YEAR SOLAR BONDS
Minimum Single Purchase	No minimum unless indicated at time of purchase request. The Board may in its sole discretion impose a minimum single purchase amount before the first sale of a particular class of Solar Bond, in which case, all sales will be subject to that minimum single purchase amount.				
Maximum Single Purchase	No maximum unless indicated at time of purchase request. The Board may in its sole discretion impose a maximum single purchase amount for a bond for any reason, or for no reason, including to permit wider bond sales or because the sale would result in SolarShare receiving amounts in excess of those required as determined by the Board.				

13 SECURITIES AND OTHER DEBT OBLIGATIONS OF SOLARSHARE

The following table describes the amount and particulars of any securities, mortgages, bonds, debentures, or other debt obligations of SolarShare as at December 31, 2023.

Table 8: Debt Obligations

CREDITOR	AMOUNT	DESCRIPTION
CSA 1 Debt Financing	\$2,079,572	Equitable Life Insurance is the provider of \$4.2 million Debt Financing for the five Projects held in CSA 1. The term of the loan is 16 years, starting at February 24, 2015, with an interest rate of 4.789% per annum. Blended payments of principal and interest are made monthly.
CSA 2 Debt Financing	\$8,499,185	CorpFinance International is the provider of \$13.2 million Debt Financing for the nine Projects held in CSA 2. The term of the loan is 15 years starting at September 6, 2017, with an interest rate of 5.262% per annum. Blended payments of principal and interest are made monthly.
Solar Bondholders	\$36,490,294	These existing Solar Bonds are for 5-year terms, carrying 3%, 3.5%, 4%, 4.5% or 5% annual interest rates, and 15-year (self-amortizing) terms, carrying an annual interest rate of 6%.
227118 Holdings Ltd.	\$975,884	CSA 4 established an agreement with 227118 Holdings Ltd. as a source of working capital. Up to \$5,000,000 is available from this facility at an interest rate of RBC prime minus 1.20%. The credit facility is unsecured and is a demand facility which may be withdrawn or cancelled at any time by the lender. As of December 31, 2023, \$925,000 of this facility was being used.
Solera Sustainable Energies Company	\$259,070	As described in Section 16.9 below, this deferred payment acts as a loan from Solera to SolarShare, transferring some specific risk for the Orenda Project to Solera. The original value of the loan was \$341,915, decreasing over time with a term of 11 years, starting October 27, 2015. Interest for the loan is calculated as the amount that would equal the sum that would place Solera in the same position as it would have been had SolarShare paid the full purchase price for the Orenda Project on closing, using a discount rate of 2.5%.
Morgan Solar	\$44,606	As described in Section 16.10 below, this loan is designed to guarantee that replacement parts for the Morgan Solar Savanna dual-axis trackers are available for the life of the ten-year warranty. The original value of the loan was \$109,637, and the term of the loan is 10 years, starting September 30, 2017, with an interest rate of 5.5% per annum.

CREDITOR	AMOUNT	DESCRIPTION
Claremont	\$81,153	A non-revolving term loan was made available to the Claremont Solar Joint Venture effective September 2, 2016. The loan is for working capital purposes in connection with the Claremont Project. The loan was for an aggregate amount of up to \$134,518 and bears an interest rate of 5% per annum on the unpaid principal amount.
Accounts Payable and Accrued Liabilities	\$260,165	The amount owed represents current accounts payable to vendors and suppliers. Payments have been issued prior to the date of this Offering Statement.
Government Remittances	\$143,989	The amount owed represents current quarter sales taxes owed. Remittances have been paid to the government prior to the date of this Offering Statement.
Deferred Revenue	\$8,323	Represents funds received in advance for a multi-year lease for cell service hosting on a SolarShare owned tower. Funds to be brought into income annually over the length of the lease.
TOTAL	\$48,842,241	

A schedule listing projected principal debt repayments by year and instrument is provided in Table 9 below. With respect to Solar Bonds, the debt repayments shown are based on Solar Bonds outstanding as of December 31, 2023. New Solar Bonds or other financing will be used to refinance some of the Solar Bonds as they mature. The operating line does not have a fixed repayment schedule and so is not included in the table, but no loan balance was outstanding as of December 31, 2023.

Table 9: Schedule of Projected Debt Repayments (in thousands)

(\$000)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Solar Bonds	6,478	15,002	10,290	614	2,025	753	476	400	220	38	5
CSA 1 Debt Financing	269	278	288	298	309	320	331	85	0	0	0
CSA 2 Debt Financing	786	817	848	882	917	968	1,044	1,088	1,134	258	0
Solera Loan	34	39	42	46	48	49	0	0	0	0	0
Morgan Solar Loan	11	11	11	11	0	0	0	0	0	0	0
Claremont Loan	9	9	10	10	11	11	12	8	0	0	0

14 MATERIAL LEGAL PROCEEDINGS TO WHICH SOLARSHARE IS A PARTY

SolarShare is not party to any material legal proceedings.



Figure 10: SolarShare members, former Aurora Mayor Geoffrey Dawe, and partners open the Stronach project.

15 MATERIAL INTERESTS OF DIRECTORS AND OFFICERS

15.1 In the Operation of SolarShare

Each of the directors of SolarShare is a member of SolarShare.

Mike Brigham, President, plays a strong management role in the daily activities of SolarShare, and does so as a volunteer. Mr. Brigham also owns 227118 Holdings Limited, which provides an operating (credit) line to SolarShare. Please see Schedule L – 227118 Holdings Ltd. Operating (Credit) Line for a copy of the credit agreement.

Please see Table 10 below for more information.

15.2 In the Securities Offered under this Offering Statement

Directors of SolarShare will be offered the securities to be issued under this Offering Statement on the same terms as available to other members.

The Board believes that it is important to disclose all related interactions between SolarShare and its directors and has developed practices that promote good corporate governance while ensuring that SolarShare achieves its mission. Table 10 below profiles Board members' affiliations and related party transactions.

Table 10: Material Interests of Directors and Officers

SolarShare Director Name	SolarShare Bonds Owned (December 31, 2023) - principal amount	Professional Services	Association with Contracted Services & Related Party Transactions ¹ (2023)	Other	Spousal Investment
Mike Brigham	\$25,000 personally and \$500,000 held under Brigham Enterprises Inc.	Part-time (unpaid) engagement providing general business management and technical support to all areas of SolarShare and primary liaison with all principle suppliers.	Mr. Brigham owns 227118 Holdings Limited ² which provides an operating line to CSA 4 of up to \$5 million.	No reimbursement for significant out-of-pocket expenses incurred upon behalf of SolarShare; during 2023 participated in SolarShare's Bell Mobility plan (billed at cost to him) – this participation ended in early 2024.	N/A
Doug Finley	\$6,000	N/A	N/A	N/A	N/A
Shama Ahmed	\$10,000	N/A	N/A	N/A	N/A
Pieter de Koning	\$11,800	N/A	N/A	N/A	N/A
Glen Campbell	Nil	N/A	N/A	N/A	N/A

¹ Related Party Transactions – Source – SolarShare Audited Financial Statements 2021

² Mike Brigham – Company owner (227118 Holdings Limited), charitable foundation (M.H. Brigham Foundation).

SolarShare Director Name	SolarShare Bonds Owned (December 31, 2023) - principal amount	Professional Services	Association with Contracted Services & Related Party Transactions ¹ (2023)	Other	Spousal Investment
Patrick Collie	Nil	N/A	N/A	N/A	N/A
Ashley Reid	\$5,000	N/A	N/A	N/A	N/A
Ron Seftel	\$1,000	N/A	N/A	N/A	N/A
Graysanne Bedell	\$301,000	N/A	N/A	N/A	N/A

16 MATERIAL CONTRACTS

This section describes the material contracts SolarShare is currently party to.

16.1 FIT Contracts

SolarShare's business model is dependent on each of its Projects having a FIT or similar contract that guarantees a 20-year revenue stream from the sale of electricity to the IESO. There are three stages to a FIT Contract: (1) conditional offer, (2) notice to proceed ("NTP"), and (3) Commercial Operation (post-COD). Riskier development work occurs in the first stage, construction in the second, and revenues and refinancing in the third. Once the second stage is achieved, then the FIT Contract is legally binding. All Projects presently held by SolarShare (directly and through the SPVs and the joint ventures) are in the third stage.

16.2 Land Leases

Each of SolarShare's Projects has a 20-year lease with the landowner of the lands on which Project generating facilities are located, which is a requirement of securing a FIT Contract. Specific provisions and lease rates are different for each lease, but there are common elements that ensure the protection of this property right throughout the 20-year FIT Contracts. SolarShare also owns a parcel of land in Timiskaming where a communications tower that is part of the operation of the Sundance sites is located, as well as a parcel of land near Arnprior upon which the Renfrew Project is located.

16.3 Maintenance Contracts

SolarShare has a maintenance contract with Northwind Solutions for most Projects. The contract covers planned services such as annual maintenance, and unplanned services such as emergency repairs.

The emergency and regular maintenance of SunFields (SolarShare's 17 ground mounted MicroFIT projects) and Keeler are by contract to Penguin Solar Inc, and Zon Engineering respectively.

A number of sub-contractors and local part-time employees provide maintenance services on an as-needed basis.

16.4 EPC Agreements

SolarShare may enter into fixed-price contracts with engineering, procurement and construction (EPC) companies to provide design and installation services for some of its Projects. All EPC firms have been vetted to ensure the quality of their work, as well as engineering and design expertise.

16.5 Trust Agreement for Solar Bondholders

SolarShare has entered into a Trust Agreement with the Trustee pursuant to which the Trustee holds the Solar Bonds Security in trust for the Bondholders. The Trustee as of the date of this Offering Statement is Brian Iler, a lawyer, a former founding director and former officer of SolarShare.

The Bondholders, as beneficiaries under the Trust Agreement may, by a vote, instruct the Trustee to realize on the Solar Bonds Security in the event of a default by SolarShare of its obligations. The Trustee is obliged to implement the decision of the beneficiaries.

The Trust Agreement acknowledges that the current Trustee, Mr. Iler, is a director of TREC. He is also a retired partner in Iler Campbell LLP, which is a law firm that provides legal services to SolarShare and the SPVs. He agrees that in the event of any material conflict of interest arising, he will, within ninety days either eliminate such conflicts or resign from his position as Trustee.

In order to ensure transparency, all and any changes to Mr. Iler's financial interests in SolarShare must be approved by the Board and recorded in the minutes of the Board meeting.

The choice of Mr. Iler as Trustee included these factors:

- As an investor in SolarShare, Mr. Iler has an interest in ensuring that SolarShare's obligations to its members/investors and Bondholders are satisfied;
- A trust company charges considerable fees, and requires a significant amount of expensive due diligence;
- Mr. Iler is a lawyer with considerable experience and he has professional fiduciary duties.

The SolarShare Bondholders and TREC, with a decision approved by the holders of seventy-five percent in value of the issued and outstanding Solar Bonds, plus seventy-five percent of the total number of Bondholders and TREC, have the following powers:

1. to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by the Trust Agreement or the Solar Bonds in any manner specified or to refrain from exercising any such power, right, remedy or authority; and
2. to waive, and direct the Trustee to waive, any default on the part of SolarShare in complying with the provisions of the Trust Agreement or the Solar Bonds, including an Event of Default (as defined in the Trust Agreement).

A meeting of Bondholders and TREC has the power to remove a Trustee, and to appoint one or more replacement trustees.

The terms of the trust agreement are attached as Schedule B – Terms of Trust Agreement

16.6 227118 Holdings Ltd. Loan

SolarShare's monthly revenue depends on the production of electricity from solar energy, which is seasonal and fluctuates somewhat from month to month. To better manage cash flows and reduce interest costs, CSA 4 established a line of credit with a company controlled by the President of SolarShare, Mike Brigham (owner of 227118 Holdings Ltd.). Up to \$5 million is available from this facility. The operating line is unsecured and is ranked behind Debt Financing and Solar Bonds. The operating line is demand facility and may be cancelled or withdrawn at any time by the lender. As of December 31, 2023, \$925,000 was drawn on the loan. Any operating line debt may be refinanced with a combination of funds from the sale of Solar Bonds,

other Debt Financing or other sources. Please see Schedule L – 227118 Holdings Ltd. Operating (Credit) Line for a copy of the loan agreement.

16.7 Debt Financing for CSA 1

SolarShare has arranged Debt Financing for CSA 1. The \$4,200,000 loan has a 16-year term, to be repaid by equal monthly payments of principal and interest over the term of the loan. The outstanding amount and a schedule of repayments is provided in Section 13 above. A first charge on the assets within CSA 1, including its leases and FIT Contracts, has been pledged as security.

As described in Section 4.9 above, the DSCR for CSA 1 portfolio fell below 1.50 in the fourth quarter of 2021 but remained above the default threshold of 1.20. The DSCR for CSA 1 exceeded 1.50 again in the third quarter of 2022 and remained above 1.50 in the fourth quarter of 2022. Under the terms of the CSA 1 loan, when the DSCR is 1.50 or greater, a reserve of three months principal and interest is set aside. When the DSCR falls below 1.50 (but is still above 1.20), additional funds are deposited into the reserve account, increasing the reserve amount to cover six months principal and interest.

16.8 Debt Financing for CSA 2

SolarShare has arranged Debt Financing for CSA 2. The \$13,194,000 loan has a 15-year term to be repaid by equal monthly payments of principal and interest over the term of the loan. The outstanding amount and a schedule of repayments is provided in Section 13 above. A first charge on the assets within CSA 2, including its leases and FIT contracts, has been pledged as security.

As described in Section 4.9 above, the DSCR for CSA 2 portfolio remained above 1.50 for all of 2021, and fell below 1.50 in the first quarter of 2022, but remained above the default threshold of 1.20. Starting in Q3 2022, the DSCR for CSA 2 again rose above 1.50. As of December 2022, the DSCR for CSA 2 remained over 1.50. Under the terms of the CSA 2 loan, when the DSCR is 1.50 or greater, a reserve of six months principal and interest is set aside. When the DSCR falls below 1.50 (but is still above 1.20), additional funds are deposited into the reserve account, increasing the reserve amount to cover twelve months principal and interest.

16.9 Solera Loan

SolarShare purchased the Orenda Project from Solera Sustainable Energies Company, a solar project development firm. Payment of a portion of the purchase price for the Orenda Project was deferred, which deferred amount acts as a loan from Solera to SolarShare, and transfers risk to Solera should the building on which the Project exists be destroyed and not rebuilt. The original value of the loan was \$341,915 and decreases over time with a term of 11 years, starting on October 27, 2015.

16.10 Morgan Solar Loan

Morgan Solar is the equipment manufacturer for dual-axis trackers used by SolarShare for 11 Projects. This loan from Morgan Solar to SolarShare is designed to guarantee the availability of replacement parts for Morgan Solar's Savanna dual-axis trackers while the trackers are under warranty. Should Morgan Solar be unable to fulfill its warranty, SolarShare has the right to retain

part or all of the outstanding loan value. The value of the loan was originally \$109,637, decreasing over time and has a term of 10 years, starting September 30, 2017.

16.11 Claremont Joint Venture Loan

Elexicon Energy Inc., one of the joint venturers in the Claremont Joint Venture, offered a non-revolving term loan to the Joint Venture. The loan was effective as of September 2, 2016, and provides an aggregate amount of up to \$134,518. The loan is to be used for working capital purposes in connection with the Claremont Project, and bears an interest rate of 5% per annum on the unpaid principal amount.

16.12 TREC and Tapestry Capital Service Agreement

SolarShare has retained TREC and Tapestry Community Capital to carry out certain functions and services on its behalf including administrative and investment management services.

16.13 TREC Renewable Energy Fund Agreement

A Renewable Energy Fund Agreement has been entered into between TREC and SolarShare. It includes provisions as follows:

1. The TREC Renewable Energy Fund shall provide funding for future projects of SolarShare that have been approved by the Investment Committee from the Fund.
2. TREC's Investment Committee is empowered to determine how the money received by TREC for the Renewable Energy Fund is invested in those future projects.
3. SolarShare will have at a minimum of at least one permanent seat on the Renewable Energy Fund Investment Committee, and up to 50% of the seats on the Investment Committee if and when SolarShare's contribution to the fund is 50% or greater than the total fund amount. Committee seats will be redistributed annually, based on the proportion of investment from the participating co-ops.
4. SolarShare is required at all times to remain a non-profit incorporated under the Co-operative Corporations Act, whose membership is comprised primarily of those persons who have purchased Solar Bonds from SolarShare.
5. SolarShare is required to record its accounting surplus annually as a liability to TREC to be placed into the Renewable Energy Fund. That liability shall be paid out to TREC after the following items:
 - a. SolarShare shall retain enough cash in its accounts to support its reasonable working capital needs.
 - b. SolarShare shall retain sufficient cash in its accounts to pay down loans and/or bank debt as it deems necessary
 - c. SolarShare shall retain sufficient cash to retire member Solar Bonds as it deems necessary
 - d. All residual cash shall be paid to TREC to be placed in the Renewable Energy Fund as settlement of the liability.

While there is an obligation to assign any surpluses to TREC's Renewable Energy Fund, SolarShare is entitled to keep sufficient funds to meet its obligations, which include interest payments on the bonds and repayment of the bonds on their maturity.

SolarShare has not transferred any surplus funds to TREC's Renewable Energy Fund and anticipates that the earliest that such a transfer may occur would be 2035.

The terms of the Renewable Energy Fund Agreement are attached as Schedule K – Terms of Renewable Energy Fund Agreement.

16.14 Community Wealth Non-Profit Corporation

SolarShare has an agreement with Community Wealth Non-Profit Corporation to transfer 25% of the surplus resulting from the operations of nine Projects purchased from the Green Timiskaming Development Co-operative Incorporated. Community Wealth Non-Profit Corporation assisted with the development of those nine Projects and this agreement was reached to recognize these efforts. The Projects consist of eight ground-mounted and one rooftop (Earlton) Project, all of which are now in operation. The surplus is to be calculated by SolarShare and paid at the end of the FIT Contract for these Projects.

16.15 Claremont Joint Venture

SolarShare owns a 51% interest in the Claremont Project, a 100 kW system in operation on the roof of the Claremont Community Centre. With the purchase of the interest in the Project, SolarShare is now party to a joint venture agreement with the other Project owners. The remaining 49% of the Project is owned by Solera Sustainable Energies Company, a solar development company, and Elexicon Energy Inc. (formerly Veridian Connections), the electrical utility covering the Pickering service region.

16.16 Van Kirk Solar Joint Venture

SolarShare owns a 50.9% interest in the 111 Van Kirk and 153 Van Kirk Projects, two 500 kW systems in operation in Brampton. SolarShare is party to a joint venture agreement with the building owner, who owns the remaining 49.1% of the Projects.

16.17 Review of Documents

All agreements related to this Offering Statement, including the Articles of Incorporation, Amendment and Amalgamation, By-Laws of SolarShare, Leases, Joint Venture Agreements and TREC Service Agreements, may be reviewed by any member in person upon request.

17 DISTRIBUTION OF SURPLUS, PATRONAGE RETURNS AND OTHER DISTRIBUTIONS

As a non-profit co-operative, SolarShare is not permitted to distribute any surplus to its members, nor pay patronage dividends. In the event of the dissolution or liquidation of SolarShare, the holders of Solar Bonds shall be entitled to be paid, after the retirement of the prior Debt Financing, the amount of principal outstanding, plus any interest unpaid. Upon payment of the above amount, the holders of Solar Bonds, as members, shall not be entitled to any further share in the distribution of the assets of SolarShare.

Net assets of SolarShare, on dissolution after payment of all liabilities, are to be paid to another co-operative or charity, as decided by the Board.

Any surpluses will be placed in the TREC Renewable Energy Fund that is managed by TREC and will be used to finance more renewable energy projects, thereby increasing the deployment of low-carbon technologies in Ontario.

While there is an obligation to assign any surpluses to TREC's Renewable Energy Fund, SolarShare has full discretion to keep sufficient funds to meet its obligations, which include interest payments on the bonds and repayment of the bonds on their maturity. The terms of the agreement can be found in Schedule K – Terms of Renewable Energy Fund Agreement.

18 DESCRIPTION OF ANY OTHER MATERIAL FACTS

A copy of this Offering Statement must be given to each member/investor before SolarShare may legally accept any payment. None of the securities issued by SolarShare pursuant to this Offering Statement will be in bearer form.

This Offering Statement will expire on May 31, 2025, after which date no further sale of securities shall occur, unless a new Offering Statement has been filed and receipted.

19 CERTIFICATE OF DISCLOSURE

THE FOREGOING CONSTITUTES FULL, TRUE, AND PLAIN DISCLOSURE OF ALL MATERIAL FACTS RELATING TO THE SECURITIES OFFERED BY THIS OFFERING STATEMENT AS REQUIRED BY SECTION 35 OF THE CO-OPERATIVE CORPORATIONS ACT.

Dated Toronto, Ontario this 1st day of June, 2024



Michael Brigham

President



Ron Seftel

Treasurer



Glen Campbell

Chair of the Board

SCHEDULE A – PRO FORMA FINANCIAL STATEMENTS

Table 11: Pro Forma Statement of Financial Position (in thousands)

<u>Income Statement</u>	2024	2025	2026	2027	2028	2034	2035	2036	2037	2038
<u>Revenues</u>										
SolarShare (including JVs)	1,234	1,224	1,216	1,208	1,200	672	265	130	60	0
CSA 1	741	736	731	726	721	71	0	0	0	0
CSA 2	2,331	2,329	2,314	2,299	2,283	2,089	495	92	58	0
CSA 4	2,334	2,319	2,304	2,289	2,269	2,179	2,164	2,149	1,268	0
CSA 5	361	363	361	359	356	343	335	223	0	0
Other Revenues	64	22	22	22	22	7	3	0	0	0
TOTAL REVENUES	7,064	6,992	6,947	6,901	6,852	5,360	3,263	2,594	1,386	0
<u>Operating Expenses</u>										
SolarShare (including JVs)	330	322	330	332	339	182	66	29	9	0
CSA 1	167	148	149	150	151	9	0	0	0	0
CSA 2	385	472	476	456	463	393	109	45	21	0
CSA 4	363	363	364	391	463	496	504	490	243	5
CSA 5	220	21	22	22	29	31	32	24	0	0
TOTAL OPERATING EXPENSES	1,465	1,327	1,341	1,352	1,445	1,110	711	589	274	5
Total Income Before Interest Expenses	5,599	5,666	5,606	5,550	5,407	4,250	2,552	2,006	1,112	(5)
Interest, Developer Loans	9	7	6	4	2	0	0	0	0	0
Interest, Solar Bonds	1,542	1,111	1,170	1,193	1,094	235	73	0	0	0
Interest, Construction	0	0	0	0	0	0	0	0	0	0
Interest, Debt Financing	547	491	434	374	311	0	0	0	0	0
Interest, Operating Line	22	8	13	13	8	8	44	46	5	0
Amortization	3,237	3,237	3,237	3,237	3,237	2,674	1,716	1,429	787	1
Co-op Expenses	448	484	462	420	421	209	156	136	106	61
TOTAL EXPENSES	7,269	6,664	6,662	6,592	6,518	4,235	2,700	2,200	1,172	67
NET INCOME	(205)	328	285	309	334	1,125	563	395	214	(67)

Table 12: Pro Forma Statement of Operations and Changes in Net Assets (in thousands)

<u>Balance Sheet</u>	2024	2025	2026	2027	2028	2034	2035	2036	2037	2038
<u>Assets</u>										
<u>Current Assets</u>										
Cash	807	8	11	14	17	14	15	13	853	683
Other Current Assets	1,373	1,356	1,339	1,322	1,305	1,027	679	386	183	18
Total Current Assets	2,180	1,363	1,349	1,335	1,322	1,041	694	398	1,036	701
<u>Capital Assets</u>										
SolarShare (including JVs)	3,894	3,450	3,006	2,562	2,118	162	75	27	2	1
CSA 1	2,815	2,497	2,178	1,860	1,541	5	(0)	(0)	(0)	(0)
CSA 2	10,009	9,020	8,032	7,043	6,054	196	13	2	2	2
CSA 4	15,550	14,324	13,099	11,874	10,649	3,297	2,072	844	83	81
CSA 5	2,673	2,461	2,249	2,036	1,824	551	339	196	196	196
Total Capital Assets	34,941	31,752	28,563	25,375	22,186	4,211	2,498	1,069	283	280
Debt Service Reserve Fund	998	1,009	1,019	1,029	1,039	0	0	0	0	0
Major Maintenance Reserve Fund	447	434	416	420	424	0	0	0	0	0
TOTAL ASSETS	38,565	34,558	31,347	28,159	24,971	5,252	3,192	1,468	1,319	982
<u>Liabilities</u>										
Current Liabilities	657	673	680	686	692	546	503	434	356	86
Current Portion of Long Term Debt	1,113	1,146	1,190	1,236	1,299	0	0	0	0	0
Developer Loans	258	208	155	98	49	0	0	0	0	0
Solar Bonds	34,765	31,307	28,884	26,686	24,559	4,750	0	0	0	0
Debt Finance Loan	8,532	7,426	6,277	5,080	3,822	(0)	(0)	(0)	(0)	(0)
Operating Loan	100	330	410	310	155	165	2,335	285	0	0
TOTAL LIABILITIES	45,426	41,091	37,595	34,098	30,576	5,460	2,838	719	356	85
Cumulative Retained Earnings	(6,861)	(6,533)	(6,248)	(5,939)	(5,605)	(209)	354	749	963	896
LIABILITIES & RETAINED EARNINGS	38,565	34,558	31,347	28,159	24,971	5,252	3,192	1,468	1,319	982

Table 13: Pro Forma Statement of Cash Flow (in thousands)

Cash Flow	2024	2025	2026	2027	2028	2034	2035	2036	2037	2038
<u>Cash from Operations</u>										
Net Income (Loss)	(205)	328	285	309	334	1,125	563	395	214	(67)
Amortization	3,237	3,237	3,237	3,237	3,237	2,674	1,716	1,429	787	1
Other	(623)	255	105	(75)	(130)	(49)	2,471	(1,826)	(160)	(106)
TOTAL FROM OPERATIONS	2,409	3,820	3,627	3,471	3,441	3,750	4,750	(2)	841	(172)
<u>Cash from Investing & Financing</u>										
<u>CAPEX</u>										
Expenditure on Capital Costs	0	0	0	0	0	0	0	0	0	0
Developer Loan Advance (Repayment)	(45)	(50)	(53)	(57)	(49)	0	0	0	0	0
Operating Line Advance (Repayment)	0	0	0	0	0	0	0	0	0	0
<u>Debt Financing</u>										
Debt Financing Advances (Repayment)	(1,073)	(1,113)	(1,155)	(1,200)	(1,247)	0	0	0	0	0
<u>Solar Bonds</u>										
Received (Repaid)	(1,725)	(3,458)	(2,423)	(2,197)	(2,127)	(3,755)	(4,750)	0	0	0
<u>Major Maintenance Reserve Fund</u>										
MMRF Receipts (Contributions)	(28)	2	8	(14)	(14)	0	0	0	0	0
TOTAL FROM INVESTING & FINANCING	(2,871)	(4,619)	(3,624)	(3,468)	(3,438)	(3,755)	(4,750)	0	0	0
TOTAL CHANGES IN CASH	(463)	(799)	3	3	3	(5)	0	(2)	841	(172)
Cash, beginning of period	1,270	807	8	11	14	20	14	15	13	853
Cash, end of period	807	8	11	14	17	14	15	13	853	681

SCHEDULE B – TERMS OF TRUST AGREEMENT

1. DEFINITIONS

In this Agreement:

1. **Bondholders** means the holders of Solar Bonds, who provide financing for the Co-operative's projects.
2. **Charges** mean the charges of the Leases and Equipment, given as collateral security for the Notes, Solar Bonds, and the obligations of the Co-operative under the TREC Agreements, as registered in the relevant registry systems, given by the Co-operative to the Trustee.
3. **Events of Default** are as set out in Schedule A.
4. **Leases and Equipment** means the leases of all solar photovoltaic sites owned by the Co-operative, and the equipment installed by the Co-operative on those sites.
5. **Note** means a Promissory Note issued to the Noteholders pursuant to this Agreement, as secured by the Charges.
6. **Noteholders** means the holders of Notes, who provide bridge financing for the Co-operative's projects.
7. **Prime Rate** means the commercial lending rate of interest expressed as an annual rate quoted or published by Bank of Montreal as the reference rate of interest from time to time (commonly known as prime) for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian Funds.
8. **Solar Bond** means a bond issued to the Bondholders.
9. **TREC** means Toronto Renewable Energy Co-operative Inc., which provides development, financial and other services to the Co-operative.
10. **TREC Agreement** means the Agreement in place from time to time between TREC and the Co-operative, entitling TREC to be paid certain surplus funds of the Co-operative in return for financial support from TREC.

2. RIGHTS AND DUTIES OF TRUSTEE

The Trustee accepts the trusts in this Agreement and agrees to perform the same upon the terms and conditions set forth in this Agreement as Trustee for the Bondholders, Noteholders and TREC.

The Trustee, in exercising his power and discharging his duties under this Agreement, shall act honestly and in good faith with a view to the best interests of the Bondholders, Noteholders and TREC, and exercise the care, diligence and skill of a reasonably prudent trustee.

The Trustee shall have the power to institute and to maintain such actions and proceedings as he may consider necessary or expedient to preserve, protect or enforce his interests and the interests of the Bondholders, Noteholders and TREC.

Trustee represents that at the time of the execution of this Agreement, no material conflict of interest exists in the his role as fiduciary to the Bondholders, Noteholders and TREC, save his role as a director and officer of TREC and the Co-operative, and lender to the Co-operative, and agrees that in the event of a new material conflict of interest arising, he will, within ninety days either eliminate such conflicts or resign from his position as trustee.

3. CERTIFICATION BY TRUSTEE

No Solar Bond or Note shall be issued, or if issued, shall be effective until it has been certified by or on behalf of the Trustee, and such certification by the Trustee upon any Solar Bond shall be conclusive evidence as against the Co-operative that the Solar Bond or Note has been duly issued under this Agreement, and is a valid obligation of the Co-operative.

The certificate of the Trustee on Solar Bonds and Notes issued in accordance with this Agreement shall not be construed as a representation or warranty by the Trustee as to the validity of this Agreement or of the Solar Bonds or Notes (except for certification as a Solar Bond or Note referred to in this Agreement) and the Trustee shall in no respect be liable or answerable for the use made of the Bonds or Notes or any of them or the proceeds thereof.

4. COVENANT TO PAY

The Co-operative agrees with the Trustee that so long as any Solar Bonds or Notes remain outstanding, the Co-operative shall pay or cause to be paid to every holder of every Solar Bond or Note issued under this Agreement, the principal and interest accrued from every Bond or Note, including, in case of default, interest on all amounts overdue at the specified rate, at the dates and places and in the manner mentioned in the Bonds or Notes.

5. RANKING

All Solar Bonds and Notes shall rank rateably without discrimination, preference or priority, whatever may be the actual date or terms of the issue of the Bond or Note.

6. VARIATION OF RIGHTS

Any of the rights conferred on the Bondholders, Noteholders and TREC may at any time be varied or abrogated (whether with the consent in writing or at a meeting) by the holders of seventy five percent in value of the issued and outstanding Solar Bonds and Notes, plus seventy-five percent of the total number of Bondholders, Noteholders and TREC, and any variation so made shall be binding on all the Bondholders, Noteholders and TREC, each of whom shall, on the request of the Co-operative, surrender his/her Solar Bond or Note to the Co-operative in order that a memorandum of such variation may be endorsed on it.

7. MEETINGS OF BONDHOLDERS, NOTEHOLDERS AND TREC

The procedures for meetings of Bondholders, Noteholders and TREC are set out in Schedule B to this Trust Agreement.

8. POWERS EXERCISABLE BY MEETING

In addition to the powers under paragraph 6, the Bondholders, Noteholders and TREC upon the consent in writing, or at a meeting, of the holders of seventy five percent in value of the issued and outstanding Solar Bonds or Notes, plus seventy-five percent of the total number of Bondholders, Noteholders and TREC, shall have the following powers:

1. power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Agreement or the Solar Bonds or Notes in any manner specified or to refrain from exercising any such power, right, remedy or authority; and
2. power to waive, and direct the Trustee to waive, any default on the part of the Co-operative in complying with the provisions of this Trust Agreement or the Solar Bonds or Notes, including an Event of Default.

9. MINUTES

Minutes of all resolutions and proceedings at every such meeting of Bondholders, Noteholders and TREC shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Co-operative.

10. BINDING EFFECTS OF RESOLUTIONS

Every resolution shall be binding upon all of the Bondholders, Noteholders and TREC, whether present at or absent from such meeting, and each and every Bondholder and the Trustee (subject to the provisions for its indemnity, below) shall be bound to give effect accordingly to every such resolution.

11. CHARGES

As security for the due payment of all money payable pursuant to the Solar Bonds or Notes, and the TREC Agreement, the Co-operative shall deliver the Charges in favour of the Trustee on the Leases and Equipment, to rank subsequent to charges to financial institutions for the financing of the Co-operative's projects. The Trustee is authorized to execute such postponements of the Charges, and other related documents as are necessary to arrange for such prior financing.

12. PROCEEDINGS BY THE TRUSTEE

1. The Trustee shall give each Bondholder and Noteholder notice within 15 days of the Trustee becoming aware of the occurrence of an Event of Default.
2. Whenever any Event of Default has occurred, the Trustee, in the exercise of his discretion, or upon the decision of the Bondholders and Noteholders in a meeting called pursuant to Schedule E may proceed to enforce the rights of the Trustee under the Charges and the rights of the Bondholders and Noteholders by any remedy or proceeding authorized or permitted by law or equity and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Bondholders and Noteholders lodged in any bankruptcy, winding up or other judicial proceedings relative to the Co-operative and/or the Leases and Equipment.
3. No such remedy or proceeding for the enforcement of the rights of the Trustee or of the Bondholders and Noteholders shall be exclusive of or dependent on any other such

remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

4. Upon the exercising or taking by the Trustee of any such remedies or proceedings, the principal and interest outstanding on all Solar Bonds or Notes then outstanding shall forthwith become due and payable to the Trustee.
5. All rights of action hereunder may be enforced by the Trustee without the possession of any of the Solar Bonds or Notes or the production thereof on the trial or other proceedings relative thereto.
6. No delay or omission of the Trustee or of the Bondholders and Noteholders to exercise any remedy referred to in this paragraph shall impair any such remedy or shall be construed to be a waiver or acquiescence of any default.

13. APPOINTMENT OF A RECEIVER

At any time after an event of default has occurred, the Trustee may appoint by writing a receiver of the Leases and Equipment upon such terms regarding remuneration and otherwise as the Trustee shall think fit, and remove any receiver so appointed and appoint another in his/her place. The receiver so appointed shall be the agent of the Co-operative, and the Co-operative shall be responsible for such receiver's acts and defaults and for his/her remuneration, costs, charges and expenses to the exclusion of liability on the part of the Trustee or the Bondholders and Noteholders.

Any receiver shall have power to:

1. Take possession of, collect and get in all or any part of the Leases and Equipment and, for that purpose, to commence, continue, appeal or discontinue proceedings in the name of the Co-operative or otherwise and to make any arrangement or compromise as the receiver considers necessary;
2. Borrow or raise money on all or any part of the Leases and Equipment for such purposes as may be approved by the Trustee; and
3. Sell or concur in selling all or any part of the Leases and Equipment without notice and in such manner as may seem advisable to the receiver, and to affect such sale by conveying in the name and on behalf of the Co-operative or otherwise.

14. APPLICATIONS OF PROCEEDS

Money from time to time received by the Trustee or the receiver may be applied as follows:

1. First, to pay all expenses deemed necessary by the Trustee or the receiver affecting the Leases and Equipment;
2. Second, in keeping all charges and liens on the Leases and Equipment having priority over the Charges in good standing;
3. Third, in payment of the reasonable fees and disbursements of the receiver and the Trustee;

4. Fourth, in payment to the Bondholders and Noteholders of the principal and interest payable under the Solar Bonds or Notes;
5. Fifth, in payment to TREC of all monies outstanding under the TREC Agreements; and the balance, if any, shall be paid to the Co-operative.

15. INSURANCE

The Co-operative will keep the Leases and Equipment insured to the its full value with a reputable insurance company against loss or damage by fire and such other risks as are in accordance with sound commercial practice normally insured against and shall produce the last receipts for such insurance to the Trustee for inspection on demand.

16. TRUSTEE REMUNERATION AND EXPENSES

1. The Trustee's fees and all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of counsel and other advisors), both before any event of default and after, until all duties of the Trustee under the trusts in this Agreement has been fully performed, shall be paid or reimbursed upon request by the Co-operative, except any such expense, disbursement or advance as may arise from his negligence or willful default.
2. Any amount due under this section and unpaid thirty days after request for such payment shall bear interest at the Prime Rate plus 1% per annum from the expiration of such thirty-day period. After default, all amounts so payable and the interest thereon shall be payable out of any funds coming into the possession of the Trustee in priority to any payment of the principal or interest on the Solar Bonds or Notes to the Co-operative.

17. CHANGE OF TRUSTEE

The Trustee may resign by notice in writing delivered to all Bondholders and Noteholders to take effect no earlier than the date of a meeting of Bondholders and Noteholders called to appoint a replacement. Prior to resigning, the Trustee shall call such a meeting. A meeting of Bondholders and Noteholders shall have the power to remove a Trustee, and to appoint one or more replacement trustees.

18. NOTICES

1. Every notice to be given to Bondholders and Noteholders shall be deemed to have been given if such notice is sent by prepaid mail to such Bondholders and Noteholders at their addresses as set out in the records of the Trustee from time to time.
2. Any notice to the Trustee under the provisions of this Agreement shall be valid and effective if delivered to the Trustee by prepaid regular mail, addressed to the Trustee at:

150 John Street, Seventh Floor
Toronto, Ontario M5V 3E3

Any notice to the Co-operative shall be deemed valid and effective if delivered to an officer of the Co-operative or if sent by prepaid mail to the Co-operative at:

TREC SolarShare Co-operative (No. 1) Inc.
c/o TREC, 401 Richmond Street, Suite 240, Toronto ON M5V 3A8
Attention: Executive Director

3. Any notices so given by mail pursuant to this paragraph shall be deemed to have been given on the day of mailing.

Schedule A to Trust Agreement

Events of Default

The following are Events of Default:

1. If the Co-operative makes default in payment of the principal or interest on any Solar Bond or Note, or obligation under the TREC Agreements when the same becomes due, and such default continues for 10 days;
2. If the Co-operative defaults in the observance of any of the covenants in a Solar Bond or Note, or obligation under the TREC Agreements;
3. If an order shall be made or a resolution passed for the winding up or liquidation of the Co-operative;
4. If the Co-operative shall make a general assignment for the benefit of its creditors or a proposal under the Bankruptcy and Insolvency Act (Canada), or shall be declared, or if a custodian or receiver and manager shall be appointed of the Co-operative or of any of the Leases and Equipment of the Co-operative;
5. If a creditor or encumbrancer of the Co-operative shall take possession of any of the Leases and Equipment of the Co-operative;
6. If a default shall occur under any obligation of the Co-operative to repay borrowed money and such default shall continue for a period sufficient to permit the acceleration of the maturity of such obligation; and
7. If the Co-operative shall neglect to carry out or observe any covenant or condition in this Agreement, and, after notice in writing has been given by the Trustee to the Co-operative specifying such default and requiring rectification thereof, the Co-operative shall fail to make good such default within a period of 10 days.

Schedule B to Trust Agreement

Procedures for Meetings of Bondholders

1. Right to Convene Meeting – The Trustee shall, on the request of the Co-operative, a Bondholder, or a Noteholder, convene a meeting of the Bondholders and Noteholders on ten days' notice in the manner provided for in paragraph 18 of the Trust Agreement. In the event the Trustee fails, within five days after receipt of a request, to give notice convening such meeting, the Co-operative or such Bondholder or Noteholder, as the case may be, may convene such meeting. Every such meeting shall be held at such place as may be determined by the party calling the meeting.
2. Chair – A person, who need not be a Bondholder, or a Noteholder, nominated by the party calling the meeting, shall chair the meeting and if no person is so nominated, those present shall choose person present at the meeting to be the chair.
3. Power to Adjourn – The chair of any meeting may, with the consent of the holders of a majority in principal amount of the Solar Bonds or Notes represented there, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.
4. Show of Hands – Every question submitted to a meeting shall be decided in the first place by the votes given on a show of hands, unless a poll is requested by any Bondholder, or Noteholder. At any such meeting, unless a poll is requested, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.
5. Poll – When a poll is requested on any question submitted to a meeting, either before or after a vote by show of hands, it shall be taken in such manner as the chair shall direct.
6. Proxies – The Trustee may make rules for voting by proxy and the form of the instrument appointing a proxy.
7. The Co-operative and Trustee may be Represented – The Co-operative, by its officer or director, the Trustee, and the legal advisors of the Co-operative and the Trustee, may attend any such meeting, but shall have no vote.

SCHEDULE C – FORM OF 2-YEAR, 3-YEAR, 4-YEAR, 5-YEAR AND 7-YEAR SOLAR BONDS
(SIMPLE INTEREST)

[front]

TREC SolarShare Co-operative (No. 1) Inc.
(Incorporated under the Ontario Co-operative Corporations Act)

Member Name: <<Member Name>> Bond No. <<Certificate Number>>

Principal Sum: \$<<Total Bond>> Date: <<Effective Date>> Maturity Date: <<Maturity Date Bond>>

Interest Rate: <<Rate_Bond>> on <<Term Words_Bond>>year term Solar Bonds

For value received, **TREC SolarShare Co-operative (No. 1) Inc.** acknowledges itself indebted and promises to pay, in Canadian money, to the Member, on the Maturity Date, the Principal Sum above and to pay interest on that amount, upon and subject to the terms and conditions set out on the reverse side.

TREC SolarShare Co-operative (No. 1) Inc.

This Bond is one of the Bonds referred to in the Trust Agreement.

Per: _____

Brian Iler, Trustee

[back]

1. Interest

Interest shall accrue on the balance from time to time outstanding of the Principal Sum at the specified rate per year, calculated semi-annually in arrears. Interest will be paid on or before the 15th day of June and the 15th day of December each year.

2. How and to Whom Payments to be Made

The person in whose name this Bond is registered in the records of TREC SolarShare Co-operative (No. 1) Inc. (SolarShare) will be regarded as the owner of the Bond and any payments made pursuant to this Bond will be made only to or upon the order in writing of such person.

Payments on account of the Principal Sum or interest, at maturity or a redemption date or an interest payment date, will be paid, if instructed by the Member, directly deposited to the account of the Member, or, otherwise, by cheque drawn on SolarShare and sent by pre-paid mail to the Member at the address of the Member contained in the records of SolarShare.

If the date for payment of any amount of the Principal Sum or interest is not a business day, then payment will be made on the next business day and the Member will not be entitled to any further interest or other payment in respect of the delay.

3. Prepayment

The Principal Sum may be prepaid by SolarShare at its option, in whole or in part, at any time, without penalty, but including interest accrued to the date of prepayment.

4. Security

This Bond and all other similar bonds issued by SolarShare are secured by a mortgage in favour of the Trustee for the benefit of all members of SolarShare who are holders of similar bonds to this Solar Bond, on the leasehold properties, other real properties, and equipment held by SolarShare, on the terms set out in Trust Agreements dated October 29th, 2012. A copy of these agreements are available to the Member upon request.

5. Defaults

Subject to paragraph 6, the Principal Sum shall become immediately due and payable at the option of the Member without presentment, demand, notice of dishonour, protest or notice of protest in respect of this Solar Bond, upon the occurrence of any one or more of the following events:

1. A failure of SolarShare to make any payment required to the Member when due; or
2. SolarShare shall become insolvent or bankrupt or ceases paying its debts as they mature or shall make an assignment for the benefit of creditors; or
3. A trustee, receiver or liquidator shall be appointed for SolarShare for a substantial part of the property of SolarShare under the laws of any jurisdiction and the appointee of such proceedings shall not have been discharged within sixty days of the appointment or institution of proceedings.

6. When Principal Repayment May Be Delayed

To address concerns that Debt Financing lenders may raise in light of possible future market interest rate fluctuations, principal repayment may not occur until replacement capital is obtained.

7. Transfer

No transfer or assignment of this Solar Bond shall be valid without the prior written approval of SolarShare.

8. Successors

The provisions of this Solar Bond shall ensure to the benefit of and be binding on the Member and SolarShare, and, as applicable, their respective any successors, heirs, administrators and/or legal or personal representatives.

9. Discharge and Satisfaction

Upon payment by SolarShare to the Member of all monies due and payable hereunder, this Bond shall cease and become null and void and the Member shall upon request and the expense of SolarShare execute and deliver to SolarShare a full release and discharge.

10. Notice

Any notice required or permitted to be given to any party to this Solar Bond shall be given in writing and shall be delivered personally or mailed by prepaid regular mail. Any such notice shall be conclusively deemed to have been given and received on the day on which it is delivered, if personally delivered, or if mailed, on the second business day immediately next following the date of mailing, and addressed, in the case of SolarShare to 192 Spadina Avenue, Suite 429, Toronto Ontario M5T 2C2, Attention: General Manager, and in the case of the Member to the Member's latest address as shown in the records of SolarShare.

The foregoing information can be changed by giving a notice in accordance with the requirements set out in this Section.

SCHEDULE D – SOLARSHARE BY-LAWS

ORGANIZATIONAL BY-LAW

of

TREC SolarShare Co-operative (No. 1) Inc.

incorporated under the *Co-operative Corporations Act*

[Includes amendments confirmed on March 16, 2021]

The following is enacted as a by-law of TREC SolarShare Co-operative (No. 1) Inc. (the **Co-operative**):

1. REQUIREMENTS OF CO-OPERATIVE CORPORATIONS ACT

- 1.1 *Co-operative Corporations Act* – The affairs of the Co-operative will be governed and conducted in accordance with the *Co-operative Corporations Act* of Ontario (the **Act**). Certain provisions of that Act relate to various matters not dealt with in the by-laws of the Co-operative and should be consulted where appropriate. If any conflict arises between the mandatory provision of the Act and the by-laws of the Co-operative, such provisions of the Act shall govern.
- 1.2 Records – Pursuant to the Act, copies of the following documents shall be kept at the head office of the Co-operative:
 - a. A copy of the Articles of Incorporation;
 - b. All by-laws;
 - c. A register of members and security holders in which is set out the information required by the Act (Section 114, paragraph 3 of the Act);
 - d. A register of directors in which is set out the names and the resident addresses while directors, including the street and number, if any, of all persons who are or who have been directors the Co-operative with the several dates on which they have become or ceased to be directors;
 - e. All accounting books and documents (Section 114, paragraph 5 of the Act);
 - f. The minutes of all meetings of members, directors and any executive or other committee; and
 - g. A register of transfers of securities

These records shall be available for examination by any director and, with the exception of accounting records and minutes of proceedings at meetings of directors and any committee, by members and creditors of their agents or personal representatives during normal business hours for purposes consistent with the good faith exercise of membership rights and responsibilities in the Co-operative.

- 1.3 Business with Members – Pursuant to the Act, the Co-operative is authorized to conduct 50% or more, up to 100%, of its business with non-members.

2. **MEMBERSHIP**

- 2.1 Qualifications of Membership - The board of directors may admit as a new member of the Co-operative, a person who is a resident of Ontario, and has paid the membership fee established by resolution of the board of directors from time to time.
- 2.2 Benefits of Membership – Members shall enjoy the following rights of membership:
- a. The right to vote at annual and special meetings of members;
 - b. All rights of members otherwise set out in the Act, the articles and by-laws of the Co-operative
- 2.3 Transfer of Membership – Membership is transferable upon Board approval and is subject to a \$50 transfer fee.
- 2.4 Withdrawal – A member of the Co-operative may withdraw from membership by giving to the Secretary 6 months' notice of her/his intention to withdraw, and upon approval of the board.
- 2.5 Expulsion – A member of the Co-operative may be expelled from the membership by the directors in accordance with Section 66 of the Act.
- 2.6 Automatic Termination – If a member ceases to be qualified for membership pursuant to paragraph 2.1 that person automatically ceases to be a member.
- 2.7 Agreement to Comply with By-Laws – Upon becoming a member of the Co-operative, a person is deemed to have entered into an agreement with the Co-operative to comply with and be bound by the by-laws of the Co-operative, as amended from time to time.
- 2.8 Confidentiality – Upon being admitted to membership in the Co-operative, members are deemed to have entered into a confidentiality agreement with the Co-operative and shall not disclose to third parties any information pertaining to the Co-operative which, directly or indirectly,
- Could be prejudicial to the interests of the Co-operative,
 - Could place the Co-operative at a competitive disadvantage with respect to existing or potential competitors, or
 - Could cause material damage to the reputation or image of the Co-operative or the Co-operative's products

- 2.9 Except for information which is generally known, other than as a result of a disclosure in breach of this paragraph, is rightfully in the possession of a member prior to the date when the information was disclosed to the member by the Co-operative or becomes available to the member on a non-confidential basis from a source which is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3. MEETINGS OF MEMBERS

- 3.1 Annual Meetings – the annual meeting of the members shall be held within 6 months of the financial year-end, December 31st, and within 15 months of any previous annual meetings. The board of directors shall fix the date, time and location of the annual meeting. The annual meeting shall be held for the purpose of electing the directors, receiving the financial statements and any auditor's report thereon, and the transaction of any other business that may properly be brought before an annual meeting of the members.
- 3.2 Special and Requisitioned Meetings - Meetings of members other than the annual meeting may be called by order of the President, Vice-President or by resolution of the board of directors, or by requisition signed by at least 5% of the members called in accordance with the Act (the latter being a "**requisitioned meeting**").
- 3.3 Business Transacted – At meetings of the members, only the business stated in the notice calling such a meeting may be transacted.
- 3.4 Record Date – the board of directors may fix in advance a record date preceding the date of any meeting of members for the determination of the members and bondholders shall receive notice of the meeting. The date shall not be more than three business days prior to the date on which the notice of the meeting is given, and not more than 50 days before the date of the meeting.
- 3.5 Notice and Method(s) of Annual, Special and Requisitioned Meetings - In respect of each annual or special meeting of members or requisitioned meeting (in this Article 3 referred to collectively as a "**meeting**"), either the board of directors shall (i) determine the following matters in advance by ordinary resolution, or (ii) may delegate to the President the authority from time to time (with or without conditions as to thereof) to determine, and to change such determination from time to time as the President may in his or her discretion determine, any one or more of the following matters: (a) whether the meeting is to be held solely in person ("**Meeting in Person**"), or solely by telephonic or electronic means (herein a "**Digital Meeting**"), or whether it is to be held both in person and by telephonic or electronic means ("**Combined Meeting**"), provided that the portion of a Combined Meeting being held as a Digital Meeting shall, if the context allows, be referred to in this by-law as a **Digital Meeting**; (b) at what place within the province of Ontario, if any, a Meeting in Person is to be held; (c) which specific telephonic or electronic means or system(s) shall be used for the purposes of

participation and voting in connection with a Digital Meeting; (d) the date and time of the meeting; (e) the business to be conducted at the meeting; (f) whether to appoint a chair of the meeting and whom to appoint; (g) whether to permit mailed-in ballots for any meeting, and the process for doing so; and (h) policies regarding the holding of meetings and the taking of action thereat. A written notice of each meeting shall be given by the Secretary at least 10 days but no more than 50 days before the scheduled meeting date to each member and to the auditor (if any) of the Co-operative stating the time, place, purpose and method or methods by which the meeting will be held. For all purposes of this by-law, the term "telephonic or electronic means" shall be as defined by the Act.

- 3.6 Where Notice Not Required – No notice of any annual or other meetings of the members shall be necessary:
- a. Where all members entitled to vote at such a meeting and all bond holders, are present in person, and in the case of an annual meeting, consent to the transaction of the business, or in the case of any other meeting, consent to the transaction of the business for which such meeting is being held; or
 - b. Where all members entitled to vote at such meeting who are not present in writing and all bond holders, waive notice of the meeting, on in the case of a meeting other than the annual meeting, notice of the meeting and the purpose for which it is being held.
- 3.7 One Member – One Vote – Each member at a meeting is entitled to one and only one vote on any matter requiring a vote of the members.
- 3.8 Voting - Except as required by these by-laws or the Act, questions arising at any meeting of members shall be decided by a majority of votes. At any meeting of members, each member having the right to vote shall be entitled to one vote on each question.
- 3.9 Quorum – A quorum for any meeting of the members shall be 25 members, or 10% of the members, whichever is lesser. No business shall be transacted at any meeting unless the requisite quorum is present.
- 3.10 Proxies, etc. - No individual member may vote by proxy. A corporate member may appoint one of its directors or officers to attend any meeting and exercise on its behalf its vote. The individual holding the proxy of a corporate member shall be permitted to attend a Meeting in Person in person, or a Digital Meeting by the means provided, and may vote only in the same manner as other members present at such meeting are permitted to vote in respect of each question. References in Article 3 of this by-law to "**members**" shall, as regards attendance and methods of voting at meetings, include any and all such proxy-holders.

- a. Digital Meetings - A meeting may be held in whole or in part as a Digital Meeting so long as the telephonic or electronic means used to conduct it permit all members, and individuals who are representatives of the auditor, if any, participating in the meeting to communicate with each other simultaneously and instantaneously. A person or member participating in a Digital Meeting by such means is deemed to be present at the meeting. A member participating in a Digital Meeting by such means forms part of the quorum thereof, and a member who, through those means, votes at or establishes a communications link to the meeting is deemed to be present at the meeting. Provisions of the Act relating to voting by a personal representative of a member, and to joint holders of a membership, shall apply as nearly as possible to Digital Meetings as in the case of a Meeting in Person.
- b. Voting by Show of Hands – Except as otherwise permitted by the Act or the bylaws of the Co-operative, and, unless prior to any vote on a question a member requests a ballot, the vote shall be held by the chair of the meeting asking which members vote in favour of, followed by the Chair asking which members vote against, such question or resolution, with the vote in each case to be taken in the following manner: (a) by show of hands of the members present in person at a Meeting in Person; or (b) in a manner similar to a show of hands by a function of the telephonic or electronic means (which shall be provided by the Co-operative) exercised by the members present at a Digital Meeting; or (c) by combining the votes given by methods (a) and (b) in respect of a Combined Meeting. No member may attend a meeting both in person and by telephonic or electronic means at the same time. If a member does not vote in the manner required above, the member will be considered to have abstained from voting.
- c. Voting by Ballot - If a vote by ballot is required or demanded, then the vote by ballot shall (subject to this section) be held in such manner as the chair of the meeting shall direct. The demand for a ballot may be withdrawn at any time prior to the holding of the vote by ballot, in which case the vote shall be by show of hands or in a manner similar to a show of hands by a function of the telephonic or electronic means exercised by the members present at a Digital Meeting, unless a ballot is again demanded in advance thereof. If the written notice of the meeting so requires or permits, then vote by ballot shall be provided to those persons present by telephonic or electronic means, via such means, so long as such means: (i) enable the votes to be gathered in a manner that permits subsequent verification; and (ii) permit the tallied vote to be presented to the Co-operative without it being possible for the Co-operative to identify how each member voted. In the case of an election of directors during a

meeting conducted in whole or in part as a Digital Meeting, no such election shall be carried out unless those present by telephonic or electronic means are capable of voting by ballot. Excluding the election of directors, if a vote by ballot is demanded at a Digital Meeting in circumstances where the written notice of meeting does not provide that vote by ballot may be taken by telephonic or electronic means, and if the Secretary determines, and advises the members present at the meeting, that no reasonable equivalent of a vote by ballot is available through such means then, in addition to any vote by ballot being carried out for members present in person (in the case of a Combined Meeting), the vote by ballot of those members present by telephonic or electronic means shall be carried out by the function described in section 3.10(B)(b).

- d. Voting by Mail - A member entitled to vote may, if written notice of the applicable meeting of members so permits, vote by mailed-in ballot, if the Co-operative has a system that:
 - i. enables the votes to be gathered in a manner that permits their subsequent verification; and
 - ii. permits the tallied votes to be presented to the Co-operative without it being possible for the Co-operative to identify how each member voted."

3.11 Chair - The chair at any meeting, including a Combined Meeting, shall be such person as has been appointed by resolution of the board of directors to act as such, and in the absence of such an appointment shall be the President, and in the absence of both such persons at the meeting shall be a Vice President. The chair of the meeting does not have a second or casting vote in the case of an equality of votes, but shall be entitled, if a member, to vote as a member. If no person with the authority to so act is present to chair a meeting within 20 minutes after the time appointed for the meeting to start, then, provided that there is a quorum of members present, the members present may choose a member from among their number to act as the chair of the meeting. A person entitled to act as chair of a meeting may attend and so act by telephonic or electronic means (as defined in the Act) provided that such person is physically present in Ontario.

3.12 Adjournment – If a meeting of members is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting other than by an announcement at the meeting that is adjourned. If a meeting of members is adjourned by one or more adjournments for a total of 30 days or more, notice of the adjourned meetings shall be given as for the original meeting. The chair of a meeting shall consider a Digital Meeting or Combined Meeting to be adjourned if the effective loss of the telephonic or electronic means results in either the loss of quorum or the loss of the ability to conduct business and vote in the manner

permitted or required in this Article 3 during a period of 15 minutes or more. A solely Digital Meeting may and shall be resumed (a "**Resumed Meeting**"), if, following a loss of telephonic or electronic means for a period of less than 15 minutes, an attempt to reconnect with all those previously present by telephonic or electronic means results in there being a person qualified to act as chair who is present and acting as chair and a quorum of members being present by such means. A Combined Meeting may and shall be continued (a "**Continued Meeting**") following a loss of telephonic or electronic means for a period of less than 15 minutes, if an attempt to reconnect with all those previously present by telephonic or electronic means results in there being a person qualified to act as chair who is present in person or by telephonic or electronic means and acting as chair, and a quorum of members are present in person or by telephonic or electronic means, or both. In the case of each of a Resumed Meeting and a Continued Meeting, no election of directors may be held and no vote may be held regarding any business not set out in the notice of meeting. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

4. **BOARD OF DIRECTORS**

- 4.1 Powers – The board of directors shall manage or supervise the management of the affairs and business of the Co-operative.
- 4.2 Qualifications – Each director shall be at least 18 years of age, and a member of the Co-operative (or, if the member is a corporation, he or she is a director, officer, bondholders or member of that corporate member), and shall not be an undercharged bankrupt or a mentally incompetent person. All directors shall be residents of Ontario.
- 4.3 Election and Size – The board of directors shall consist of a minimum of five and a maximum of nine directors (the exact number to be determined from time to time by the directors) who shall be elected for a term of three years, arranged so that one-third of the directors are elected each year. Directors shall be eligible for re-election upon completion of their term,
- 4.4 Tenure – Except as otherwise provide by law, by the articles, or by these by-laws, directors shall hold office until their successors are elected.
- 4.5 Nominations – At a meeting where directors are to be elected, the meeting, before nominations are called for, shall choose its chair for the purpose of conducting the elections. Nominations shall be on an individual basis and the chair shall not accept a blanket motion to elect directors until after nominations have been closed.
- 4.6 Election – Every member entitled to vote at an election of directors, if she/he votes, shall cast a number of votes equal to the number of directors to be elected,

and the member shall distribute the votes among the candidates in such a manner as she/he sees fit, but no candidate shall receive more than one vote from each member.

- 4.7 Vacation of Office – The office of a director shall be vacated:
- a. if she/he ceases to have the necessary qualifications for office;
 - b. if she/he is absent without leave of the directors for three consecutive regular meetings of the directors;
 - c. if by notice in writing to the Co-operative she/he resigns her/his office, or
 - d. if by resolution passed by a majority of the votes cast at a meeting of the members called for that purpose, she/he is removed from office;
 - e. if he/she dies.
- 4.8 Vacancy – Whenever any vacancy occurs on the board of directors, provided a quorum of directors remains in office, the directors may appoint a director to fill such vacancy, to serve for a term ending on the date of the next annual general meeting.
- 4.9 Meetings of Directors – Regular meetings of the directors shall be held as often as the business of the Co-operative may require but in any event not less than quarterly.
- 4.10 The co-operative will indemnify all directors and officers, and their heirs and legal personal representatives, to the maximum extent permitted by section 110 of the Act.

5. OFFICERS

- 5.1 Election and Appointment – The directors shall annually or as often as may be required, elect a President, and elect or appoint a Vice-President, a Secretary, and a Treasurer. None of the said officers, except the President, need be a member of the board of directors. Any two of these offices may be held by the same person, except those of the President and Vice President. The directors may from time to time elect or appoint such other officers and agents as they shall deem necessary who shall have such authority and shall perform such duties as the directors from time to time shall prescribe.
- 5.2 Remuneration and Removal – The remuneration of all officers elected or appointed by the directors shall be determined from time to time by resolution of the directors. The fact that any officer or employee is a director or member of the Co-operative shall not disqualify her/him from receiving remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

- 5.3 Delegation – In the case of the absence or inability to act of the President, Vice-President or any other officer of the Co-operative or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being, provided that a majority of directors concur therein.
- 5.4 Duties of President – The President shall, if present, preside at all meetings of members and directors. She/he shall sign all instruments which require her/his signature and shall perform all duties incident to her/his office and shall have such other powers and duties as may from time to time be assigned to her/him, by the directors.
- 5.5 Duties of Vice-President – In the absence or disability or refusal to act of the President, the Vice-President shall be vested with all the powers and she/he shall perform all the duties of the President.
- 5.6 Duties of Secretary – The Secretary shall issue or cause to be issued notices for all meetings of the members and directors when directed to do so, and shall keep or cause to be kept all records required by paragraph 1.2 of these by-laws. She/he signs with the president or other signing officer or officers of the Co-operative such instruments as require her/his signature and shall perform such other duties as the terms of her/his engagement call for or the directors may from time to time require of her/him.
- 5.7 Duties of Treasurer – The Treasurer shall have the care and custody of all the funds and securities of the Co-operative and shall deposit the same in the name of the Co-operative in the financial institutions designated pursuant to paragraph 8.2. She/he shall keep or cause to be kept proper accounting records in accordance with the Act. She/he shall at all reasonable times exhibit, or cause to be exhibited, books and accounts to any director upon application at the office of the Co-operative during business hours. She/he shall sign such instruments as require her/his signature and shall perform all other duties incident to her/his office or that are properly required of her/him by the directors. She/he shall be required to give such bond as directors may require. No director shall be liable for failure to require any bond or for the insufficiency of any bond or for any loss by reason of the failure of the Co-operative to receive any indemnity thereby provided. The Treasurer may delegate any or all of his/her duties to other officers, or to staff of the Co-operative.
- 5.8 General Manager – The directors may from time to time appoint a general manager who shall not be one of the directors of the Co-operative and may delegate to her/him full authority to manage and direct the affairs of the Co-operative (except such matters and duties as by law must be transacted or performed by the directors or by the members in general meeting), and to employ, discharge, and fix wages or salaries of employees of the Co-operative.

The general manager shall at all reasonable times give to the directors or any of them all information they require regarding the affairs of the Co-operative.

- 5.9 Vacancy – An officer's position shall become vacant by reason of death, resignation, disqualification or removal, the directors by resolution may elect or appoint an officer to fill such vacancy.

6. ASSET LOCK

- 6.1 Any profits or accretions to the value of the property of the Co-operative shall be used to further its activities.
- 6.2 The Co-operative cannot be converted into or continued as any other kind of corporation and no attempt to do so is effective.
- 6.3 The Co-operative shall not distribute or pay any of its property to its members during its existence or on its dissolution.
- 6.4 Despite the above, the Co-operative may pay a member reasonable amounts for goods or services provided by the member.
- 6.5 No person shall accept compensation for the withdrawal of its membership in the Co-operative.
- 6.6 The Co-operative may not amalgamate except with another asset-locked corporation.
- 6.7 In the event of dissolution, the assets of the Co-operative after payment of all the debts and liabilities of the Co-operative shall not be distributed among members but shall be distributed to a non-profit co-operative with similar restrictions on the application of its funds to those set out in this Article 6.
- 6.8 Any amendment to the Articles or by-laws of the Co-operative that would have the effect of amending this Article 6 shall be authorized by a special resolution passed by 95% of the voting members in attendance at a duly called meeting of members, and a majority of the members of each membership class.

7. BOND AND LOAN CERTIFICATES

- 7.1 Bondholder's Entitlement – Every bondholder or lender is entitled to a bond certificate in respect to the bonds held or loans made by him/her.
- 7.2 Signatures – Each bond shall bear a minimum of one (1) signature, being that of an officer of the Co-operative. Any signature on behalf of the Co-operative or, where applicable, by any trustee for bondholders or lenders, may be printed, engraved, lithographed or otherwise mechanically or electronically reproduced on the certificate.
- 7.3 Loss of Certificate – In the case of loss, defacement or destruction of a certificate held by a member, the Act of such loss, defacement or destruction shall be reported by such member to the Co-operative with her/his statement verified by

oath or statutory declaration as to the loss, defacement or destruction and the circumstances attending the same and with her/his request for the issuance of a new certificate to replace the one so lost, defaced or destroyed. Upon giving to the Co-operative a bond of a surety company or other security approved by the directors indemnifying the Co-operative against all loss, damage or expense to which the Co-operative may be put by reason of the issuing of a new certificate held by a bondholder or lender, a new certificate may be issued to take the place of the one lost, defaced or destroyed if such issuance is ordered by the President for the time being or by the directors.

- 7.4 Transfer of Certificates – Bond and loan certificates shall not be transferable without the consent of the directors, except as permitted by the articles of the Co-operative.
- 7.5 Interest on member loans – Interest on member loans required as a condition of membership shall be 2% above the prime rate of Luminous Financial or its successor, compounded annually.

8. FINANCIAL

- 8.1 Cheques – All cheques, drafts or other orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons whether or not officers of the Co-operative and in such manner as the directors may from time to time designate.
- 8.2 Banking Arrangements – The banking business of the Co-operative shall be transacted in such banks, trust companies, credit unions or caisse populaires as may from time to time be designated by resolution of the board of directors. Such banking business or any part thereof shall be transacted under such agreements, instructions, and delegations of power as the directors may from time to time prescribe or authorize by resolution.
- 8.3 Custody of Securities – All bonds and securities owned by the Co-operative shall be placed for safe keeping (in the name of the Co-operative) with a credit union, chartered bank or trust company, or the Province of Ontario Savings Office, or with such other corporation as may be determined from time to time by the directors.
- 8.4 Dishonesty – For the Co-operative's protection, either
 - a. the Co-operative shall maintain fidelity insurance in such amounts as reasonably protects it against dishonesty of its employees, or
 - b. every officer or employee of the Co-operative who has charge of or handles money or securities belonging to the Co-operative shall be bonded with a surety company selected by directors for such amounts as may from time to time be prescribed by the directors, but in no case for an amount less than \$1,000.

- 8.5 The directors may prescribe that any other employee or employees of the Co-operative (whether handling money or securities of the Co-operative or not) shall be bonded in such an amount as the directors determine.
- 8.6 Financial Year – The financial year of the Co-operative shall terminate on the last day of December in each year.
- 8.7 Dissolution – In the event of dissolution of the Co-operative, after payment of all its debts and liabilities the remaining property of the Co-operative shall distributed as stated in the Articles as amended.

9. AUDITORS

- 9.1 Appointment and Remuneration – The members at each annual meeting shall appoint an auditor, when it is required by the Act, who is familiar with co-operative accounting and practice. The auditor when appointed shall hold office until the next annual meeting, and if an appointment is not made, the auditor in office shall continue until a successor is appointed. The remuneration of the auditor shall be fixed by the directors.
- 9.2 Access to Books and Information – The auditor shall at all reasonable times have access to the books, accounts and vouchers of the Co-operative and may require from the directors and officers such information and explanations as may be necessary for the performance of her/his duties.
- 9.3 Report – The auditor, if required by the Act or the Treasurer, shall make a report to the members on the financial statements to be laid before the Co-operative at each annual meeting during her/his term of office and shall state in her/his report whether in her/his opinion the financial statement referred to therein presents fairly the financial position of the Co-operative and the results of its operation for the period under review.

10. EXECUTION OF DOCUMENTS

- 10.1 Execution of Documents – Aside from cheques (see paragraph 8.1) documents requiring the signature of the Co-operative may be signed by any 2 of the directors, officers and/or staff members who have been given signing authority by the directors. All documents so signed shall be binding upon the Co-operative without any further authorization or formality. The directors shall have power from time to time by resolution to appoint any officer or officers, person or persons to sign documents generally or to sign specific contracts, documents and instruments in writing on behalf of the Co-operative.

11. NOTICES

- 11.1 Signatures – The signatures on any notice to be given by the Co-operative may be written, stamped, typewritten, printed or affixed electronically.

- 11.2 Method of Giving – Any notice to be given (which term includes sent, delivered, or served) pursuant to the Act, the regulations under the Act, the articles, the by-laws, or otherwise to a member, bondholder, director, officer, auditor, secretary or general manager or member of a committee of the board of the Co-operative shall be sufficiently given if delivered personally to the person to whom it is to be given, mailed to him at his latest address in the records of the Co-operative by prepaid mail, or sent to that person at his/her latest recorded fax or electronic address in the records of the Co-operative by fax or e-mail.
- 11.3 Deemed Receipt – A notice delivered personally shall be deemed to have been given when it is delivered to the recorded address as stated above. A mailed notice shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box, unless there is a reasonable apprehension of a labour dispute which would interrupt mail delivery. A notice sent by means of facsimile transmission or e-mail shall, if sent during normal business without indication of failure, be deemed to have been given at the time of transmission or, if outside of such business hours, on the next following business day.
- 11.4 More Than One Name – All notices with respect to any membership bonds or loans registered in more than one name shall be given to whichever of the persons is named first in the books of the Co-operatives and notice so given shall be sufficient notice to all holders of such bond or loan.
- 11.5 Undelivered Notices – If any notice given to a member pursuant to paragraph 11.2 above is returned on three consecutive occasions because he cannot be found, the Co-operative is not required to send any further notices to such member until the member informs the Co-operative in writing of his/her new address.
- 11.6 Omissions and Errors – The accidental omission to give any notice to any member, director, officer, auditor or member of a committee of the board, or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice.
- 11.7 Transfer of Loans – Every person who by operation of law, transfer or by other means whatsoever shall become entitled to any bond or loan shall be bound by every notice in respect of such bond or loan which previous to her/his name and address being entered on the books of the Co-operative was duly given to the person from whom she/he derives her/his title to such bond or loan.
- 11.8 Certificate of Secretary – A certificate of the Secretary or other duly authorized officer of the Co-operative in office at the time of the mailing of the certificate, as to facts in relation to the giving of notice to any member, director or officer shall be conclusive and binding on every member, director or officer of the Co-operative as the case may be.

- 11.9 Waiver of Notice – Where a notice is required to be given by the Act, the regulations under the Act, the articles, the by-laws, or otherwise, the giving of the notice may be waived or the time for the notice may be waived or abridged with the consent in writing of such person, whether before or after the time prescribed.

12. GENERAL

- 12.1 Head Office – The head office of Co-operative shall be located in the City of Toronto in the Province of Ontario, and at such place there as the directors may from time to time determine.
- 12.2 By-Law Amendments – Except as set out in paragraph 6.8 any by-law of the Co-operative may be enacted or changed by a decision by the Board, confirmed by a two-thirds majority of the votes cast at a general meeting of the members, properly called to make such changes. All by-law changes proposed will be included in the notice of the meeting at which the change will be decided upon.
- 12.3 Interpretation – In all by-laws of the Co-operative, the singular shall include the plural and the plural the singular; the masculine shall include the feminine; the word "person" shall include firms and corporations. Whenever reference is made in this by-law to any statute or section thereof, such reference shall be deemed to extend and apply to any amendment to said statute or section, as the case may be.

BY-LAW NUMBER 2

a by-law authorizing borrowing and pledging

by

TREC SOLARSHARE CO-OPERATIVE (NO. 1) INC.

(the Co-operative)

BE IT ENACTED as a by-law of Co-operative, as follows:

1. The directors of the Co-operative may from time to time, without authorization of the members:
 - a. borrow money upon the credit of the Co-operative by obtaining loans or advances or by way of overdraft or otherwise;
 - b. issue, sell or pledge securities of the Co-operative including bonds, debentures, debenture stock, for such sums on such terms and at such prices as they may deem expedient;
 - c. give guarantee on behalf of the Co-operative to secure the performance of an obligation of any person;
 - d. assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner upon all or any of the real or personal, movable or immovable property, rights, powers, choses in action, or other assets, present or future, of the Co-operative to secure any such securities or other securities of the Co-operative or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Co-operative heretofore, now or hereafter made or incurred directly or indirectly or otherwise; and
 - e. without in any way limiting the aforesaid powers, to give security or promises to give security, agreements, documents and instruments in any manner or form under the *Bank Act* or otherwise to secure any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Co-operative heretofore, now or hereafter made or incurred directly or indirectly or otherwise.
2. Any or all of the foregoing powers may from time to time be delegated by the directors to any one or more of the officers of the Co-operative.
3. This By-law shall remain in force and be binding upon the Co-operative as regards any person acting on the faith thereof until such person has received written notification from the Co-operative that this By-law has been repealed or replaced.
4. The Co-operative may borrow money from its members not being loans made as a condition of membership or as compulsory loans of patronage returns, in such amounts payable on demand or at such times and either without interest or with interest at such rate as the directors may by resolution determine.

SCHEDULE E – 2023 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of
TREC SolarShare Co-operative (No.1) Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TREC SolarShare Co-operative (No.1) Inc., which comprise the statement of financial position as at December 31, 2023, and the statement of operations and changes in net assets (deficiency) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TREC SolarShare Co-operative (No.1) Inc. as at December 31, 2023, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of TREC SolarShare Co-operative (No.1) Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITOR'S REPORT (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 16, 2024

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Page 4

	2023	2022
	\$	\$
ASSETS		
CURRENT		
Cash	1,269,652	2,400,474
Accounts receivable	454,864	373,911
Prepaid expenses	617,273	631,009
Inventory (Note 3)	292,146	320,146
Loan receivable (Note 4)	4,853	8,613
	2,638,788	3,734,153
Debt service reserve fund (Notes 5,6)	1,139,587	1,053,849
Maintenance reserve fund (Note 6)	277,209	266,720
Projects, land and equipment (Note 7)	38,129,444	41,311,913
	39,546,240	42,632,482
	42,185,028	46,366,635



See accompanying notes to the financial statements

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Page 5

	2023	2022
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	260,165	340,249
Debt financing (Note 9)	1,607,626	1,623,165
Community solar bonds (Note 10)	6,384,837	5,970,262
Operational loans (Note 8)	975,884	-
Developer loans (Note 11)	45,416	40,517
Deferred revenue (Note 12)	4,116	4,116
Government remittances payable	143,989	247,074
	9,422,033	8,225,383
LONG-TERM DEBT		
Debt financing (Note 9)	9,052,284	10,023,859
Community solar bonds (Note 10)	30,105,457	33,969,262
Developer loans (Note 11)	258,260	303,704
Deferred revenue (Note 12)	4,116	8,231
	39,420,117	44,305,056
	48,842,150	52,530,439
NET ASSETS (DEFICIENCY)		
CONTRIBUTED SURPLUS	48,980	48,980
UNRESTRICTED NET ASSETS (DEFICIENCY)	(6,706,102)	(6,212,784)
	(6,657,122)	(6,163,804)
	42,185,028	46,366,635

APPROVED ON BEHALF OF THE BOARD

, Director , Director

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIENCY)
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
REVENUES		
Generation revenues	6,775,903	7,109,067
Interest	63,526	22,910
Insurance settlement	52,235	-
Miscellaneous	33,157	7,585
Membership fees	640	1,760
	6,925,461	7,141,322
EXPENSES		
Amortization	3,190,564	3,191,286
Bond interest	1,625,220	1,750,185
Operations and maintenance (Note 3)	1,464,150	1,247,359
Debt financing interest	600,675	652,478
Salaries and wages	225,773	207,247
Project management	132,906	192,500
Interest on notes payable	63,856	25,380
Professional fees	47,957	71,064
Insurance	45,073	22,759
Bank charges	10,529	20,164
Office and general	10,901	11,976
Marketing	1,175	17,572
Bad debts	-	8,065
	7,418,779	7,418,035
(DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(493,318)	(276,713)
NET ASSETS (DEFICIENCY), beginning of year	(6,163,804)	(5,887,091)
NET ASSETS (DEFICIENCY) , end of year	(6,657,122)	(6,163,804)

See accompanying notes to the financial statements

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Page 7

	2023 \$	2022 \$
CASH FROM OPERATING ACTIVITIES		
Cash receipts from generation revenues	6,692,275	7,118,314
Cash receipts from membership fees and other revenue	32,357	8,560
Cash receipts from insurance settlement	52,235	-
Interest received	63,526	22,910
Cash paid to suppliers and employees	(4,369,648)	(4,222,420)
	2,470,745	2,927,364
CASH FROM FINANCING ACTIVITIES		
Debt financing	(107,457)	(1,318,955)
Bonds payable	(3,449,230)	111,767
Advances to developers	(40,545)	(52,548)
	(3,597,232)	(1,259,736)
CASH FROM INVESTING ACTIVITIES		
Purchase of equipment	(8,095)	(18,752)
Repayment of loan receivable	3,760	6,080
	(4,335)	(12,672)
Change in cash	(1,130,822)	1,654,956
Cash, beginning of year	2,400,474	745,518
Cash, end of year	1,269,652	2,400,474

See accompanying notes to the financial statements

STATUS AND NATURE OF ACTIVITIES

TREC SolarShare Co-operative (No. 1) Inc. (the Co-operative and/or SolarShare) is a Non-Profit Co-operative under the Ontario Co-operative Corporations Act.

SolarShare's objective is to promote the development of renewable energy resources in the Province of Ontario.

Using the Co-operative enterprise model, SolarShare provides triple-bottom line benefits to members by offering the opportunity to invest in a democratically controlled, locally owned organization that owns renewable energy projects and promotes further development of renewable energy resources.

1. ECONOMIC DEPENDENCE

SolarShare is economically dependent on the electricity generated from the solar PV installations (approximately 98% of revenue) and the continued financing which they currently have in place. The ability of SolarShare to continue as a viable entity is dependent on this financing. The volume of transactions is normal for SolarShare and is consistent with the industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

SolarShare has elected to apply the standards in Part III of the Chartered Professional Accountants of Canada (CPAC) Accounting Handbook for Not-For-Profit Organizations (NFPOs) in accordance with Canadian generally accepted accounting principles and includes following significant accounting policies.

Consolidation

These consolidated financial statements include the assets, liabilities, and the results of operations of TREC SolarShare Co-operative (No.1) Inc. and its wholly owned subsidiaries:

- Community Solar Assets 1 Limited - CSA1
- Community Solar Assets 2 Limited - CSA2
- Community Solar Assets 4 Limited - CSA4
- Community Solar Assets 5 Limited - CSA5

Continued...

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

These consolidated financial statements also include SolarShare's interest in the following joint ventures:

- TREC SolarShare and 1477400 Ontario Ltd Joint Venture
- Claremont Solar Joint Venture

SolarShare and TREC SolarShare and 1477400 Ontario Ltd Joint Venture are related by means of a 50.9% ownership interest. The purpose of the joint venture is to generate power at two solar projects located in Brampton, Ontario. SolarShare and Claremont Solar Joint Venture are related by means of a 51% ownership interest. The purpose of the joint venture is to generate power at a solar project located in Claremont, Ontario.

The joint ventures have been accounted for using the proportionate consolidation method. All intercompany transactions and balances have been eliminated.

Revenue Recognition

Power Production

SolarShare holds FIT 1 Contracts, FIT 2 Contracts, FIT 3 Contracts and MicroFIT Contracts with the Independent Electricity System Operator (formerly Ontario Power Authority) under Ontario's Feed-In Tariff (FIT) program, which specify tariffs per kilowatt hour for fixed 20 year contracts.

Electricity revenue is recognized based on the electricity produced and delivered to the grid. Revenue is recognized based on energy measured by the Local Distribution Companies (LDCs) as determined by the LDCs meters at periodic dates through the year. Electricity produced from the LDC's last meter reading date to the year end is recognized based on the SolarShare's meters.

Deferred Revenue

SolarShare has received proceeds for hosting a cell system transmitter on a tower at one of the projects and has recorded the payment of future revenue as deferred revenue. Funds are recognized equally on an annual basis over the length of the contract.

Miscellaneous Revenue

Miscellaneous revenue consists of revenue generated from servicing the administrative needs of the Joint Ventures, hosting for an internet provider, from other small services rendered to industry partners, reimbursement for lost revenue and any administrative fees charged to members.

Interest Revenue

Interest revenue is recognized as revenue when earned.

Continued...

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Prepaid Leases

Prepaid leases are amortized on a straight-line basis over the life of the lease.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis. Inventory is reassessed annually against replacement cost and for any obsolescence. Parts held in inventory are expensed as they are put into service. The write-down of inventory to net realizable value is recognized as an expense in the period the write-down occurs. The reversal of a write-down is recognized as a reduction in expense in the period in which the reversal occurs.

Amortization

Amortization on energy production assets is charged using the straight line method over 20 years from start of commercial operation. Amortization on capital spare inverters is charged using the straight line method over 10 years commencing with the installation date. Amortization commences only after the asset reaches commercial operation.

Capital Assets

SolarShare capitalizes all project-related costs incurred related to the construction and/or purchase of the project. Those costs include equipment costs, soft costs and related financing charges for each project. Spare inverters are capitalized if they are considered standby equipment, are only used in connection with the projects, and expect to be used during more than one period.

Financial Instruments

Recognition of Financial Instruments

SolarShare initially recognizes its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. SolarShare subsequently recognizes all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are recognized at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost or amortized include cash, term deposits, accounts receivable and notes receivable. Financial liabilities measured at cost or amortized cost include the accounts payable, notes payable, amounts due to members and long-term debt.

Transaction Costs

SolarShare recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

Continued...

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant estimates SolarShare uses are:

1. Accrued energy revenue based on SolarShare's meters
2. Accrued interest payable based on debt instrument involved
3. Accrued site lease expense based on revenue
4. Accrued audit and insurance recorded based on contracts in place.

3. INVENTORY

	2023 \$	2022 \$
Inventory is comprised as follows:		
Miscellaneous parts	198,835	198,835
Inverter parts	81,600	109,600
Solar panels	8,964	8,964
Sunfield parts	2,747	2,747
Total inventory carried at cost	292,146	320,146

During the year, the change in inventory is recognized in operations and maintenance and the allowance for inventory obsolescence is included therein as follows:

Inventory use	-	306
Write down of inventory for obsolescence	-	-
	-	306

Continued...

4. LOAN RECEIVABLE

SolarShare has provided a loan to an individual who supplies grass maintenance services to SolarShare for the purpose of expanding the provider's business.

Date	May 29, 2020
Limit	\$26,500
Type	Limited Recourse Grid Note
Description	Payable to TREC SolarShare Co-operative (No.1) Inc. by Gerald Gemmil.
Interest Rate	4% annually, calculated on a daily basis.
Repayment Terms	3 equal payments per year.

5. DEBT SERVICE RESERVE FUND

The debt service reserve fund represents funds held in trust controlled by the Lender, or an institutional trust company as its agent, which may be invested upon direction of CSA1 and CSA2, respectively. Interest earned is recorded as an addition to the reserve fund principal on the CSA1 and CSA2 statements.

The funds are held as security for the financing provided from the Lenders, as described in Note #9.

If CSA1 or CSA2 are unable to meet the debt service coverage ratio of 1.5:1 as outlined in Note #9, the Lender will be empowered to access the funds and withdraw a sufficient amount to meet debt payments, operating costs and working capital requirements.

6. MAINTENANCE RESERVE FUND

Funds in the maintenance reserve fund may be used for major maintenance replacement with the approval of the Lender. CSA1 and CSA2 have begun making contributions to the maintenance fund as per the borrowing agreement.

	CSA1	CSA2	Total 2023	Total 2022
Debt Service Reserve	95,995	1,043,592	1,139,587	1,053,849
Maintenance Reserve	46,055	231,154	277,209	266,720

Continued...

6. MAINTENANCE RESERVE FUND (Continued)

CSA1 has not used any portion of its Maintenance Reserve Fund. CSA2 has used its Maintenance Reserve Fund to finance the purchase of new inverters for one of the projects. These inverters were purchased prior to the end of the useful life of the initial inverters. The original inverters are to be held in inventory and used as rotating stock on the CSA2 sites to reduce downtime as inverters need to be swapped out for repair.

CSA1 Major Maintenance Reserve Accounting	2023	2022
Opening balance	44,312	37,738
Contributions to the Reserve	-	6,035
Interested earned in the Reserve	1,743	539
Major maintenance costs incurred	-	-
Closing balance	46,055	44,312

CSA2 Major Maintenance Reserve Accounting	2023	2022
Opening balance	222,408	146,314
Contributions to the Reserve	-	74,000
Interested earned in the Reserve	8,746	2,094
Major maintenance costs incurred	-	-
Closing balance	231,154	222,408

7. PROJECTS, LAND AND EQUIPMENT

Project Capital Assets Include:

1. Equipment Costs: All purchase and construction costs.
2. Project Costs: Costs relating to project development prior to commercial operation or acquisition including loan interest expenses, legal fees, banking fees, staff time, development fees and engineering studies and reports.
3. Land Assets: Purchases of land associated with or required by project development.

Capital Assets are described in Appendix 1.

Continued...

8. OPERATIONAL LOANS

Community Solar Assets 4

Date	October 25, 2019
Limit	\$5,000,000
Type	Limited Recourse Grid Note
Description	This note is payable to 227118 Holdings Ltd.
Interest rate	This loan carries an interest rate of 3.5% annually, calculated on a daily basis.
Repayment terms	CSA4 may repay the loan at any time without notice or penalty.
Security	None

During the current the previous fiscal year, \$920,000 was called and \$4,500,000 was repaid on the loan. The loan was repaid during the 2022 fiscal year.

Community Solar Assets 4

Date	April 11, 2023
Limit	\$5,000,000
Type	Limited Recourse Grid Note
Description	This note is payable to 227118 Holdings Ltd.
Interest rate	This loan carries an interest rate of Royal Bank prime rate minus 1.20%, as determined on the last day of each month, but in any case shall be no lower than 3.50% and calculated on a daily basis.
Repayment terms	CSA4 may repay the loan at any time without notice or penalty.
Security	None

	2023	2022
Principal at year end	-	-
Interest in the year	50,884	13,990
Balanced owed at year end	975,884	-

During the current the fiscal year, \$1,875,000 was called and \$900,000 was repaid on the loan.

Continued...

9. DEBT FINANCING

Both CSA1 and CSA2 have secured long term debt against their respective assets as described in the tables below.

	CSA1	CSA2
Type	Term loan	Term loan
Lender	Equitable Life Insurance Company of Canada	CorpFinance International Ltd.
Interest Rate:	4.789% compounded monthly and payable monthly in arrears.	5.262% compounded monthly and payable monthly in arrears.
Term:	February 20, 2015 to February 20, 2031.	September 6, 2017 to March 31, 2033.
Repayment:	Monthly and sculpted over the life of the loan as per the amortization schedule.	Monthly, sculpted and declining rate changing June/December each year for the term of the loan as per the amortization schedule.
Security:	A first-ranking charge and perfected security interest against all assets of CSA1.	A first-ranking charge and perfected security interest against all assets of CSA2.
Debt Service Coverage Ratio (DSCR)	The CSA1 and CSA2 portfolios have non-recourse commercial term loans in place. The terms of the commercial loans require that if the Debt Service Coverage Ratio (DSCR) (calculated on the latest four quarters' results) falls below 1.50, the level of cash reserves must be increased; if the DSCR falls below 1.20, the loan is in default. The following table shows the DSCR ratios for CSA1 and CSA2:	
	CSA1	CSA2
	2023 1.66:1	2023 1.48:1
	2022 1.84:1	2022 1.52:1
	2021 1.49:1	2021 1.51:1
	2020 1.69:1	2020 1.51:1
	2019 1.45:1	2019 1.36:1
	2018 1.43:1	2018 1.43:1
	2017 1.64:1	2017 5.27:1
	2016 1.73:1	2016 N/A

As at December 31, 2023, the DSCR was below 1.50:1 for CSA2 and thus subject to deemed compliance per the credit agreements although not to the point of default (1.20:1) of this specific requirement of the respective lender. When the DSCRs are not in compliance but have not defaulted, CSA1 and CSA2 are required to deposit all available cash, post expenses, on a monthly basis, to the Reserve Fund, until the account has a balance equal to 6 months (CSA1) or 12 months (CSA2) worth of scheduled payments or the DSCR is back in compliance.

Continued...

9. DEBT FINANCING (Continued)

As at December 31, 2023, the DSCR was greater than 1.50:1 for CSA1. Under the terms of the loan, when the DSCR is greater than 1.50:1, a reserve of 3 months (CSA1) or 6 months (CSA2) of principal and interest is set aside.

CSA1	2022	2023	2024	2025	2026	2027	2028
Loan Balance	2,437,989	2,177,644	1,908,549	1,630,282	1,342,399	1,044,434	735,900
Less: Amortized Financing Costs	(111,900)	(98,072)	(84,244)	(70,416)	(56,588)	(42,760)	(28,932)
	2,326,089	2,079,572	1,824,305	1,559,866	1,285,811	1,001,674	706,968
Current Portion	371,418	367,509	363,595	359,676	355,751	351,820	347,883
Long Term Portion	1,954,671	1,712,063	1,460,710	1,200,190	930,060	649,854	359,085

CSA2	2022	2023	2024	2025	2026	2027	2028
Loan Balance	9,498,793	8,740,835	7,954,340	7,137,781	6,289,549	5,407,953	4,491,213
Less: Amortized Financing Costs	(267,487)	(241,650)	(215,813)	(189,976)	(167,139)	(138,302)	(112,465)
	9,231,306	8,499,185	7,738,527	6,947,805	6,125,410	5,269,651	4,378,748
Current Portion	1,243,271	1,231,207	1,219,133	1,207,045	1,194,942	1,182,823	1,184,387
Long Term Portion	7,988,035	7,267,978	6,519,394	5,740,760	4,930,468	4,086,828	3,194,361

A non-revolving term loan was made available to the Claremont Solar Joint Venture, effective September 2, 2016 in the aggregate amount of up to \$263,760 (of which the Co-operative's interest is \$134,518). The loan is to be used for working capital purposes in connection with the Project of the Joint Venture Agreement. The loan shall bear interest a rate equal to 5% per annum on the unpaid principal amount of the Loan and accrues daily.

Claremont JV	2022	2023	2024	2025	2026	2027	2028
Loan Balance	89,629	81,153	72,243	62,877	53,032	42,684	31,806
Current Portion	8,476	8,910	18,364	9,845	10,348	10,878	11,434
Long Term Portion	81,153	72,243	62,877	53,032	42,684	31,806	20,372

Continued...

10. COMMUNITY SOLAR BONDS

The Financial Services Regulatory Authority of Ontario (formerly the Financial Services Commission of Ontario) has accepted receipt of SolarShare's Offering Statements to offer Solar Bonds to the public under a series of sequential Offering Statements as follows:

Date of Offering Statement	Expiry	Total Bonds Issued by Offering (to December, 31 2023)
As of July 2019: Regulated by the Financial Services Regulatory Authority		
May 1, 2023	April 30, 2024	\$1,863,700
May 1, 2022	April 30, 2023	\$5,981,000
Jan 1, 2021	Dec 31, 2021	\$9,923,977
Nov 22 2019	Nov 21 2020	\$14,545,496
Prior to 2019: Regulated by the Financial Services Commission of Ontario		
May 17 2018	May 17 2019	\$3,393,000
May 16 2017	May 16 2018	\$10,620,000
May 16 2016	April 30 2017	\$9,863,250
May 01 2015	April 30 2016	\$7,444,793
Nov 01 2014	April 13 2015	\$6,694,775
Oct 13 2013	Oct 12 2014	\$3,031,000
Oct 12 2012	Oct 11 2013	\$2,148,000
Aug 2011-Oct 2012	Not receipted, co-op exemption	\$156,000

Description:	SolarShare is currently issuing three types of Solar Bonds.
Security:	Solar Bonds are secured by mortgages of the leases of properties where Solar projects are located and by security interests in certain assets of SolarShare and subsidiaries. The security of Solar bonds stand in first position, but behind Long Term Debt in the case of CSA1 and CSA2.
Fair Value of Security:	Based on internal valuations, SolarShare is obliged to maintain the net present value of future cashflows net of Debt Financing, in excess of the face value of the outstanding Solar Bonds. Based on internal valuation, estimated net present value of future cash flows net of Debt Financing at December 31, 2023 exceeds outstanding Solar Bonds.

Continued...

10. COMMUNITY SOLAR BONDS (Continued)

Bond Type	Interest Rate	Conditions	Maturity	Outstanding balance, net of redemption	
				2023	2022
Original Bond	5%	Paid semi-annually	Pre-2014: 5 years after issue date Offering 201411: Oct 31 2019 Offering 201505: April 30 2020 Offering 201605: April 30 2021 Offering 201705: 5 years after issue date Offering 201805: 5 years after issue date.	313,000	4,577,000
CWCF Bond	5%	Compounded annually on anniversary.Bonds held in RRSP/RRIF/TFSA.	Not currently offered. Offering 201411: Oct 31 2019 Offering 201505: April 30 2020 Offering 201605: April 30 2021 Offering 201705: 5 years after issue date. Offering 201805: 5 years after issue date.	354,928	1,672,652
Long Bond	6%	Principal and Interest payments commencing 6 months after issue	Not currently offered. Offering 201505: April 30 2030 Offering 201605: April 30 2031 Offering 201705: 5 years after issue date. Offering 201805: 5 years after issue date.	3,474,563	3,789,030
Original Bond	4%	Paid semi-annually	Not currently offered. Offering 201911: 5 years after issue date. Offering 202101: 5 years after issue date.	19,869,000	19,970,000
CWCF	4%	Compounded annually on anniversary.Bonds held in RRSP/RRIF/TFSA.	Offering 201911: 5 years after issue date. Offering 202101: 5 years after issue date.	4,634,103	4,489,842
Original Bond	3%	Paid semi-annually	Offering 202201: 2 years after issue date.	919,000	919,000
Original Bond	4.5%	Paid semi-annually	Offering 202201: 2 years after issue date.	5,062,000	4,465,000
Original Bond	3.5%	Paid semi-annually	Holding Accounts Offering 202305: 3 years after issued date	- 92,500	57,000 -
Original Bond	4%	Paid semi-annually	Offering 202305: 4 years after issue date	201,000	-
Original Bond	4.5%	Paid semi-annually	Offering 202305: 5 years after issue date	1,570,200	-
				36,490,294	39,939,524

Continued...

10. COMMUNITY SOLAR BONDS (Continued)

The maximum amount of Community Solar Bonds to be redeemed or reinvested in the next five years are as follows:

	2022	2023	2024	2025	2026	2027	2028
Long Bond	314,636	332,909	354,175	375,758	398,567	422,829	448,583
Other	5,655,626	6,051,928	15,040,863	10,151,740	201,000	1,570,200	-
Current Portion	5,970,262	6,384,837	15,395,038	10,527,498	599,567	1,993,029	448,583
Long Term Portion	33,969,262	30,105,457	14,710,419	4,182,920	3,583,353	1,590,325	1,141,742
Total	39,939,524	36,490,294	30,105,457	14,710,418	4,182,920	3,583,354	1,590,325

11. DEVELOPER LOANS

Developer Loan	Solera Sustainable Energies Companies Ltd.	Morgan Solar
Type	Deferred payment	Holdback on Invoices Payable
Description:	This deferred payment is payable to Solera Sustainable Energies Company Limited.	An amount retained from payment due to Lender to provide security against a Limited Product Warranty. In the event the Lender defaults on its obligations under the terms of the warranty, SolarShare can reduce the principal repayment of the loan and rectify the default.
Amount	Maximum of \$341,915 as per agreement.	\$109,637.46
Interest Rate:	2.5% per year	5.5% per annual from the Advance date (Sept 30 2017)
Term:	11 years commencing October 27, 2015	10 years commencing Sept 30, 2017
Repayment:	Commencing on the fifth anniversary of the agreement. Annual payments based on terms of the agreement	Annual repayments of \$10,963.75 CAD principal plus interest for the period on the anniversary date of the advance.
Security:	None	None.

Continued...

11. DEVELOPER LOANS (Continued)

Solera Sustainable Energies Company Ltd.	2022	2023	2024	2025	2026	2027	2028
Opening balance	330,082	288,649	259,070	224,644	185,924	143,490	97,828
Principal payments	41,433	29,579	34,426	38,720	42,434	45,662	48,684
Interest (2.5% per annum)	7,815	7,216	6,477	5,616	4,648	3,587	2,446
Interest payments	7,815	7,216	6,477	5,616	4,648	3,587	2,446
Closing balance	288,649	259,070	224,644	185,924	143,490	97,828	49,364
Current portion	29,553	34,452	38,720	42,434	45,662	48,464	49,364
Long term portion	259,096	224,618	185,924	143,490	97,828	49,364	-

Morgan Solar	2022	2023	2024	2025	2026	2027	2028
Opening balance	66,687	55,572	44,605	33,343	22,229	11,115	-
Principal payments	10,964	10,964	10,964	10,964	10,964	10,964	-
Interest (5.5% per annum)	3,467	2,865	2,261	1,658	1,055	452	-
Interest payments	3,618	2,867	2,559	1,809	1,206	603	-
Closing balance	55,572	44,606	33,343	22,229	11,115	-	-
Current portion	10,964	10,964	10,964	10,964	10,964	-	-
Long term portion	44,608	33,642	22,379	11,265	151	-	-

12. DEFERRED REVENUE

The deferred revenue balance relates to a hosting agreement paid by an internet provider as a result of the Dane Tower that exists on the purchased land. The term of the agreement is 7 years of which the revenue was paid upfront. The revenue to be earned in the next 12 months is presented as current. The revenue will be recognized on a straight line basis as follows:

	2019	2020	2021	2022	2023	2024	2025
Revenue	\$4,116	\$4,116	\$4,116	\$4,116	\$4,116	\$4,116	\$4,114
Deferred	\$24,694	\$20,578	\$16,463	\$12,347	\$8,230	\$4,114	\$0

Continued...

13. FINANCIAL INSTRUMENTS

SolarShare is exposed to various risks through its financial instruments. The following represents SolarShare's exposures to risk at December 31, 2023.

Risk Management

SolarShare manages its exposure to risks associated with financial instruments by not dealing in any financial instruments that will have a detrimental effect upon its operating or financial performance. The objective is to avoid exposure to the risks.

Liquidity Risk

Liquidity risk is the risk that SolarShare will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of SolarShare not being able to liquidate assets in a timely manner at a reasonable price.

SolarShare meets its liquidity requirements by preparing and monitoring detailed forecasts of cashflows from obligations, anticipating investing and financing activities, securing access to short term capital and holding assets that can be readily converted into cash.

Credit Risk

SolarShare's credit risk exists with the local distribution companies (LDC).
See Appendix 1 for LDCs by project.

Interest Rate Risk

SolarShare has the following investments that earn interest income:

Item	Community Solar Assets 1
Description	Debt Service Coverage Reserve Fund
Invested with	HSBC
Investment	GIC
Term	September 11, 2023 to September 11, 2024
Rate	5.15% per annum
Principal	\$94,908.66
Maturity Value	\$99,809.85

Continued...

13. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk (continued)

Item	Community Solar Assets 2
Description	Debt Service Coverage Reserve Fund
Invested with	HSBC
Investment	GIC
Term	September 8, 2023 to September 9, 2024
Rate	5.15% per annum
Principal	\$1,027,000
Maturity Value	\$1,080,180.31

Note: The remaining balance of the Debt Service Coverage Reserve Fund is held in a bank account controlled by the lender on behalf of CSA2.

SolarShare also has loan obligations that carry interest including developer loans at 2.5% and 5.5%, operational loans at 3.5% and Solar Bonds payable carry an interest rate of 3%, 3.5%, 4%, 4.5%, 5% and 6%. Interest rates on future bond offerings may vary from rates stated here.

Fair Value

The fair values of cash, accounts receivable and accounts payable are approximately equal to their carrying value due to their short term nature.

The fair value of notes payable is determined using the present value of future cash flows under current financing agreements, based on market interest rates for loans with similar conditions and maturities.

Change in Risk

There has been no significant change in the SolarShare's risk exposure from the prior year.

14. CONTRACTUAL OBLIGATIONS

TREC Renewable Energy Fund

SolarShare has entered into an agreement with TREC to transfer all accounting surplus after allowances for cash flow needs and required maintenance reserves (at the Board's discretion) to a Renewable Energy Fund managed by TREC. Transfers to the fund are subject to the terms and conditions in the agreement. The funds will be reinvested in approved community power projects.

Continued...

14. CONTRACTUAL OBLIGATIONS (continued)

TREC Services

SolarShare has entered into an agreement where TREC will provide some back-office services for the Co-operative according to agreed upon schedules. This Agency Agreement is effective January 1st, 2024 for a term of 12 months.

Community Wealth Co-operative

SolarShare has an agreement with Community Wealth to transfer to them 25% of the surplus resulting from the operations of the eight projects which SolarShare took over from the Green Timiskaming Co-operative. The surplus is to be calculated by SolarShare at the end of the FIT Contracts on these projects.

15. DONATED PROPERTY AND SERVICES

During the year, substantial amounts of voluntary services were provided. Because these services are not normally purchased by SolarShare, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

16. LEASE COMMITMENTS

SolarShare is committed to 20-year lease agreements on each of the properties where it has energy assets located. Future lease obligations are estimated to be as follows:

Lease Commitments	2023 Actual	2024	2025	2026	2027	2028	Future
Operational Projects	593,455	522,375	522,375	522,375	522,375	522,375	2,960,567

A portion of the lease payments are based on percentage 3.3%-10% of gross revenue earned by those projects. Future amounts cannot be estimated at this point and are not included above, while some projects have prepaid leases. These amounts are not included in the future lease obligations above.

Continued...

17. RELATED PARTY TRANSACTIONS

Related Party Transactions	Relationship	Transaction	2023	2022
TREC Renewable Energy Co-operative	Under the terms of an Agency Agreement, TREC was engaged to provide the following services	Services fees for:	\$131,121	\$194,393
		Campaign Mgmt	\$13,818	\$13,623
		Finance Mgmt	\$60,984	\$80,321
		Investment Mgmt	\$51,983	\$92,107
		Hr Mgmt	\$3,936	\$4,598
		Reimbursement for cost	\$6,961	\$3,744
		Amount due	\$32,482	\$14,700
Iler Campbell LLP	One of the retired partners of the legal firm is the Trustee of the bondholders, and a former SolarShare Secretary and Director.	Legal Fees Paid	\$6,961	\$14,824
		Amount due	\$-	\$1,726
Ambrose Raftis	Former SolarShare Director and former Operations and Maintenance Committee member.	Snow removal, site maintenance, landlord and member relations for the Timiskaming area	\$10,882	\$7,365
227118 Holdings Ltd.	The owner of this company is the president of SolarShare.	Interest paid	\$50,884	\$13,990
		Amount due	\$975,884	\$0

Related party transactions are measured at the exchange amount. Related party transactions that result in a financial liability are recorded using undiscounted cashflows, excluding interest.

Continued...

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
NOTES TO THE FINANCIAL STATEMENTS - APPENDIX 1
DECEMBER 31, 2023

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Operational Projects								
	Total Capital Assets	Sunfields	TREC SolarShare Co-op (No.1) Inc. Waterview	Panjetan	Earlton	Dewey	Joint Venture 111 Vankirk 153 Vankirk	Joint Venture Claremont
Description		17 Groundmount PV Trackers	Rooftop Array	Rooftop Array	Rooftop Array	Groundmount	Rooftop Arrays	Rooftop Arrays
Size (DC)		204kW (17x12kW)	438kW	162kW	250kW	250kW	1200kW (600x2)	100kW
Location		Across southern Ontario	Mississauga	GTA	Timiskaming	Kingston	GTA	Pickering
Commercial Operation Date		Mar 6 - Sept 30 2011	Nov 19 2011	Aug 24 2015	Aug 2 2016	Aug 23 2018	May 28-2015, Apr 13-2015	June 15, 2015
Contract End Date		Mar 6 -Sept 30 2031	Nov 18 2031	Feb 25 2035	Feb 28 2036	Aug 27 2037	Feb 20 2035	Feb 25 2035
Local Distribution Company		HydroONE	Alectra	Alectra	Hydro One	Hydro One	Alectra	Elelexicon
Pre-COD Interest	293,434	57,674	159,799	4,861	366	13,470	57,264	-
Equipment Costs	7,749,195	1,726,840	1,899,686	653,381	657,151.00	725,627.00	1,918,415	168,095
Project Costs	699,015	141,232	225,099	39,531	11,411	158,111	109,010	14,621
Amortization to Dec 31 2023	(4,398,002)	(1,220,121)	(1,380,269)	(298,193)	(265,161.00)	(251,848.00)	(910,957)	(71,453)
Balance as at Dec 31 2023	4,343,642	705,625	904,315	399,580	403,767	645,360	1,173,732	111,263

Operational projects						
	Total	Ontario St	Champion	Michael Street	GoodMark	Vanastra
Description		Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array
Size (DC)		140kW	249kW	150kW	134kW	366kW
Location		St Catherine's	Moose Creek	Ottawa	GTA	Vanastra
Commercial Operation Date		Nov 14 2012	July 15 2013	Sept 24 2013	Nov 20 2013	April 14 2014
Contract End Date		Nov 13 2032	July 14 2033	Sept 23 2033	Nov 19 2033	April 13 2034
Local Distribution Company		Alectra	HydroONE	Hydro Ottawa	Toronto Hydro E.S.	HydroONE
Pre-COD Interest	65,010		27	16,986	8,172	39,825
Equipment Costs	5,819,469	745,081	1,484,566	910,455	491,310	2,188,057
Project Costs	487,059	54,756	69,539	58,415	206,944	97,405
Amortization to Dec 31 2023	(3,237,984)	(443,243)	(809,444)	(505,251)	(356,157)	(1,123,889)
Balance as at Dec 31 2023	3,133,554	356,594	744,688	480,605	350,269	1,201,398

Operational projects		
	Total	Community Solar Assets 1 Ltd
Description		Renfrew
Size (DC)		Ground Mount 600kW
Location		Braeside ON
Commercial Operation Date		Dec 19 2016
Contract End Date		Aug 26 2036
Local Distribution Company		Hydro One
Pre-COD Interest	-	
Equipment Costs	3,271,537	3,271,537
Project Costs	14,304	14,304
Land	200,000	200,000
Amortization to Dec 31 2023	(600,637)	(600,637)
Balance as at Dec 31 2023	2,885,204	2,885,204

Continued...

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
NOTES TO THE FINANCIAL STATEMENTS - APPENDIX 1
 DECEMBER 31, 2023

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Operational Projects											
Community Solar Assets 2 Ltd											
	Total	Summerville	Holtby	80 VanKirk	Midair	Keele	Basaltic	Abeline	Keeler	Stronach	Orenda
Description		Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array	Rooftop Array
Size (DC)		300kW	600kW	600kW	600kW	300kW	300kW	550kW	300kW	500kW	320kW
Location		GTA	GTA	GTA	GTA	GTA	GTA	GTA	Colborne ON	GTA	GTA
Commercial Operating Date		Oct 6 2014	Oct 2 2014	March 27-2015	April 20 2015	May 22 2015	Feb 20 2015	July 13 2015	Nov 10 2017	Sept 2 2016	Oct 22 2015
Contract End Date		Oct 5 2034	Oct 1 2034	Feb 20 2035	Feb 20 2035	Feb 25 2035	Feb 19 2035	Feb 25 2035	Nov 9 2037	Mar 1 2036	April 22 2035
Local Distribution Company		Alectra	Alectra	Alectra	Alectra	Alectra	Alectra	Alectra	Hydro One	Alectra	Alectra
Pre-COD Interest	308,999	24,662	55,679	48,120	63,231	41,833	20,623	24,608	-	23,807	6,436
Equipment Costs	18,007,782	1,188,756	2,446,806	2,825,309	3,303,496	1,107,948	1,080,865	3,111,055	370,000	1,322,101	1,251,446
Project Costs	943,802	25,212	49,818	44,465	55,684	533,135	110,709	23,006	33,277	16,431	52,065
Inverters	51,991	-	-	-	-	-	-	-	-	-	51,991
Amortization to Dec 31, 2023	(8,314,723)	(570,081)	(1,174,700)	(1,281,920)	(1,495,507)	(731,394)	(535,387)	(1,357,555)	(63,139)	(508,685)	(548,610)
Balance as at Dec 31, 2023	10,997,851	668,549	1,377,603	1,635,974	1,926,904	951,522	676,810	1,801,114	340,138	853,654	761,337

Operational Projects												
Community Solar Assets 4 Ltd												
	Total	Wintergreen	Lovell	Kaladar	Sundance 1	Sundance 2	Sundance 3	Sundance 4	Sundance 5	Sundance 6	Sundance 7	Sundance 8
Description		Rooftop Array	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount	Ground Mount
Size (DC) - Estimated		600kW	600kW	300kW	600kW	600kW	600kW	600kW	600kW	600kW	600kW	600kW
Location		Kingston	Kingston	Kingston	Timiskaming	Timiskaming	Timiskaming	Timiskaming	Timiskaming	Timiskaming	Timiskaming	Timiskaming
Commercial Operating Date		Jun 7 2017	Jun 8 2017	Jun 19 2017	Jan 22 2018	Dec 22 2017	Oct 11 2017	Sept 22 2017	Aug 31 2017	Sept 22 2017	Aug 31 2017	Aug 31 2017
Contract End Date		Jun 7 2037	Jun 7 2037	Jun 18 2037	Aug 27 2037	Aug 27 2037	Aug 27 2037	Aug 26 2037	Aug 26 2037	Aug 27 2037	Aug 26 2037	Aug 26 2037
Local Distribution Company		HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne	HydroOne
Pre-COD Interest	24,779	904	5,392	1,600	(13,797)	(13,297)	5,202	4,921	8,729	7,731	8,697	8,697
Equipment Costs	24,025,899	2,331,928	2,210,410	1,179,496	2,268,334	2,292,924	2,308,239	2,279,198	2,307,549	2,279,258	2,283,588	2,283,488
Project Costs	245,700	36,161	55,122	34,744	13,865	15,065	14,658	15,858	14,658	14,658	15,858	15,053
Land	77,856	-	-	-	-	-	-	-	-	-	-	-
Snow Machinery	72,591	-	-	-	-	-	-	-	-	-	-	-
Amortization to Dec 31, 2023	(7,677,632)	(773,144)	(741,138)	(395,148)	(692,055)	(693,290)	(723,862)	(721,750)	(738,130)	(722,274)	(730,912)	(730,625)
Balance at Dec 31, 2023	16,769,193	1,595,849	1,529,786	820,692	1,576,347	1,601,402	1,604,237	1,578,227	1,592,806	1,579,373	1,577,231	1,576,613

Consolidated	Operational	Assets within JVs	Consolidated Total
Pre-COD Interest	634,958	57,264	692,222
Equipment Costs	56,787,372	2,086,510	58,873,882
Project Costs	2,266,249	123,631	2,389,880
Inverters	51,991	-	51,991
Land	277,856	-	277,856
Snow Machinery	72,591	-	72,591
Amortization to Dec 31 2023	(23,246,568)	(982,410)	(24,228,978)
Balance of Capital Assets Dec 31 2023	36,844,449	1,284,995	38,129,444

SCHEDULE F – MARCH 31, 2024 INTERIM FINANCIAL STATEMENTS

Please note that these interim financial statements for March 2024 do not include the consolidation of the Claremont JV.

TREC SolarShare Co-operative (No.1) Inc. Interim Financial Statements

Jan 01, 2024 - Mar 31, 2024*

These consolidated financial statements include the assets, liabilities, and the results of operations of TREC SolarShare Co-operative (No.1) Inc and its wholly owned subsidiaries:

- Community Solar Assets 1 Ltd
- Community Solar Assets 2 Ltd
- Community Solar Assets 4 Ltd
- Community Solar Assets 5 Ltd

These consolidated financial statements also include SolarShare's interest in the following Joint Ventures using the proportionate consolidation method. All intercompany transactions and balances have been eliminated.

- TREC SolarShare and 1477400 Ontario Limited Joint Venture (50.9%)
- Claremont Solar Joint Venture (51%)

*Claremont Joint Venture consolidated as at Dec 31, 2023. Interim statements for the Joint Venture are unavailable at this time.

Consolidated TREC SolarShare Co-operative (No.1) In Comparative Balance Sheet

	<u>As at Mar 31, 2024</u>	<u>As at Mar 31, 2023</u>
ASSET		
Current Assets		
Total Cash	600,689	485,489
LTD Debt Service Coverage Total	1,146,527	1,053,849
LTD Maintenance Reserve Net	357,443	266,720
Total Receivable	888,945	617,908
Total Prepays	482,472	489,211
Lease Deposits	91,250	91,250
Equipment Inventory	292,146	320,146
Total Current Assets	<u>3,859,471</u>	<u>3,324,573</u>
Long Term Assets		
Gemmill Loan	4,878	8,698
Total Long Term Assets	<u>4,878</u>	<u>8,698</u>
Capital Assets		
Pre COD Interest	692,222	692,222
Equipment Total	58,757,773	58,757,773
Project Costs Total	2,389,881	2,389,881
Accumulated Amortization	(24,942,587)	(21,764,475)
Claremont Project Assets	168,095	168,095
Claremont Project Amortization	(71,453)	(63,052)
Total Capital Assets	<u>36,993,931</u>	<u>40,180,444</u>
Machinery Assets		
Snow Clearing Machinery	80,685	72,591
Amortization of Snow Clearing Equip	(19,583)	(15,531)
Total Machinery Assets	<u>61,103</u>	<u>57,060</u>
Land Assets		
Land Purchased	277,856	277,856
Total Land Purchased	<u>277,856</u>	<u>277,856</u>
TOTAL ASSET	<u>41,197,240</u>	<u>43,848,631</u>

Consolidated TREC SolarShare Co-operative (No.1) In Comparative Balance Sheet

	<u>As at Mar 31, 2024</u>	<u>As at Mar 31, 2023</u>
LIABILITY		
Current Liabilities		
227118 Holdings Operational Loan	1,075,000	-
Accounts Payable	194,295	55,402
Adjustment to AP - Consolidation	(48,677)	(870)
Total Accrued Interest Payable	500,365	489,450
Accrued Liabilities Year End	26,200	-
Misc Payable	1,781	797
Morgan Solar Loan -GT	45,209	56,325
Solera Loan Payable-Orenda	260,690	290,453
Deferred Revenue	4,116	8,231
Claremont JB AP	8,183	1,341
HST Owing (Refund)	44,143	22,774
Total Current Liabilities	<u>2,111,304</u>	<u>923,903</u>
Long Term Liabilities		
Investment Holding Accounts Total	159,000	1,000
Total Bonds Payable	35,869,226	38,540,268
Net LTD	10,430,696	11,419,479
Claremont JV LTD Current	8,910	8,476
Claremont JV LTD Long Term Portion	72,243	81,153
Total Long Term Liabilities	<u>46,540,075</u>	<u>50,050,376</u>
TOTAL LIABILITY	<u>48,651,379</u>	<u>50,974,279</u>
EQUITY		
Surplus (Deficit)		
Earnings (Deficit) - Previous Years	(6,657,120)	(6,163,802)
Current Surplus (Deficit)	(797,019)	(961,846)
Total Retained Earnings	<u>(7,454,139)</u>	<u>(7,125,648)</u>
TOTAL EQUITY	<u>(7,454,139)</u>	<u>(7,125,648)</u>
LIABILITIES AND EQUITY	<u>41,197,240</u>	<u>43,848,631</u>

Consolidated TREC SolarShare Co-operative (No.1) In Comparative Income Statement

	Actual Jan 01, 2024 to Mar 31, 2024	Actual Jan 01, 2023 to Mar 31, 2023
REVENUE		
Power Revenue		
Total Power Revenue	1,008,086	808,537
Other Revenue		
Total Other Revenue	12,339	5,296
TOTAL REVENUE	1,020,426	813,834
EXPENSE		
Operating and Maintenance Costs		
Total Operating and Maintenance	351,895	277,303
Payroll Expenses		
Total Payroll Expense	51,616	68,640
General & Administrative Expenses		
Total General & Admin. Expenses	72,479	46,492
Interest		
Total Interest	534,985	576,774
Amortization		
Total Amortization	806,470	806,470
TOTAL EXPENSE	1,817,445	1,775,679
NET INCOME	(797,019)	(961,846)

**Consolidated TREC SolarShare Co-operative (No.1) In
Statement of Cash Flows Jan 01, 2024 to Mar 31, 2024**

Cash Flows from (used in) Operating Activities

Net Income (Loss)	(797,019)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Amortization, Depreciation, and Depletion	
Amortization	794,528
Amortization of Snow Clearing Mach	2,026
Decrease (Increase) in Operating Assets	
LTD Debt Service Bank Acct	(6,940)
LTD Maintenance Reserve	(80,234)
Accrued Power Receivable	(413,478)
Adjustment to AR - Consolidation	12,553
Bank Deposits/Receivables Pending	(15,410)
Bond Principal Prepaid Monthly	7,065
Prepaid Insurance	48,434
Prepaid Lease	(6,194)
Payable (Prepaid) - SF/CM/ET Lease	(5,755)
Gemmill Loan	(25)
Amortization of Snow Clearing Equip	2,026
Accounts Receivable	(17,744)
Increase (Decrease) in Operating Liabilities	
227118 Holdings Operational Loan	150,000
Adjustment to AP - Consolidation	(30,144)
227118 Holdings Loan Interest	14,045
Caldwell RRIF Interest Payable	(2,505)
Current Long Bond Interest Payable	(3,424)
Accrued Bond Interest Payable	279,606
Current CWCF Bond Interest	(8,021)
Misc Payable	(460)
Morgan Solar Loan -GT	603
Solera Loan Payable-Orenda	1,619
Deferred Revenue	(4,116)
Atticus CASH - bonds holding	9,000
Bond Matured - Holding	150,000
Bonds 2018	(313,000)
Bonds 2019	(138,000)
Bonds 2021	(54,000)
Bonds 2022 4.5%	(5,000)
Bonds 2023 3 year	14,000
Bonds 2023 4 year	42,000
Bonds 2023 5 year	294,000
Long Bonds 2015	(42,061)
Long Bonds 2016	(47,688)
Long Bonds 2017	(40,995)
Long Bonds 2018	(4,841)
CWCF Bonds 2018	(195,697)
CWCF Bonds 2019	33,706
CWCF Bonds 2021	1,429
CWCF TFSA Bonds 2018	(159,231)
CWCF TFSA Bonds 2021	2,338
Caldwell RRIF Bonds 2016	(8,027)
Long Term Debt	(157,977)
Financing Cost Amortization	9,916
Accounts Payable	122,001
HST Charged on Sales	(112,604)
HST Paid on Purchases	12,757
Net Cash provided by (used in) Operating Activities	(666,938)

Consolidated TREC SolarShare Co-operative (No.1) In Statement of Cash Flows Jan 01, 2024 to Mar 31, 2024

Cash Flows from (used in) Investing Activities

Decrease in Capital Asset	
Due from CSA1	2,325,414
Due from CSA2	7,985,565
(Increase) in Capital Asset	
Due from CSA1	(2,325,414)
Due from CSA2	(7,985,565)
Increase in Accum. Amort. & Depreciation	
Accumulated Amortization	794,528
(Amortization and Depreciation already recognized)	(796,554)
Net Cash provided by (used in) Investing Activities	<u>(2,026)</u>

Cash Flows from (used in) Financing Activities

Increase in Equity	
Non Controlling Interest in VK JV	1,846,378
Adjustment Previous Year	438,616
1477400 Ont Starting Balance	191,436
1477400 Ont Cash Draws	720,664
SolarShare Cash Draws	262,023
(Decrease) in Equity	
Non Controlling Interest in VK JV	(1,846,378)
Adjustment Previous Year	(438,616)
1477400 Ont Starting Balance	(191,436)
1477400 Ont Cash Draws	(720,664)
SolarShare Cash Draws	(262,023)
Net Cash provided by (used in) Financing Activities	<u>0</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>(668,963)</u>
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Cash and Cash Equivalents at Beginning of Period	<u>1,269,652</u>
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Cash and Cash Equivalents at End of Period	<u><u>600,689</u></u>
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SCHEDULE G – CONSENT LETTER FROM THE AUDITOR



37 Main Street
Toronto, Ontario M4E 2V5

Tel. 416-690-6800
Fax. 416-690-9919

Web Page:
www.krienslarose.com

April 29, 2024

Licensing & Enforcement Division
Financial Securities Regulatory Authority of Ontario
5160 Yonge Street
North York, Ontario
M2N 6L9

Dear Sirs / Mesdames:

Re: TREC Solarshare Co-operative (No.1)

We refer to the offering statement of TREC Solarshare Co-operative (No.1) dated June 1, 2024 relating to the sale and issue of Solar Bonds.

We consent to being named and to the use in the above-mentioned Offering Statement, of our report dated April 16, 2024, to the members of the Co-operative on the following financial statements:

Statements of financial position as at December 31, 2023 and 2022;

Statements of operations and changes in net assets (deficiency) and cash flows for the years ended December 31, 2023 and 2022 and a summary of significant accounting policies and other significant explanatory information.

We report that we have read the Offering Statement and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, (Sec 7150 CPA Handbook) which does not constitute an audit or review of the prospectus as these terms are described in the CPA Handbook – Assurance.

Kriens-Larose LLP
Licensed Public Accountants
Chartered Professional Accountants
Toronto, Ontario

SCHEDULE H – CERTIFICATE OF INCORPORATION

Financial Services
Commission
of Ontario

Commission des
services financiers
de l'Ontario



Ontario Corporation Number
1813555

Co-operative Corporations Act, R.S.O. 1990, c. C.35

CERTIFICATE OF INCORPORATION

An application for a certificate of incorporation under subsection 8(1) of the *Co-operative Corporations Act* has been made to the Minister of Finance by Articles of Incorporation of a Co-operative with share capital in the approved form.

Under the authority of the Act, I issue this certificate of incorporation for a corporation under the name of:

TREC SolarShare Co-operative (No. 1) Inc.

The effective date of this certificate of Incorporation is the date of signing.

Signed at Toronto, this 18th day of January, 2010.

A handwritten signature in black ink, appearing to read "Philip Howell".

Philip Howell
Chief Executive Officer and
Superintendent of Financial Services
By delegated authority from the
Minister of Finance

SCHEDULE I – CERTIFICATE OF AMENDMENT

Financial Services
Commission
of Ontario

Commission des
services financiers
de l'Ontario



Ontario Corporation Number
1613555

Co-operative Corporations Act, R.S.O. 1990, c. C.35

CERTIFICATE OF AMENDMENT

An application for a certificate of amendment, filed on March 21, 2011, as per the copy attached, under subsection 154(1)(c) of the *Co-operative Corporations Act* has been made to the Minister of Finance in the prescribed form by

TREC SOLARSHARE CO-OPERATIVE (NO. 1) INC.

incorporated on January 18, 2010.

Under the authority of the Act, I issue this certificate of amendment. The effective date of this certificate of amendment is the date of signing.

Signed at Toronto, this 25th day of March, 2011.

A handwritten signature in cursive script, reading "Grant Swanson", written over a horizontal line.

Grant Swanson
Executive Director
Licensing and Market Conduct Division
By delegated authority from the
Minister of Finance

SCHEDULE J – CERTIFICATE AND ARTICLES OF AMALGAMATION

Financial Services
Commission
of Ontario

Commission des
services financiers
de l'Ontario



Ontario Corporation Number
1851991

Co-operative Corporations Act, R.S.O. 1990, c. C.35

CERTIFICATE OF AMALGAMATION

An application for a certificate of amalgamation under subsection 157(3) of the *Co-operative Corporations Act* has been made to the Minister of Finance by the parties to an amalgamation agreement dated November 30, 2014 between TREC SOLARSHARE CO-OPERATIVE (NO. 1) INC. and WATERVIEW CO-OPERATIVE LIMITED.

The parties to the amalgamation agreement have complied with the conditions precedent to the issuing of the desired certificate of amalgamation.

The amalgamation agreement provides that the parties will amalgamate and continue under the name of:

TREC SOLARSHARE CO-OPERATIVE (NO. 1) INC.

Under the authority of the Act, I issue this certificate of amalgamation. The date of this certificate of amalgamation is January 1, 2015.

Signed at Toronto, this 27th day of January, 2015.


Anatol Monid
Executive Director
Licensing and Market Conduct Division
By delegated authority from the
Minister of Finance

Form 10

Co-operative Corporations Act

ARTICLES OF AMALGAMATION

1. The name of the amalgamated co-operative is **TREC SolarShare Co-operative (No. 1) Inc.**
2. The amalgamation agreement has been duly approved as required by section 156 of the *Co-operative Corporations Act*.
3. The names of the amalgamating co-operatives and the dates on which the amalgamation agreement was approved by the members of each of the amalgamating co-operatives are:

Names of Co-operatives	Dates of Members' Approval
TREC SolarShare Co-operative (No. 1) Inc.	June 18, 2014
Waterview Co-operative Limited	Nov. 30, 2014

4. The following is a certified copy of the amalgamation agreement:

See Attached.

These articles are executed in duplicate of delivery to the Minister.

AMALGAMATION AGREEMENT

THIS AGREEMENT made this 28th day of November, 2014,

BETWEEN:

WATerview CO-OPERATIVE LIMITED
("Waterview")

OF THE FIRST PART;

AND

TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
("SolarShare")

OF THE SECOND PART.

WHEREAS:

- A. Waterview was formed as a result of a continuance granted under the *Co-operative Corporations Act (Ontario)* permitting Waterview Ontario 1 Ltd., a corporation incorporated under the *Business Corporations Act (Ontario)*, to continue as a co-operative effective Oct. 16, 2014. Waterview was converted to a non share co-operative corporation effective Nov. 30, 2014.
- B. SolarShare was incorporated under the *Co-operative Corporations Act (Ontario)* as a Co-operative with share capital effective January 18, 2010. TREC was converted to a non share co-operative corporation effective March 25, 2011.
- C. Waterview and SolarShare have agreed to amalgamate and continue as one co-operative corporation without share capital pursuant to the provisions of section 156 of the *Co-operative Corporations Act (the "Act")*.

NOW THEREFORE this Agreement witnesseth as follows:

1. In this Agreement, the term "Amalgamated Co-operative" shall mean the corporation continuing from the amalgamation of the parties hereto.
2. The parties hereto agree to amalgamate under the provisions of section 156 of the Act, and to continue as one corporation under the terms and conditions hereinafter set out and, accordingly, to file the Articles of Amalgamation and other such documents as may

be required to give effect to the amalgamation under the Act.

3. The name of the Amalgamated Co-operative shall be TREC SOLARSHARE CO-OPERATIVE (NO.1) INC.
4. The head office of the Amalgamated Co-operative shall be situated at 401 Richmond Street West, Suite 240, Toronto, in the Province of Ontario.
5. The special provisions of the Amalgamated Co-operative shall be as follows:
 - a. The Co-operative's activities shall be carried on without the purpose of gain for its members and any profit or other accretion to the Co-operative shall be used in promoting its objects;
 - b. The directors, and those directors who also serve as officers, shall serve as officers and directors without remuneration and no director or officer shall directly or indirectly receive any profit or remuneration from his or her position as director or in any other capacity, provided that a director, including those who are also officers, may be paid reasonable expenses incurred by them in the performance of his or her duties;
 - c. Upon dissolution of the Co-operative, and after payment of all debts and liabilities, the remaining property of the Co-operative shall be distributed or disposed of to non-profit co-operatives with similar objectives; and
 - d. The object of the Co-operative is to promote the development of renewable energy resources in the Province of Ontario
6. The business of the Co-operative is restricted to:
 - a. Generating, within the meaning of *Electricity Act, 1998*, as amended, electricity from one or more sources that are renewable energy sources for the purposes of that *Act*, and
 - b. Selling, as a generator within the meaning of that *Act*, electricity it produces from one or more renewable energy sources.
7. The amount of the membership fee is to be established by resolution of the board of directors from time to time
8. No member loan may be transferred without the consent of directors, to be signified by a resolution of the board of directors.
9. No securities shall be issued and no assets shall be distributed by the Amalgamated

Co-operative in conjunction with the amalgamation.

10. The by-laws of the Amalgamated Co-operative are to be those of SolarShare, until repealed, amended, altered, or added to in accordance with the Act.
11. The first directors of the Amalgamated Co-operative shall be those directors of SolarShare at the time the amalgamation takes effect. *See the attached list.*
12. The said first directors shall hold office until their terms of office would otherwise have expired in accordance with the by-laws. The subsequent directors of the Amalgamated Co-operative shall be elected in accordance with the by-laws and the Act.
13. The officers of the Amalgamated Co-operative shall, until changed by the directors, be the officers of SolarShare, in office immediately before the amalgamation of the parties hereto. The subsequent officers of the Amalgamated Corporation shall be elected in accordance with the by-laws of the Amalgamated Co-operative and the Act.
14. Each party shall contribute to the Amalgamated Co-operative all of its assets, subject to its liabilities.
15. Upon the Board of Directors of both parties approving the amalgamation and it being approved by two-thirds of the votes cast at a general meeting of the members of both parties called for the purpose of considering the Agreement pursuant to section 156 of the Act, Articles of Amalgamation in the prescribed form shall be submitted in accordance with the Act.

16. *This amalgamation shall be effective January 1, 2015*
IN WITNESS WHEREOF the parties hereto have hereunto affixed their respective corporate seals, attested by the hands of the respective officers duly authorized in that behalf on the day and year first written above.

WATERVIEW CO-OPERATIVE LIMITED

Per: _____

NAME: Michael Brigham
POSITION: President

Per: _____

NAME: Brian Tier
POSITION: Secretary

We have the authority to bind the corporation.

Per

Per: Bill

We have the authority to bind the corporation.

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SCHEDULE K – TERMS OF RENEWABLE ENERGY FUND AGREEMENT

1. Definitions

The following terms shall have the meanings set out below:

Solar Bonds mean those bonds issued by SolarShare to its members for the purpose of raising the capital required for its renewable energy projects.

Investment Committee means the committee that decides which projects the monies from the Surplus Fund will be invested in, as described in paragraphs 2 and 3.

Renewable Energy Project means any project for the generation of renewable energy undertaken by SolarShare, as approved by the Investment Committee.

Accounting Surplus means any surplus that SolarShare accumulates as calculated using Canadian generally accepted accounting principles for not-for-profits.

Renewable Energy Fund means the fund that has been created from the surpluses of SolarShare, and any other organization, and is dedicated to investing in the development of renewable energy projects.

Surplus Mortgage means the mortgage securing SolarShare's obligations under this Agreement against the real and personal property of the SolarShare, referred to in paragraph 2.

2. TREC's Obligations

TREC agrees that the Renewable Energy Fund will only be applied to projects that have been approved by the Investment Committee

TREC agrees that an agent of SolarShare will have at a minimum at least one permanent seat on the Investment Committee, and up to 50% of the seats on the Investment Committee if and when SolarShare's contribution to the fund is 50% or greater than the total fund amount. Committee seats will be redistributed annually, based on the proportion of investment from the participating co-ops.

TREC agrees that 100% of the sums received by it from SolarShare pursuant to paragraph 3 shall be allocated to:

- Acquiring and/or developing renewable energy projects and to use for educational programming.

TREC shall provide annually and upon request, information as to loans requested by other co-operatives, projects approved, money available for such purpose, and projected cash flows, in order that SolarShare may plan its capital needs in full knowledge of the amounts and timing of financial support from TREC.

TREC shall maintain the books and records related to the Renewable Energy Fund in a form satisfactory to SolarShare and shall permit representatives of SolarShare to have access for inspection of such books and records at all reasonable times.

TREC agrees to postpone its security to any

- bona fide arm's length third party loan entered into by SolarShare for the purpose of providing financing for the development and construction of a Renewable Energy Project, and
- security for the repayment of Solar Bonds issued by the SolarShare to its members.

3. SolarShare's Obligations

SolarShare shall at all times remain a non-profit co-operative incorporated under the Co-operative Corporations Act (Ontario) whose membership is comprised primarily of those persons who have purchased Community Solar Bonds from SolarShare.

SolarShare shall record its accounting surplus annually as a liability to TREC to be placed into the Renewable Energy Fund. That liability shall be paid out to TREC in cash after the following items:

- SolarShare shall retain enough cash in its accounts to support its reasonable working capital needs
- SolarShare shall retain sufficient cash in its accounts to pay down member loans and/or bank debt as it deems necessary
- SolarShare shall retain sufficient cash to retire member solar bonds as it deems necessary

All residual cash shall be paid to TREC to be placed in the Renewable Energy Fund as settlement of the liability.

Any accounting losses shall serve to reduce the liability referred to above.

SolarShare shall forthwith upon acquisition of a Renewable Energy Project site charge the Land as security for the performance of its obligations under this Agreement by delivering and registering a charge on the title to the site in favour of TREC, in form satisfactory to TREC, subordinated to the Solar Bondholders.

4. General

Any notice, direction or other instrument required or permitted to be given by either party under this Agreement shall be in writing and shall be sufficiently given if delivered personally, sent by prepaid first-class mail or transmitted by telecopy or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender:

Any such notice or other communication delivered personally or by facsimile machine shall be deemed to have been given and received on the date of delivery provided that if such day is not a working day, such notice or other communication shall be deemed to have been given and received on the next following working day.

Notice shall be given as follows:

SOLARSHARE

401 Richmond St, Suite 240
Toronto Ontario M5V 3A8

Attention: Michael Brigham, President

Telephone: 416-694-4482

TREC

401 Richmond St, Suite 240

Toronto Ontario M5V 3A8

Attention: Executive Director

Telephone: 416-977-5093

No waiver or neglect to enforce any right or remedy in respect of any breach of any covenant or agreement contained in this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any covenant or agreement contained in this Agreement.

This Agreement shall endure to the benefit of and be binding upon the parties to this Agreement and their respective successors and permitted assigns.

This Agreement may not be assigned without the consent of the other party to this Agreement.

This Agreement shall be construed in accordance with the laws of the Province of Ontario.

The terms of this Agreement are intended by the parties as a final expression of their agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement constitutes the complete and exclusive statement of its terms.

If any provision of this Agreement, or its application to any person or in any circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such a provision to persons or in circumstances other than those as to, or in which, it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the full extent permitted by law.

Neither party has made any representations or warranties with respect to the subject matter of this Agreement, except as expressly set forth in this Agreement.

Nothing in this Agreement shall be construed to constitute either of the parties, a partner, agent or representative of the other or to create any commercial or other partnership between the parties.

This Agreement shall operate and remain in full force and effect from and after the date of this Agreement and for so long as there is a loan or other contract remaining in force between the parties.

The parties shall execute such further and other documents and assurances as may be necessary to further the intent of this Agreement.

SCHEDULE L – 227118 HOLDINGS LTD. OPERATING (CREDIT) LINE

LIMITED RECOURSE GRID NOTE

Dated at Toronto this 11 day of April, 2023

AMOUNT: \$ 475,000 CAD (the **Initial Amount**)

DUE: On Demand with 60 days notice

1. Promise

FOR VALUE RECEIVED, Community Solar Assets 4 Ltd. (**CSA4**) promises to pay within sixty days of delivery of a written demand for payment to the order of 227118 Holdings Ltd. (the **Lender**) in lawful money of Canada, the principal amount outstanding, being the Initial Amount, as reduced by repayment or increased by further advances made by the Lender as recorded on the Grid (see para. 7), with interest on the principal outstanding calculated as described below.

2. Limit of Loan

The Initial Amount of the loan as described may be increased by further advances as requested by CSA4 but can not exceed five million dollars CAD (**\$5,000,000**) under this agreement. Should funding above this limit be required a new agreement must be drafted.

3. Interest Calculation

Interest on the principal at the interest rate set out in paragraph 4 shall accrue daily, not be compounded and be calculated monthly. Interest will be paid semi-annually on dates established by CSA4, from the date the funds were advanced. Interest shall be computed on the actual number of days elapsed on the basis of a 365 day year. CSA4 will pay the principal amount outstanding and all accrued interest on the due date above.

4. Interest Rate

Interest shall be payable on the principal amount outstanding at the Royal Bank prime rate minus 1.20%, as determined on the last day of each month, but in any case shall be no lower than 3.5%.

5. Right to Prepay

The indebtedness under this Grid Note may be prepaid by CSA4 in its sole discretion in full at any time, without penalty, including interest accrued to the date of prepayment.

6. Lender's Demand

The Lender may demand repayment with 60 days' notice. Notwithstanding the Lender's demand for payment, payment may be deferred by CSA4 if such payment would, in its opinion, jeopardize CSA4's ability to meet its other obligations as they fell due, and no replacement capital can be reasonably found.

7. Grid Entries

The Lender authorizes CSA4 to manage the calculation of principal with respect to advances or repayments and confirm on a monthly basis with the Lender that the balance of the loan at month

end is agreed between the parties. The Grid Note attached to this agreement will be updated by CSA4 and provided to the Lender as requested.

8. Waiver

CSA4 waives presentment for payment, demand, notice and protest and all defences based on giving of time and expressly agrees that no renewal or extension granted, nor any other indulgence shown nor any release or discharge of or any dealings between the Lender and CSA4, shall discharge, extend or in any way affect the obligations of CSA4.

No waiver, consent or amendment with respect to this Grid Note shall be binding unless it is in writing and signed by the Lender. Failure of the Lender to exercise any of the its rights and remedies shall not constitute a waiver of any provision of this Grid Note, or of any of such Lender's rights and remedies, nor shall it prevent the Lender from exercising any rights or remedies with respect to the subsequent happening of the same or similar circumstances. All remedies of the Lender shall be cumulative to the maximum extent permitted by law.

CSA4 agrees that it shall remain liable in respect of this Grid Note as if presentment, demand, notice of dishonour and protest had been duly made or given.

Community Solar Assets 4 Ltd.

Per: 

Name: Ron Seftel

Title: Treasurer

I have authority to bind the Corporation

SCHEDULE M – BOARD AND COMMITTEE ROLES AND RESPONSIBILITIES

SolarShare Board

The role of the Board is to supervise the management of SolarShare's business and affairs to fulfill the mission. The Board is generally not responsible for the day-to-day management and operation of the SolarShare's business, as this responsibility has been delegated to management; however, Board members may contribute to operational roles as needed. Management's role is to conduct the day-to-day operations in a way that is consistent with the strategic priorities and by-laws approved by the Board. The Board is responsible for supervising management in carrying out this responsibility.

The directors of the Board, in exercising their powers and discharging their duties, shall act honestly and in good faith with a view to the best interests of SolarShare and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the scope of responsibilities outlined in the table below; however, Board members may play a more involved role in the day to day operations of SolarShare.

Table 14: Board Roles and Responsibilities

SCOPE	MEMBERS	MEETING FREQUENCY
Support the development of mission, by-laws and strategic plan Understand and address organizational risks and evaluate performance Secure and ensure effective ongoing senior management Maintain effective partnerships, reporting and communication	Chair: 1 year term Members: Mike Brigham (President), Ron Seftel (Treasurer), Shama Ahmed, Pieter de Koning, Glen Campbell (Chair), Patrick Collie, Graysanne Bedell, Ashley Reid, Doug Finley	Monthly, plus AGM and Strategic Planning Session 5 hours per month, 4 hours per AGM and 8 hours for Strategic Planning

SolarShare Committees

The Board discharges some of its responsibilities directly and discharges others through committees. The Board may assign to any committee the prior review of any issues the Board is responsible for. Committee recommendations are subject to Board approval. The Board is to be informed of any committee recommendations at the regular Board meeting next following such decision.

The Board establishes standing or ad-hoc committees to address issues that are too complex and/or numerous to be handled by the entire Board. Committees are deployed only as necessary, and the purpose and scope of each is carefully defined.

Staff provides communication and administrative support by organizing the agenda and materials in consultation with the committee chair prior to each meeting and taking meeting minutes. The committee chair reports to Board and brings specific items to the Board for approval or information.

Committees nominate and the Board appoints all members and chairs. Committees are composed of both directors and other member volunteers.

Table 15: Committee Roles and Responsibilities

SCOPE	MEMBERS	MEETING FREQUENCY
<p>Finance and Planning Committee (Standing):</p> <p>Oversees the development of the detailed annual budget;</p> <p>Ensures accurate financial tracking, monitoring and accountability;</p> <p>Monitors long term financial projections for SolarShare's business;</p> <p>Reviews bond sales and interest, long term debt and associated terms;</p> <p>Supports the development of offering statements and financial products;</p> <p>Supports valuation and other financial matters;</p> <p>Works with the New Business and Operations and Maintenance Committees to assess and recommend purchase of new solar or other significant assets; and</p> <p>Works with the Marketing Committee on product offering review and development.</p>	<p>Chair: Doug Finley</p> <p>Members: Glen Campbell, Mike Brigham, Thomas Haubenreisser, Ron Seftel, David Robertson, Ashley Reid</p>	<p>Monthly, and as required</p> <p>3 hours per month</p>

SCOPE	MEMBERS	MEETING FREQUENCY
<p>Governance Committee (Standing)</p> <p>Develops and applies guidelines for conflict of interest, ensuring ethical behaviour and resolving ethical conflicts;</p> <p>Guides development, review and authorization of Board and Committee policies, procedures and disclosure;</p> <p>Provides oversight related to direct or indirect compensation to Board members; and</p> <p>Advises on overall direction and long-term decisions of the organization</p>	<p>Chair: Graysanne Bedell</p> <p>Members: Shama Ahmed, Newton Chan, Ashley Reid</p>	<p>Quarterly, and as required</p> <p>2 hours per month</p>
<p>Marketing Committee (Standing)</p> <p>Oversees the development and implementation of the Marketing Plan;</p> <p>Guides marketing strategy;</p> <p>Oversees member communication and engagement;</p> <p>Provides advice for content, member activities and events; and</p> <p>Works with the Finance and Planning Committee on product offering review and development.</p>	<p>Chair: Pieter de Koning</p> <p>Members: Thomas Haubenreisser, Doug Finley</p>	<p>Monthly, and as required</p> <p>2 hours per month</p>

SCOPE	MEMBERS	MEETING FREQUENCY
<p>New Business Committee (Standing)</p> <p>Identifies new business opportunities for investigation;</p> <p>Guides research into options for new business models;</p> <p>Assesses business partnerships, amalgamation and purchase opportunities;</p> <p>Reviews and vets potential investments; and</p> <p>Works with the Finance and Planning and Operations and Maintenance Committees to assess and recommend the purchase of new assets.</p>	<p>Chair: Patrick Collie</p> <p>Members: Graysanne Bedell, Mike Brigham</p>	<p>Monthly, and as required</p> <p>3 hours per month</p>
<p>Audit Committee (Standing)</p> <p>Oversees the independence, qualifications and approval of the external auditor;</p> <p>Ensures the integrity of SolarShare's financial statements;</p> <p>Facilitates and guides the annual financial audit;</p> <p>Maintains a register of risks to SolarShare's business; and,</p> <p>Reviews and updates SolarShare's financial systems and internal controls.</p>	<p>Chair: Ashley Reid</p> <p>Members: Ron Seftel, David Robertson</p>	<p>As required</p> <p>3 hours per meeting</p>

SCOPE	MEMBERS	MEETING FREQUENCY
<p>Operations and Maintenance Committee (Standing)</p> <p>Oversees negotiation of contracts with third party service providers;</p> <p>Monitors expenditures and annual budgeting for maintenance;</p> <p>Reports to the Board regularly regarding generation and maintenance expenditures against budget;</p> <p>Provides guidance to O&M staff and oversight over maintenance, service calls, warranty work, insurance claims, purchasing and inventory,</p> <p>Seeks ways of improving revenues via system performance and reducing maintenance costs; and,</p> <p>Works with the Finance Committee to project long term revenues and operating and maintenance expenses.</p>	<p>Chair: Mike Brigham</p> <p>Members: David Crockett, Brian Ross, Patrick Collie, Pieter de Koning</p>	<p>Weekly, and as required</p> <p>3 hours per month</p>
<p>Human Resources Committee (Ad Hoc)</p> <p>Oversees employee performance reviews;</p> <p>Conducts the performance review of General Manager;</p> <p>Provides input to human resources materials such as policies, performance review and work plan templates as necessary;</p> <p>Recommends employee hiring, discipline and termination;</p> <p>Recommends employee compensation and benefits; and</p> <p>Provides guidance regarding specific human resources issues.</p>	<p>Chair: Shama Ahmed</p> <p>Members: Jen Aitchison, Ashley Reid</p>	<p>As required</p> <p>2 hours per meeting</p>

SCHEDULE N – SOLARSHARE MEMBERS

SolarShare has a diverse membership comprised of 2,181 individuals who have invested \$80 million in Solar Bonds, earning more than \$13 million in interest.



Figure 11: SolarShare members advocating for renewable energy.

- 20% of our members are under 40 years of age
- 90% are University educated
- 80% feel they have the power to create positive change in their community
- 22% hold their Solar Bonds in a registered Plan

Ontario residents and institutions invest in SolarShare seeking to:

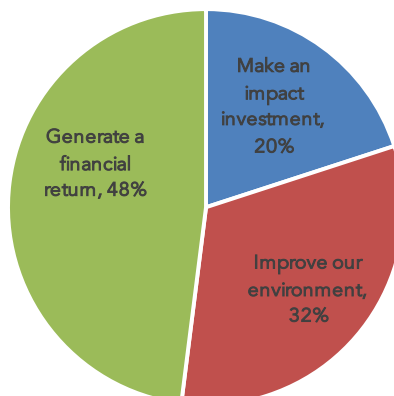

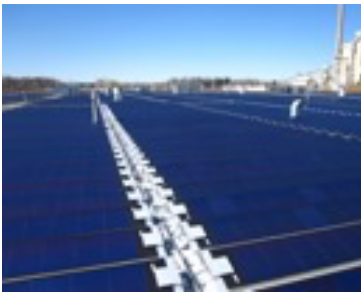








Figure 12: Reasons SolarShare members choose to invest.




SCHEDULE O – PROJECT DESCRIPTIONS

Table 16: Project Descriptions

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
SOLARSHARE							
SunFields (17 sites)	204	2031-03-06 to 2031-09-30	Manitoulin Island & North Huron County	0.802	MicroFIT	100%	
Waterview	438	2031-11-18	Mississauga	0.635	FIT 1	100%	




PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Panjetan	162	2035-02-25	Markham	0.539	FIT 2	100%	
Earlton Arena	250	2036-02-28	Earlton	0.329	FIT 3	100%	
Dewey	250	2037-08-27	Kingston	0.288	FIT 3	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
VAN KIRK AND CLAREMONT JOINT VENTURES							
111 Van Kirk	600	2035-02-20	Brampton	0.539	FIT 2	50.9%	
153 Van Kirk	600	2035-02-20	Brampton	0.539	FIT 2	50.9%	
Claremont	100	2035-02-25	Pickering	0.548	FIT 2	51%	


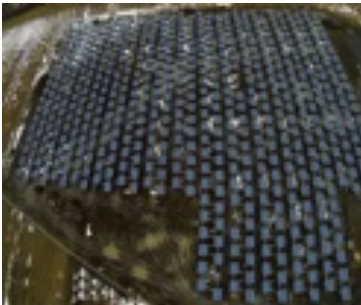

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
CSA 1							
Ontario Street	140	2032-11-13	St. Catharines	0.713	FIT 1	100%	
Goodmark	134	2033-11-19	Toronto	0.713	FIT 1	100%	
Michael Street	150	2033-09-23	Ottawa	0.713	FIT 1	100%	



PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Champion Mushroom	249	2033-07-14	Moose Creek	0.713	FIT 1	100%	
Vanastra	366	2034-04-13	Vanastra	0.713	FIT 1	100%	
CSA 2							
Summerville	300	2034-10-05	Mississauga	0.539	FIT 2	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
80 Van Kirk	600	2035-02-20	Brampton	0.539	FIT 2	100%	
Holtby	600	2034-10-01	Brampton	0.539	FIT 2	100%	
Midair	600	2035-02-20	Brampton	0.539	FIT 2	100%	


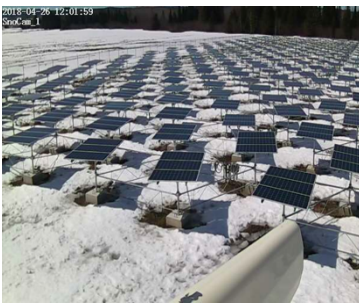
PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Keele	300	2035-02-25	Vaughan	0.539	FIT 2	100%	
Basaltic	300	2035-02-19	Vaughan	0.539	FIT 2	100%	
Orenda	320	2035-04-22	Brampton	0.539	FIT 2	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Abilene	550	2035-02-25	Mississauga	0.539	FIT 2	100%	
Keeler	300	2037-11-09	Colbourne	0.225	FIT 4	100%	
Stronach	500	2036-03-01	Aurora	0.329	FIT 3	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
CSA 4							
Lovell	600	2037-06-07	Kingston	0.285	FIT 3	100%	
Wintergreen	600	2037-06-07	Kingston	0.298	FIT 3	100%	
Kaladar	300	2037-06-18	Kaladar	0.298	FIT 3	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Sundance 1	600	2037-08-27	Timiskaming	0.298	FIT 3	100%	
Sundance 2	600	2037-08-27	Timiskaming	0.298	FIT 3	100%	
Sundance 3	600	2037-08-27	Timiskaming	0.298	FIT 3	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Sundance 4	600	2037-08-26	Timiskaming	0.298	FIT 3	100%	
Sundance 5	600	2037-08-26	Timiskaming	0.298	FIT 3	100%	
Sundance 6	600	2037-08-27	Timiskaming	0.298	FIT 3	100%	

PROJECT NAME	CAPACITY (kW DC)	FIT CONTRACT END DATE	LOCATION	RATE (\$/kWh)	FIT CONTRACT ROUND	OWNERSHIP SHARE	IMAGE
Sundance 7	600	2037-08-26	Timiskaming	0.298	FIT 3	100%	
Sundance 8	600	2037-08-26	Timiskaming	0.298	FIT 3	100%	
CSA 5							
Renfrew	600	2036-08-26	Braeside	0.398	FIT 2	100%	