Ontario Incorporation No. 1613574

6th OFFERING STATEMENT

Ottawa Renewable Energy Co-operative Inc. (the "Co-operative")
November 28, 2017

Summary

The Co-operative is offering to sell to Membership Shares and Class A Series 6 Preference Shares. The Co-operative is also looking to borrow capital from members through the issue of debt obligations called Member Investment Notes, from non-members through Non-Member Investment Notes, and through other debt facilities.

This document contains important information about Membership Shares, Class A Series 6 Preference Shares, Member Investment Notes, and Non-Member Investment Notes offered by the Ottawa Renewable Energy Co-operative Inc. during the offering period. The capital raised through sale of Preference Shares and Investment Notes will be used to complete the development and purchase of solar power projects in 2018 as per the Co-operative's 2017-2019 Business Plan described in Section 4 of this Offering Memorandum.

All prospective purchasers and lenders must receive and read the entirety of this Offering Statement before completing their investment.

A prospective member of the Co-operative must be admitted into membership by the Board of the Co-operative and purchase one Membership Share. Class A Series 6 Preference Shares may only be purchased by persons who have been admitted as Members of the Co-operative. The Co-operative may only issue Member Investment Notes to persons who have been admitted as Members of the Co-operative. Eligible non-members may purchase Non-Member Investment Notes, as outlined in Section 8 below. **Purchasing Preference Shares from and lending capital to the Co-operative are not mandatory requirements of membership**.

Membership and Preference Shares

Par Value of Membership Share = $100
Par Value of Class A Preference Shares (Series 6) = $500

	Proceeds from the sale of Member. Shares	Proceeds from the sale of Class A Series 6 Pref. Shares
Min. Offering		Nil
Max. Offering	$50,000	$2,500,000
Min. Share Purchase for existing Class A Series 1-5 shareholders		$500

Min. Share Purchase for new shareholders if no part held in RRSP/TFSA*	$100	$2,500
Min. Share Purchase for new shareholders if any part held in RRSP/TFSA*	$100	$5,000
Aggregate Individual Max. Holding of Class A Pref. Shares (all series) and Member Investment Notes	$100	$500,000**

*RRSP/TFSA are administered by the Canadian Worker Co-op Federation and registered through Concentra Trust.
** Includes total of Class A Preference Shares (all series) and Member Investment Notes held currently and purchased under this offering.

Investment Notes

Member and Non-Member Investment Notes are unsecured promissory notes.
Term: 5 years
Interest Rate: 3.0%

	Proceeds from the issue of Member Investment Notes	Proceeds from the issue of Non-Member Investment Notes
Minimum Offering	Nil	Nil
Maximum Offering	$1,500,000	$1,500,000
Minimum Individual Purchase	$5,000	$5,000
Maximum Individual Holding of Class A Preference Shares (Series 1, 2, 3 4, and 5) and Member Investment Notes	$500,000**	$500,000

** Includes total of Class A Preference Shares (all series) and Member Investment Notes held currently and purchased under this offering.

The Total amount to be raised by this offering through the sale of Preference Shares and Investment Notes is not to exceed $3,000,000. The Co-operative may cap the issue of one or both of Preference Shares and Investment Notes through this offering at less than the maximum amounts set forth above depending on availability and final cost of the renewable energy projects included in the Co-operative's Business Plan.

Debt financing from financial institutions (which does not require an offering statement) will be used to meet capital requirements if needed. This debt financing will be in the form of short term (2-5 year) loans or long term (10-15 year) loans. More details are provided in Section 4 of this Offering. In addition, debt financing may be arranged from entities that are not financial institutions under this offering statement.

There is no minimum amount to be raised by this offering.

One Membership Share must be purchased as a condition of membership. A person who subscribes for Membership Shares does not have to subscribe for Preference Shares or purchase a debt obligation through a Member Investment Notes. However, if a Member does subscribe for Preference Share or lend to the Co-operative and be issued Member Investment Notes, the minimum amounts set forth above must be met.

This Co-operative was incorporated in 2010, and commenced active business operations in 2012. The purchase of Preference Shares and the loaning of capital to the Co-operative involve a high degree of risk and investors should view this investment as speculative.

There is no established market through which these investments may be sold. The Board of the Co-operative has determined the price of the Shares and Notes. Due to the characteristics of the Shares and Notes offered by this Offering Statement, restrictions on their transfer, and the fact that significant resale restrictions may apply, no such market is likely to develop, other than through a Board-approved transfer to other members.

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 Ministry of Finance nor any other ministry or agency of the Government of Ontario assumes any liability or obligation to anyone who purchases the Membership or Preference Shares or Investment Notes offered under this Offering Statement.

Investors should not rely on any information other than what is contained in this Offering Statement. Potential buyers should pay careful attention to all the Risk Factors noted in the Offering Statement. See Section 5 below 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 September 15, 2018. No further Preference Shares or Investment Notes may be issued after this date other than any exempt issues permitted under the *Co-operative Corporations Act (Ontario)*, unless a new Offering Statement is filed and receipted.

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GLOSSARY

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

“Act” means the Ontario Co-operative Corporations Act;

“Articles” means the Co-operative’s Articles of Incorporation, as amended by any Articles of Amendment;

“Board” means the Board of Directors of the Co-operative;

“Business Plan” means the Co-operative’s business plan summarized in this Offering Statement;

“Class A Preference Shares” means the Class A Preference Shares of the Co-operative, and **“Class A Preference Share”** shall mean one of them;

“Co-operative” means Ottawa Renewable Energy Co-operative Inc.;

“Debt Financing” means any loans advanced to the Co-operative which may be secured by the assets of the Co-operative;

“Financial Statements” means the Co-operative’s annual financial statements, a copy of which is attached hereto as Appendix A;

“FIT” means Feed-In Tariff, which is the name of the Independent Electricity System Operator’s program for the purchase of power and connectivity to the Grid for renewable power generators; the FIT program guarantees a fixed-price for power generated for forty (40) years for micro-hydro generators and twenty (20) years for all other renewable power generators by means of a FIT Contract; refer also to “Micro-FIT” The FIT program was administered by the Ontario Power Authority (OPA) prior to January 1, 2015 when OPA and IESO merged;

“FIT Contract” means the contract offered by the IESO for the purchase of power and grid connectivity of a particular renewable power generation Project, and **“FIT Contracts”** means more than one of them;

“FIT Rules & Regulations” means the current process that must be followed to apply for and receive a FIT Contract;

“Grid” means the electricity transmission or distribution networks’ power lines, controlled by Hydro One Networks Inc. or a Local Distribution Utility (LDC) such as Hydro Ottawa Ltd.;

“IESO” means the Independent Electricity System Operator. On January 1, 2015, the IESO merged with the Ontario Power Authority (OPA), the organization that had previously contracted for clean electricity resources. The IESO has assumed the OPA’s responsibilities as a result of the merger.

"Installation" means a solar PV or other renewable power Project owned by the Co-operative and installed on a leased building or land, and "**Installations**" means more than one installation;

"kV" means kilovolts (thousands of volts);

"kW" means kilowatts (thousands of watts);

"kWh" means kilowatt hours;

"LDC" means the Local Distribution Company, being Hydro Ottawa Ltd., Hydro One Networks Inc., or a local municipality that owns and operates its own electrical distribution network, or an independent utility that owns and operates its own electrical distribution network;

"Lease Agreement" means the binding agreement between the Co-operative and an owner of property where the Solar Panels or other renewable power generation equipment are installed, as more particularly described in Section 3 herein, and **"Lease Agreements"** shall mean more one of them;

"Member" means a holder of issued and outstanding Membership Shares of the Co-operative and "**Members**" shall mean more than one Member;

"Membership" means the Members of the Co-operative;

"Member Investment Note" means a promissory note issued to a member of the Co-operative as defined in this Offering Statement

"Membership Shares" means the Membership Shares of the Co-operative;

"Micro-FIT" means an installation of 10kW or less that is subject to a simplified version of a FIT Contract;

"MW" means megawatts (millions of watts);

"Net Metering" is a policy framework, set at the provincial level in Ontario, and series of regulations and measures determined by the local distribution company (LDC) that allows for the generation and self-consumption of electricity on a property or associated properties. Any form of grid connected renewable electricity generation can be net metered to offset electricity consumption.

"Net Shareholder's Equity" means the amount arrived at when subtracting the retained earnings deficit of the Co-operative, if any, from value of all the Class A, B and C Preference Shares of the Co-operative;

"Offering" means the offering of Membership and Class A Preference Shares (Series 5) and debt obligations offering to members as Member Investment Notes contemplated by this Offering Statement;

"Offering Statement" means this Offering Statement;

"OPA" means the Ontario Power Authority, see IESO;

"OREC" means the Ottawa Renewable Energy Co-operative Inc.;

“Person” is to be broadly interpreted and includes an individual, a couple, a partnership, a trust, an unincorporated organization, a government of a country or political subdivision thereof, or any agency or department of any such government and the legal personal representative or representatives of an individual;

“Portfolio” means all the Co-operative’s renewable power Installations;

“Power Purchase Agreement” (PPA) is a contract between two parties, one who generates electricity for the purpose (the seller) and one who is looking to purchase electricity (the buyer).

“Project” means the activities and tasks comprising individual installation of renewable power systems at a particular location by the Co-operative, and **"Projects"** means more than one of them;

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

“PV Installation” means the individual Solar Panels and equipment installed on an individual property and **“PV Installations”** shall mean more than one of them;

“Redemption Amount” has the meaning ascribed thereto in Section 7 hereof;

“Renewable Energy” means energy from natural resources such as sunlight, wind, water flow, tidal action and geothermal heat which are naturally replenished, often continuously or in a matter of hours; also known as sustainable energy;

“Risk Factor” means one of the circumstances or events identified as a risk factor in Section 5 hereof and **“Risk Factors”** shall mean more than one of them;

“Shares” means the Co-operative’s Membership Shares or Class A Preference Shares, and **“Share”** shall mean one of them;

“Shareholder” means a holder of Membership or Preference Shares, and **“Shareholders”** shall mean more than one of them;

“Solar Panel” means the assembly of Solar Cells into a module which becomes the base unit for a PV Installation and **“Solar Panels”** shall mean more than one of them.

1. CORPORATE INFORMATION

Name of Co-operative:	Ottawa Renewable Energy Co-operative Inc. (OREC)
Date of Incorporation:	Articles of Incorporation dated September 3, 2010
Ontario Incorporation No.	1613574
Official Address:	192 Rodney Crescent, Ottawa, ON K1H 5J9
Website:	www.orec.ca
Email:	info@orec.ca
Office Address:	969 Wellington Street West, Suite 200, Ottawa, ON K1Y 2X7
Banking:	Caisse Populaire Rideau-Vision d'Ottawa Inc.
Insurance:	Royal & Sun Alliance (Commercial General Liability) and Berkley Insurance Company (Directors and Officers)
Legal Counsel:	Iler Campbell LLP and George Brown Law
Transfer/Register Agent:	The Co-operative will act as its own agent
Auditors:	Frouin Group 2301 Carling Avenue, Suite 101, Ottawa, Ontario, K2B 7G3
Fiscal Year End:	August 31

2. DIRECTORS AND OFFICERS

The Articles of the Co-operative provide that the Co-operative may have a Board of a minimum of five (5) and a maximum of fifteen (15) Board members. At the 2016 AGM the membership decided to increase the number of seats on the board to 17 for a two-year period with the intention of achieving gender balance. There are presently seventeen (17) Board members. The current directors and officers of the Co-operative are as follows:

Name	Title	Residence Address	Occupation
Theodorus Cornelis (Dick) Bakker	President & Director	192 Rodney Crescent, Ottawa, ON, K1H 5J9	Business Owner
Vadim Belotserkovsky	Vice President & Director	427 Mayfair Ave., Ottawa, ON K1Y 0K4	Engineer
Davis Carr	Director	2-23 St Francis St., Ottawa, ON, K1Y 1W6	Marketing Professional
Jay Cuylits	Director	379 Third Ave., Ottawa, ON, K1S 2K4	Renewable Energy Professional
David Cork	Director	9 Whitechapel Crescent, Ottawa, ON, K2J 5A1	Business Person
Aidan Foss	Director	4092 McBean St, Richmond, ON K0A 2Z0	Electrical Engineer
Wesley Johnston	Director	Unit 1 - 71 Ste. Cecile, Ottawa, ON, K1L 5L4	Business Person
Angela Keller-Herzog	Director	166 Glebe Ave, Ottawa, ON K1S 2C5	Director
Nicholas LePan	Treasurer & Director	275 McLeod St, Unit 1, Ottawa, ON K2P 1A1	Corporate Director
Sally McIntyre	Director	2 Cordukes St, Stitsville, ON, K2S 1P5	Consultant
Stephen Michell	Director	156 Shinny Ave, Stittsville, ON, K2V 0G4	Consultant
Roger Peters	Director & Past President	90 Cameron Avenue, Ottawa, ON, K1S 0X1	Retired Engineer
Marc-Andre Pigeon	Director	108 Granville St., Ottawa, ON K1L 6Y4	Financial Professional
Nathaniel Preston	Secretary & Director	1150 Whitmore Ave, Ottawa ON, K2C 2N8	Engineer
Susan Tanner	Director	235 Powell Ave, Unit 1, Ottawa, ON K1S 2A4	Retired Lawyer
Jessica Webster	Director	13 McClure Crescent, Ottawa, ON, K2L 2H1	Public Employee
Gabrielle White	Director	6 Oakland Avenue, Ottawa, ON, K1S 2T2	Lawyer

3. DESCRIPTION OF THE BUSINESS OF THE CO-OPERATIVE

3.1 Overview and History

The Ottawa Renewable Energy Co-operative Inc. (OREC or the Co-operative) was incorporated on September 3rd, 2010 as a renewable energy co-operative under the *Co-Operative Corporations Act (Ontario)*. Under the current rules applicable to the energy contracts OREC has with the province only Ontario residents may be members.

OREC is a for-profit co-operative created to develop and operate renewable energy projects in Eastern Ontario, producing electricity to sell to the Ontario grid, and enabling individual residents of Eastern Ontario to jointly finance, own and earn a reasonable return from those renewable energy generation projects. Eastern Ontario is defined as the City of Ottawa, and the counties of Prescott and Russell, Stormont, Dundas and Glengarry, Lanark, Renfrew, Leeds and Grenville, Frontenac, and Lennox and Addington.

Membership allows individuals to invest in a co-operative which owns a portfolio of community power projects larger than they could own individually. As of November 1, 2017, the Co-operative had 683 active members.

The Co-operative owns and continues to develop or acquire Renewable Energy Projects in Eastern Ontario. The Co-operative invests in, develops and operates renewable energy projects of various sizes and technologies to generate electricity. In some projects, the Co-operative is the sole participant, in other projects the Co-operative may act with other parties.

To date, all the Co-operative's Projects qualify under the parameters of the IESO Feed-in Tariff (FIT) program. The Co-operative produces electricity as a generator and sells this electricity to the IESO under the FIT Rules & Regulations for a term of twenty (20) years, at a set price.

The Co-operative currently owns or is part owner of 21 solar PV rooftop FIT and Micro-FIT contracts, 15 of which are built and 6 are under development. Of these, 19 projects are in the City of Ottawa and 2 are in Alfred-Plantagenet. The Co-op is actively looking to develop or acquire projects in other parts of eastern Ontario. 17 of the existing projects were financed through the sale of Class A preference shares and Member Investment Notes to members through five offerings between 2012 and 2017.

OREC's plans for 2017-2019 are described in the Co-operative's Business Plan that is summarized in Section 4 of this offering. OREC has been awarded FIT 5 contracts and is negotiating for acquisition of several FIT 4 projects from other parties.

OREC is negotiating additional net metering projects which may be financed under this offering if they are firmly contracted before the end of the offering term. These will involve purchase power agreements between OREC and the entities on whose properties OREC is generating the power (as described below).

The Co-operative is also conducting various pilot activities related to other net metering possibilities that may emerge as provincial rules evolve. The Co-operative intends to be able to sell electricity directly to members through virtual net metering when enabling legislation is in place. The Co-operative is also currently conducting a pilot energy efficiency initiative.

For more information on OREC's plans, and the projects to be financed with proceeds of this offering, please see the summary of the Co-operative's Business Plan in Section 4 of this offering.

3.2 Vision and Goals

The Co-operative's vision is to promote renewable energy technologies that are environmentally, socially and financially sustainable in order to improve the quality of life for all residents of the Ottawa and eastern Ontario area.

The Co-operative's goals are to:

1. Generate decentralized renewable electricity in Ottawa and Eastern Ontario;
2. Create a democratic, self-reliant, environmentally, socially and financially sustainable business model for community power in the Ottawa area;
3. Increase the accessibility and awareness of sustainable energy technologies by providing leadership and advocacy and building social capital;
4. Through social financing improve the market for renewable energy and other forms of sustainable technology in Ottawa and Eastern Ontario;
5. Provide a fair return for co-operative members who wish to invest in local renewable energy production; and
6. Partner with other organizations, companies and government agencies to develop a variety of projects that achieve our vision.

3.3 Operations

The *Ontario Green Energy Act (2009),* and the Feed in Tariff (FIT) program offered under this Act, allows the Co-operative to become a generator of electricity from solar and other renewable energy sources in Ontario under 20 year FIT contracts. The use of the Co-operative model for producing energy from renewable resources has been very successfully adopted in Europe over the past fifteen (15) years.

The Co-operative qualifies as a "generator" within the meaning of the *Ontario Electricity Act, 1998* and the activities of the Co-operative fall within the definition of a "renewable energy co-operative" pursuant to the provisions of Subsection 2(1) of *Ontario Co-operative Corporations Act.* The Co-operative restricts its business to generating electricity produced from several renewable energy sources and selling, as a generator, electricity it produces from these renewable energy sources.

The Co-operative operates on a "co-operative basis" by:
(a) Providing each Member with only one vote and not allowing voting by proxy,
(b) Selling Preference Shares to members and investing the proceeds in portfolios of renewable energy electricity generating projects
(c) Annually distributing the surplus from the sale of electricity generated by the Co-operative's projects, after paying expenses and debt obligations, and making proper allowance for depreciation, in any or all of the following ways:

i- By setting aside reserves to cover future commitments deemed to be conducive to the interests of the Co-operative or its Members;
ii- By payment of dividends on the Preference Shares used to finance its projects and returning the capital invested over a long-term period after share issuance;

Figure 1 illustrates the ownership and investment relationships and arrangements involved in the Co-operative's ventures for its Preference Shares.

The Co-operative's solar power installations with FIT contracts are located on property leased from third parties pursuant to 20-year property or leases, which coincides with the term of the Feed-in Tariff (FIT) Contracts entered into by the Co-operative for such Installations. For net metered projects, the Co-operative currently intends to sign 25 to 30-year Power Purchase Agreements with the property owners to provide electricity to the on-site building(s). The Co-operative initially is focusing on solar photovoltaic (PV) power systems, but may also consider other renewable power systems in the future, if the opportunity arises.

The size and type of the Co-operative's Projects varies depending on demand and the capacity of the Project site. The Co-operative currently focuses on solar PV Installations of 500kW or less.

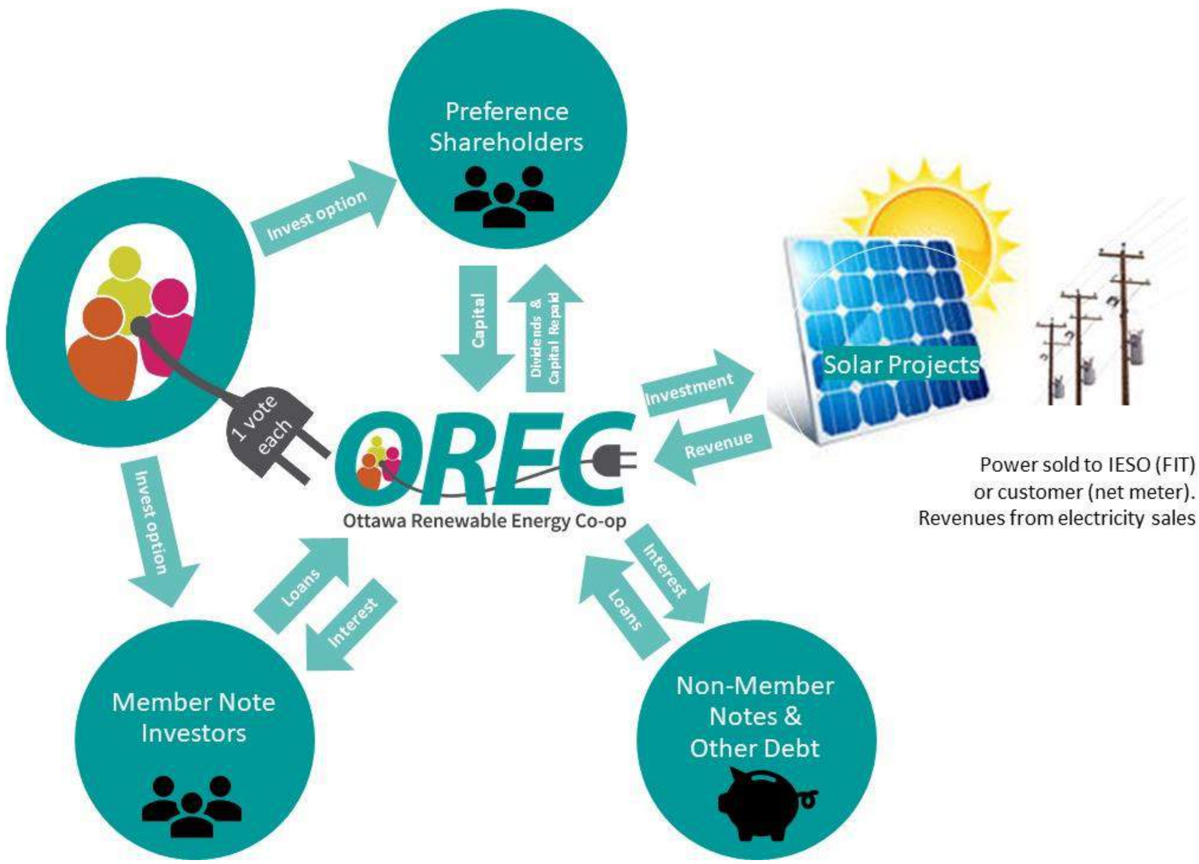

Figure 1: Ownership and Investment Relationships and Arrangements

In some projects, the Co-operative is the sole owner of the FIT Contract, Power Purchase Agreement, and solar energy equipment; it leases space for the installation of the equipment from the owner of the property. In other projects, the Co-operative acts in collaboration with the owner of the property or with other parties through various joint arrangements. More details on the structure of these joint arrangements are below.

The cost of the solar panels and other renewable energy equipment purchased by the Co-operative varies depending on the manufacturer of this equipment. The electricity generated by such equipment is dependent on several factors such as the efficiency or size of the solar equipment, its orientation, required maintenance, and weather factors. The solar panels or other equipment installed at a given Project is site specific, the objective being to maximize the generation of electricity at a given site in the most cost-effective manner. The Co-operative monitors its Projects to maximize the efficiency of the installations, and site maintenance and adjustments are made where appropriate.

All the revenue from the electricity generated on a Project fully owned by the Co-operative will accrue to the Co-operative. In cases where ownership is shared through a joint arrangement, revenue is divided in proportion to the percentage of investment after all project costs have been paid. The property owner on which the Project is situated derives their revenue from a property Lease Agreement entered into with the Co-operative or joint arrangement. This property Lease Agreement, and Power Purchase Agreement is discussed in greater detail below. The Co-operative does not offer discounts on property Lease Agreements to Members of the Co-operative. Similarly, the Co-operative does not make it a term or condition of any agreement with a property owner that the property owner be required to purchase an interest in the Projects or become a Member in the Co-operative.

The electricity sold from each solar project with a FIT Contract is sold into the Grid. It is not intended that any of the projects with FIT Contracts will be for off-Grid use.

Currently there are several companies that sell, install, and service solar PV or other renewable power systems in Ontario. The Co-operative undertakes feasibility or due diligence study for each prospective project, installing the most efficient equipment to match the power producing capacity of individual sites and then monitoring production to ensure the electrical yield is maximized for each site.

A) Raising Capital

As of November 1, 2017, 683 active members had applied for and been admitted to the Co-operative by the Board. A total of 370 members have purchased Class A Series 1-5 Preference Shares and 66 had invested in Member Investment Notes.

OREC raised the capital for its current projects through the sale of Preference Shares and Member Investment Notes to members. The Co-operative's first preference share offering was approved by the Financial Services Commission of Ontario (FSCO) at the end of 2011. The Co-operative launched a membership and Class A Series 1 Preference Share sales drive in June 2012 and raised $991,000 from 89 members by the end of August. A second preference share offering (Class A Series 2) was approved in December 2012 and raised $1.25 million by the end of April 2014 from 119 OREC members. Series 3 Preference Shares were purchased by 138 members, totalling $1.4 million by its close on February 28, 2015. A second security option, a

Member Investment Note, was included in the 4th Offering. This offering totalled $1.5 million invested by 132 members when it closed on October 31, 2015 with $1.13 million of that in Preference Shares and $368,000 in Member Investment Notes. The Co-op's 5th offering closed on April 30, 2017 with 131 members purchasing $1.4385 million in Class A Preference Shares and 33 members investing in $550,000 of Member Investment Notes.

The Co-operative believes that many current members and potential new members will be interested in investing in the securities on offer. The Co-operative has a marketing strategy to attract Members and Member investment.

Under this offering OREC can also raise debt or loan capital from non-member entities and individuals. The Co-op also expects that residents of the National Capital Region in Quebec, who are precluded from membership under the FIT rules, would be interested in investing as non-members. More information on the marketing strategy is provided in Section 4 of this Offering.

B) Co-operative Management

The Co-operative staff team is currently made up of a General Manager, Communications Manager, Technical Manager, and Energy Technologist, all overseen by a volunteer Board of Directors. The Directors bring a diverse array of expertise in renewable energy, project management, co-operative development and management, sustainability, business, policy development and social investment.

Dick Bakker – President - Dick has been actively involved in the Renewable Energy Industry since 2002, and a vocal advocate of all renewable energy options for many years. He has been operating a Micro-Fit solar system since June 2010 at his property in Manotick Station. Dick has 20 years of sales and management experience in the telecommunications industry with companies such as Telesat Canada, Cisco and several smaller firms. He now operates the Third World Bazaar, a seasonal event retail store. Dick has a BA (Politics) and MBA from Queen's University.

Vadim Belotserkovsky - Vadim is a mechanical engineer by training with over 16 years' experience in the field of renewable energy. His expertise includes project management, wind and solar resource assessment, feasibility studies and early-stage project development, energy and financial analysis, market studies, training and business development. He has been active in Ottawa's co-op sector since 2000 including serving on the Board of La Siembra, volunteering with the West End Well and sitting on OREC's Technical team since its creation.

Davis Carr considers her biggest strengths to be in marketing and communications. She is currently the Communications and Marketing Manager with EnviroCentre. Her flexibility and wide range of skills would make her a fantastic addition to the OREC team. Her strong commitment to social and environmental justice has lead her to using her skills for good by working with non-profit organizations to help them achieve their goals. Davis is a continuous learner who loves thinking about the latest trends in digital media and how she can leverage them for an organization's success. As a teacher, she enjoys the act of demystifying social media for her students. **David Cork-** David is President of Aspen Solar Management Inc., and is Managing Director of the Federation of Community Power Co-operatives. He was previously VP Sales and Marketing at iSolara Solar Power. David is Past Chair of the MicroFIT Working Group for the Canadian Solar Industry Association and is an active participant in several industry forums, including the FIT Financing Forum. David has over 25 years of management experience in Ottawa hi-tech companies including Nortel, Mitel and ObjecTime.

David Cork joined iSolara in 2010, and has since taken the role of VP of Sales and Marketing and has helped direct the company's exceptional growth in the MicroFIT and FIT market across Eastern Ontario. David manages the FIT application team. David is the Chair of the MicroFIT Working Group for the Canadian Solar Industry Association and is an active participant in a number of industry Forums, including the FIT Financing Forum. David is the Founder and Principal of Aspen Solar Management Inc. which acts as the General Partner for 7 Limited Partnerships which together have 14 FIT 3.0 applications in development. David has over 25 years of management experience in Ottawa hi-tech companies including Nortel, Mitel and ObjecTime. David holds a degree in Electrical Engineering from the University of Waterloo.

Jay Cuylits has around 20 years of experience in strategy, capital raising and business development in various sectors, including mining and renewable power. Having worked on a number of large scale capital projects and transactions around the world, Jay is keenly aware of risks and opportunities that can impact investments made by the Ottawa Renewable Energy Co-operative. Jay is passionate about the renewable power sector and is inspired by the opportunities being made available through the transformation currently underway in the energy sector. Following a career working at the director and senior director level at large multinationals such as Rio Tinto and Brookfield Renewable, Jay currently provides strategic and financial advice to a wide range of commercial clients. Jay is bilingual and holds an MBA from McGill University.
Aidan Foss - Aidan has 30 years of professional engineering experience covering power, control, software and simulation. A graduate in mathematics from Cambridge University with a doctorate in turbine control from Imperial College, Aidan initially specialized in computer control and simulation for industrial and off-shore applications. In 1990, Aidan joined the National Grid Company, focusing on generator-grid interconnection, frequency and voltage control and power quality. In 2001, Aidan moved to Ottawa, and in 2003 co-founded ANF Energy Solutions. As the Principal Engineer, Aidan provides distributed generation technical services covering power-plant automation, protection, and grid interconnection. Associations: IEEE 1020 Working Group Member: Small Hydro Control, COGEN Canada Board of Advisors, IEEE Ottawa Electrical Power Symposia Founder and Co-chair (2001-2006). IEEE Power & Energy Society Outstanding Engineer Award (2013).

Wesley Johnston - Wes provides leadership for strategic initiatives, business strategy and operations at Canadian Solar Industries Association (CanSIA), the solar energy industry national trade association. He is also President and CEO of Financial Freedom Real Estate Investments. In his role at CanSIA, Wes has developed significant expertise in solar energy markets, policy development and regulatory affairs and strong relationships with industry, stakeholders and all levels of government. He holds a BBA, (University of PEI), MAES (University of Waterloo) and MBA (Queen's University). Wes is an avid golfer who tries to spend at least a couple of weeks per year on the fairways of his native Prince Edward Island.

Angela Keller-Herzog is active in her community as a community organizer, environmental advocate and active citizen observer of municipal affairs. She co-chairs the Environment Committee of the Glebe Community Association, is the GCA liaison at the Federation of Citizens Associations of Ottawa, and a focal point for renewable energy and climate change with Community Associations for Environmental Sustainability. Angela runs an eco-friendly B&B in the Glebe neighbourhood of Ottawa. Angela is also a trained economist and has over two decades of experience in consulting, programme management, policy development, risk management and international development.

Nicholas LePan – Treasurer - Nick Le Pan has extensive experience in financial services regulatory matters and in governance. He is a member of the Board of CIBC, a major Canadian chartered bank, chaired its risk committee and has been a member of its governance committee and compensation committee. He also chairs the Board of Directors of CPAB, the independent Canadian regulator of audit firms of reporting issuers. He was the Superintendent of Financial Institutions for Canada from 2001 – 2006. Prior to that held various positions in Canada responsible for supervision of banks and insurers and for policy development in the federal Ministry of Finance. He has volunteered at OREC for several years, been a member of the business team and assisted in preparation of offering statements. He holds a BA from Carleton University and an MA(Econ) from U of T.

Sally McIntyre is an energetic and enthusiastic leader with over 25 years of experience developing and implementing environmental policies, plans and programs for governments, businesses, and institutions domestically and in developing economies. Recent work includes the development and implementation of environmental and infrastructure policies including facilitated discussions, risk analysis, drafting of regulation, program design, the assessment of service delivery models and work tools, work process mapping and budgeting, strategic communications, and performance and change management. Sally is the President & Founder of McIntyre Environmental Management and has worked for the City of Ottawa as the Manager of the Environmental Business Services in the Environmental Services Department as well as Program Manager in Environmental Programs.

Stephen Michell - Stephen has a BSc in mathematics and an MSc in math and computer systems engineering. He is active in information technology standards, serving as vice chair of the CSA Technical Committee on Information Technology (TCIT), chair of TCIT's programming language subcommittee and participant on two technical committees.

Stephen spent 20 years as a Cub Scout and scout leader, and several years on school councils and activities such as local improvement committees.

Roger Peters – **Past President -** Roger is a professional engineer with over 30 years' experience in energy efficiency and renewable energy as a consultant, researcher, writer and advocate in Canada and around the world. Roger was founding President of OREC from 2010 to 2013. Roger's previous experience includes Director of Renewable Energy and Efficiency with the Pembina Institute and solar commercialization officer at the National Research Council.

Marc-Andre Pigeon brings a wealth of experience in communications, marketing, finance, and co-operative institutions. Marc-André Pigeon is Director, Financial Sector Policy, Canadian Credit Union Association. Marc-André is responsible for monitoring, researching and advocating for credit unions on a range of issues. Prior to joining CCUA, Marc-André worked as an analyst for several Parliamentary committees including the Senate Banking Committee and House of Commons Finance Committee, as a project leader at the Department Finance, as an economics researcher with the Levy Economics Institute in New York state, and as a business reporter for Bloomberg Business News in Toronto. Marc-André holds a PhD from Carleton University in Mass Communications, where he is a session lecturer, a Master's Degree in economics from the University of Ottawa, and a journalism degree from Carleton University.

Nate Preston, Secretary - Nate has been passionate about renewable energy since driving a solar car across North America in 2008. He is a co-founder of Apricity Renewables Inc, an engineering firm that works with stakeholders to bring high quality renewable energy assets online faster and with lower costs. Nate has managed construction engineering on many of the largest solar rooftop portfolios in Canada and brings experience with over 150 commercial rooftop PV projects in Ontario alone. He obtained his Master's degree from the Queen's Solar Lab where he studied heat-pumps, solar thermal, and solar PV. As a born and raised member of the Ottawa community, he was fortunate to work with Carleton University and Algonquin College to construct a net-zero energy home which competed in the 2013 Solar Decathlon. Nate is inspired by the strides net-zero energy buildings have taken in the marketplace and believes Eastern Ontario will be a national leader in accelerating their adoption in the built environment.

Susan Tanner - Susan has a lifelong commitment to environmental sustainability and social justice as reflected in her career as lawyer/mediator; educator/community organizer and public servant. Now retired, her Government positions included that of Senior Advisor to the Deputy Minister of Justice on Gender Equality and Diversity; Forum Lead, WUF Habitat Jam; Member of the Ontario Environmental Assessment Board; Vice Chair, Social Assessment Review Board; and mediator for the Ontario Grievance Settlement Board. In the 1980's Susan participated in the Ad Hoc Committee on the Constitution, and the organizing committee of the Symposium on Equality Rights.

In 1985, she became the founding chairperson of the Women's Legal Education and Action Fund (LEAF), designed to promote the rights of women under the Charter of Rights and Freedoms. Susan represented WEED (Women and Environment Education and Development) at UNCED in Rio (1992). In 1995, Friends of the Earth Canada accepted a UN Environmental Prize for work on ozone depletion under her leadership and she continues to be actively involved in environment issues with organizations such as Canadian Association for the Club of Rome and Learning for a Sustainable Future. She lives in the Glebe.

Jessica Webster – Jessica, MCIP, RPP, is a professional planner with a decade of experience researching community energy planning with Natural Resources Canada and three-years' experience managing energy planning in minor capital projects with the National Capital Commission. In this and other capacities, she has worked with communities across Canada on community energy maps and plans and facilitated stakeholder groups to conduct collaborative research projects. She is also an event promoter, radio host, DJ and new mom. A native of Unionville, she has a BA from Carleton University and a Master's of Strategic Leadership Towards Sustainability from Blekinge Institute of Technology in Karlskrona, Sweden. She lives in Kanata.

Gabrielle White J.D. is based in Ottawa, Ontario, where she works as a lawyer with the Canadian Department of Justice. Before joining the public sector, Gabrielle was an associate with Hordo Bennett LLP. She completed her Juris Doctorate in 2011 at the University of Ottawa. Gabrielle has a firm commitment to the development of her community, demonstrated by her involvement in the creation of the Carlington Community Garden. In the past, she has served on the steering committee of Ecology Ottawa and continues to be involved with the organization.

Directors are elected for one to three-year terms, and may serve a maximum of three consecutive terms.

Current staff of the Co-operative includes:

Janice Ashworth - **General Manager –** Janice has been with OREC since 2011 and has been working in renewable energy since 2006. Janice has a Master's in Environmental Studies from Dalhousie University with a focus on community power structures and policies. She coordinated the Nova Scotia Sustainable Electricity Alliance and worked in wind power with the community-owned Colchester-Cumberland Windfield. Her non-profit experience includes community organizing for Ecology Ottawa and promoting solar energy with the Ecology Action Centre. Janice sits on the Sustainability Committee of the Ottawa Chamber of Commerce and Chairs the Ontario Federation of Community Power Co-operatives.

David Mazur-Goulet- Communications Manager-- David has been working in the field of communications and marketing for organizations of all types since 2010. An Ottawa native, he is committed to helping the region take the climate challenge head on. He owned and operated The BeetBox: an organic market garden located in L'Ange-Gardien, Quebec from 2014 to 2015. David holds two diplomas from Algonquin College in Small and Medium Enterprise Management and Green Business Management.

Tyler Blanchett - Sustainable Energy Technologist – Tyler, LEED GA**,** brings 6-years' experience in environmental facilitation, analyses, and communications. At the Ottawa Renewable Energy Co-operative, he is responsible for energy efficiency project management and marketing as well as 3D solar array drawings. Driven to make it meaningful, Tyler has volunteered with many community organizations focused on fostering sustainable engagement and public accountability including 350 Ottawa, Green Energy Doors Open, Ecology Ottawa, and Manifest Change. The Co-operative's commitment to respectable technology, ethical financing, and community growth makes this the best place to invest his efforts. Tyler holds a diploma in Energy Systems Engineering Technology and is inspired to enable Eastern Ontario's green energy potential.

In addition to staff, OREC is assisted by several skilled professionals. These include: due diligence engineering from Apricity Renewables Inc. (a related party as Nate Preston is both a director of OREC and vice president of Apricity); Peter Manson who is on contract to OREC to perform technical monitoring of solar sites; legal counsel from George Brown Law and Iler Campbell LLP; bookkeeping from Karen Foubert; and accounting/auditing services from the Frouin Group.

The Board and staff are also assisted by Board/Member volunteer teams on business planning, communications, and technical assessment.

C) Membership

Membership Requirements: To become a Member, an individual must apply for membership to the Board. A Member is not required to purchase Preference Shares from the Co-operative.

a) Membership is open to individuals over the age of 16 who reside in Eastern Ontario at the time of application, and have completed the required application form and purchased the single Membership share for $100.

b) Each Member is entitled to only one vote and to hold only one elected position.

c) A Member in good standing is entitled to all the rights, benefits and privileges of Membership and to stand for any elected office in the Co-op. To remain in good standing, a Member must abide by the By-Laws of the Co-op and any other policies the Co-op may establish from time to time pursuant to these By-Laws.

d) A Member may withdraw from the Co-op by giving the Secretary 30 days written notice. The Board may vote to accept any application to withdraw upon shorter notice.

Members who subsequently move away from Eastern Ontario but remain residents of the Province of Ontario, may retain membership unless they withdraw from the Co-operative. FIT Program rules state that members of Renewable Energy Co-operatives that are given priority as owners of community projects must be residents of Ontario. Members who leave the Province must therefore redeem their membership share.

Admission: Membership in the Co-operative shall consist of all persons who are accepted as Members in the manner prescribed below and whose membership has not been terminated pursuant to the provisions of the Act.

Acceptance: No individual shall become a Member until an individual's application for membership has been approved by the Board. If the application is not approved by the Board, any payment forwarded with the application shall be refunded without interest to the applicant.

Purchase of Preference Shares: Once an individual is a member of the Co-operative, they will be notified about potential investment opportunities through this or other Preference Share Offering Statements. The purchase of Preference Shares is not mandatory as a requirement of membership. However, if a Member does purchase Preference Shares, then the minimum number, as set in the offering statement, must be purchased. Only Members, as individuals, are eligible to purchase Preference Shares.

Borrowing from Members: Once an individual is a member of the Co-operative, they will be notified about potential investment opportunities to loan money to the Co-operative through Member Investment Notes described in this Offering Statement. Lending capital to the Co-operative is not mandatory as a requirement of membership. However, if a Member loans money to the Co-operative, then the minimum amount, as set in the offering statement, must be loaned.

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

Termination of Membership: Membership in the Co-operative shall terminate upon the resignation of the Member from the Co-operative, on the death of the Member, if the member ceases to reside in Ontario, or on the expulsion of the Member from the Co-operative by a resolution passed by the Board pursuant to the Act or as may also be prescribed from time to time by the Act.

Treatment of Surplus: The Board, after paying expenses and debt obligations (including those on Member Investment Notes) and making proper allowance for depreciation, shall apportion the surplus arising from the net revenue from the Co-operative's projects in any or all the following ways:

1. By setting aside reserves in such amount as the Board deems advisable for such purpose or purposes that are deemed to be conducive to the interests of the Co-operative or its Members, which sum may be invested, dealt with and disposed of for the benefit of the Co-operative as the Board determines from time to time;
2. Payment of dividends on the Preference Shares of the Co-operative used to finance its project and payments for return of the capital invested by these Preference Shareholders in whole or in part.

D) Contracts and Compliance

i) Authorizations, Licenses & Permits

A renewable energy generation project of 500 kW or less is required to have a power purchase contact (i.e. FIT contract or a net-metered power purchase agreement with a property owner), a pre-commissioning safety inspection, a connection impact assessment, an Environmental Activity and Sector Registration (if groundmount), and a building permit (if rooftop). If larger Projects are pursued, the Board of the Co-operative will ensure that all additional licenses and permits required for development and operation are obtained.

ii) Environmental Compliance

Because the Co-operative's existing and anticipated installations are no more than 500 kW AC, no significant environmental assessments are required. Groundmounted projects on poor agricultural land must undergo appropriate environmental screening and Environmental Activity and Sector Registration. There are no known chemical, radiological or other side effects with any of the equipment to be used at the Co-operative's renewable power installations that would affect humans, animals, buildings or the environment in general, thus there is no risk of contamination; all the components to be used are inert with respect to toxicity.

iii) Real Estate

The Co-operative does not own any real estate but does lease office space of sufficient size to operate the business and leases space to install Solar Panels, as more particularly described under the "Summary of Lease Agreement" heading below.

iv) Summary of Lease Agreement

The Lease Agreement, summarized below, is used for projects with FIT contracts. The Co-operative generally signs (or co-signs with collaborators) with owners of the properties where the renewable power system will be installed.

The purpose of the Lease Agreement is to permit the Co-operative and/or its collaborators to install Solar Panels or other Renewable Energy systems on the property owners' roof or land. A separate Lease Agreement is signed for each of the Co-operative's Projects. The Co-operative has developed a template that is used as the basis of negotiation with each property owner.

The FIT Contract for each Project is between the IESO or its delegate and the Co-operative or its project collaborator, and the Lease Agreement for the use of the property where the Co-operative installs each Project is referenced in this FIT Contract.

The Lease Agreement contains conditions that i) a Notice of Contract has been provided for the Project by the IESO, and ii) the final design for the project shows that the property is suitable and financially viable for a renewable power Installation.

The following terms and conditions are normally addressed in the Lease Agreement:

1) The term of the Lease Agreement. The Lease Agreement is for twenty (20) years for solar PV energy projects to coincide with the duration of the term of the FIT Contract, plus an estimate of the time taken to apply for the FIT Contract and bring the Project to commercial operation. This additional time could be up to 2 years.

2) The location of the Renewable Energy equipment and ancillary equipment on the property owner's property.
3) The Co-operative's access to the property for the purposes of installation, maintenance, repair and decommissioning of the Renewable Energy equipment.
4) The base rent to be paid by the Co-operative to the property owner over the term of the contract and any ancillary charges payable by the Co-operative.
5) Confirmation of the Co-operative's ability to use the property for renewable power equipment Installations.
6) A covenant by the property owner that the property owner will not do any act or thing that will result in any shading or obstruction of the sun, thereby impairing the Renewable Energy equipment's ability to generate electricity.
7) The insurance the parties are required to obtain for the Renewable Energy equipment and the property on which the renewable power equipment is situated.
8) General indemnification provisions between the Co-operative and the property owner whereby one party agrees to indemnify the other for damages suffered by the other party as a result of the conduct of the one party.
9) Terms and provisions regarding the transfer by a party of their interest in the Lease Agreement.
10) Rights of termination. Because the Co-operative's business model depends on revenue from its 20-year FIT Contract, the Lease Agreement will have extremely limited rights of termination. Termination penalties will allow the Co-operative to recover its sunken investment and lost revenue.
11) Dispute resolution provisions. It is intended that the parties would initially proceed to non-binding mediation followed by binding arbitration in the event the non-binding mediation did not result in a resolution of the issue.

Given site variations and the fact that Lease Agreements must be negotiated separately with each property owner, not all the Lease Agreements are identical to one another.

The Lease Agreement prohibits the property owner from installing their own Renewable Energy equipment at another location on their property if it would interfere with the Co-operative's Renewable Energy equipment or threaten the Co-operative's FIT Contract.

v) Summary of Power Purchase Agreement

A Power Purchase Agreement is signed between the Co-operative and the consumer of the electricity when the Co-operative enters into a net metering arrangement. Provincial policies to date require that this consumer be located on the same property as the solar power generation facility.

Under this Solar Power Purchase Agreement, the Ottawa Renewable Energy Co-op (OREC) (Seller) agrees to lease a solar power system including PV panels, inverter, racking and required controls to an electricity customer (Purchaser) and install the system on the customer's property. The Seller then signs a net metering agreement with their LDC and connects the system behind the meter. The Purchaser's power purchase agreement payments to OREC are based on the kWh generated in that year multiplied by an agreed upon price per kWh for that year. OREC maintains and insures the system as part of the agreement.

The term of the Agreement is 25 to 30 years and the price per kWh for each year of the lease are set to provide a net savings in total electricity purchased over the term for the Purchaser, and a reasonable return to OREC. The Agreement also covers matters such as system design, responsibility for monitoring and maintenance, insurance, and what happens if either party fails to meet their obligations.

Some of the important obligations include:

- the Seller's obligation to construct, own, and operate the solar equipment at its cost and in keeping with site access protocol;
- Purchaser's obligation to compensate the Seller if they vacate the facility before the end of the term;
- Seller's obligation to remove the system at the end of the term(s) unless the Purchaser wishes to take ownership of the equipment; and
- Purchaser's first option to purchase the system for "fair market value."

vi) FIT Contracts

The FIT Program is described in the Co-operative's Business Plan summarized in Section 4 of this Offering Statement. An application for a FIT Contract is submitted when the Co-operative concludes a Lease Agreement with a property owner to lease a building's roof space or land for the installation of a solar PV or another Renewable Energy Project. Once a Notice of Contract has been received for the Project from the IESO (formerly the OPA) and a final design has been prepared and satisfied all grid connection and other requirements, a request for Notice to Proceed is made to the IESO. When this is received, the Project is installed and connected to the grid. At this point the IESO and the Co-operative sign the FIT Contract itself. Section 4 of this Offering includes a chart illustrating these steps in applying for and being awarded a FIT Contract.

Each of the Co-operative's projects is the subject of a separate FIT Contract. All grid connection costs for Co-operative-owned Installations are borne by the Co-operative. The IESO and the Co-operative (itself or with any collaborator/partner) are the sole parties to a FIT Contract and thus receive revenue from sale of electricity to IESO, except in the case of a project under the Micro-FIT program which requires that the FIT Contract be with the property owner. In that case, the Lease Agreement for the project provides for redirection of revenue from sale of electricity by the property owner to the Co-operative.

The new projects and FIT Contracts that the Co-operative intends to pursue and finance with the proceeds of this and subsequent offerings are described in more detail in Section 4 of this Offering. In future, the Co-operative may pursue larger projects if those become available under the FIT program and meet the Co-operative's business and financial goals.

vii) Insurance

The Co-operative maintains Workplace Health and Safety Insurance, general liability, blanket accident, and comprehensive directors' and officers' insurance designed specifically for co-operatives with share capital. During construction, the Co-operative requires that contractors carry industry-standard construction insurance and Workplace Health and Safety Insurance.

Once a Project reaches Commercial Operation, the Co-operative takes out property, general liability, and business interruption insurance with reputable insurers who are experienced with insuring commercial renewable power Projects in amounts which are customary in the industry.

viii) Co-ownership through Joint Arrangements

Some of the projects in which the Co-operative invests involve co-ownership through a Joint Agreement or a Limited Partnership with another party. Under these agreements, the Co-operative generally has majority or equal control of the project and its management with the other party, irrespective of the Co-op's financial stake. All project expenses (insurance, maintenance, management, etc.) and revenue are shared according to the ownership percentage. On dissolution, all assets are shared according to the ownership percentage. In the Co-operative's major limited partnership projects, OREC retains voting control and control over assets.

Each of OREC's Joint Venture or Limited Partnership agreements clearly set out the obligations, liabilities, benefits, and costs assumed by each party. The agreements also contain a dispute mechanism that uses arbitration if necessary and remedies that protect each party's investment.

One party acts as project manager under the authority provided to it by the joint arrangement and each party assumes the same level of risk and equally shares legal and accounting responsibilities. In limited partnership arrangements, there is a general partner responsible for day-to-day decision making.

The FIT contracts for the four projects owned in collaboration with the French catholic school board are in the name of the school board for the purposes of securing a FIT contract. The joint arrangement then assigns the revenues from the project to both parties equally.

ix) Membership in Other Organizations

While focusing primarily on the production of renewable energy, the Co-operative also works with other organizations in Eastern Ontario to promote renewable energy through the Community Energy Network, Sustainable Eastern Ontario, and 1000 Solar Rooftops. OREC is also a founding member of the Federation of Community Power Co-operatives, a resource and common voice for Ontario renewable energy co-operatives, the Ontario Co-op Federation (ON Coop), and the Ottawa Co-op Network.

4. BUSINESS PLAN AND FINANCIAL POSITION

4.1 2017-19 Business Plan

In summary, OREC's business plan for 2017-2019 is as follows:

1. **Operate, monitor and effectively manage the Co-operative's current solar project portfolio.**
2. **Expand the Co-operative's solar project portfolio from its current 1.7MW up to 5 MW of solar PV rooftop and ground mount projects through the 1.65MW of awarded FIT**

5 contracts, the purchase of FIT 1-4 projects as available, and investment in net metered solar projects.

3. **Expand upon the Building Energy Enhancement Service pilot program currently underway to finance the retrofits of multi-unit residential buildings that provide revenue in the form of shared savings. Target of $1 million invested in retrofits.**
4. **Develop a new, less restrictive co-operative structure to enable member investment into energy retrofits as described above.**
5. **Increase membership to 1,000 by the end of 2018, 1500 by the end of 2019.**
6. **Raise capital for new projects through**
   - **Multiple offerings of 20-year Class A Preference Shares**
   - **A new pool of capital financed through an offering of new Class B and Class C Preference Shares.**
   - **Increased debt financing from members, partners, non-member entities who share ORECs philosophy or financial institutions. OREC's debt-to-assets ratio is currently less than 15%. OREC plans to review expanding the role of debt, while maintaining a prudent capital structure and staying well within the maximum board-approved debt-to-assets ratio of 40%.**

A) Current Project Portfolio

As of November, 2017, OREC owns 14 solar PV rooftop projects all within the City of Ottawa and 1 ground-mounted solar facility in Alfred, 1 hour east of Ottawa, detailed below:

- a 100 kW project on an industrial building near the airport approved under FIT 4;
- a 384 kW project on an industrial building near the airport approved under FIT 3;
- a 190 kW project on a Kanata high school approved under FIT 3;
- a 50 kW project on a barn in Manotick Station approved under FIT 3;
- a 75 kW project on a horse barn in Dunrobin approved under FIT 3 which is 51% OREC owned in collaboration with the landlord;
- a 100 kW FIT 1 on a high school in Bells Corners in a 50/50 joint arrangement with the school board;
- a 150 kW FIT 1 project on a high school in Ottawa south in a 50/50 joint arrangement with the school board;
- a 75 kW FIT 1 system on a school in Overbrook;
- five 10 kW rooftop MicroFIT projects approved under the MicroFIT 1 and 2 Programs;
- a 50% equity stake in a 250 kW rooftop project on a rural storage facility, approved under the FIT 1 Program; and
- a 49% economic interest, and voting control, in a limited partnership, where the other limited partner is a first nation community. OREC 100% owns the 500 kW solar garden, which it leases to the partnership who holds a FIT 3 contract.

Two additional projects are under construction currently, a 100 kW project on a rugby stadium and a 30 kW project on a vineyard. Profiles of all current projects are also provided on the OREC web site. The performance of each project is monitored electronically. Reports of performance results are provided to members annually. Revenue from projects in the early years of the Co-operative was about 10-15% lower than predicted due to a combination of equipment problems during commissioning, lower than normal solar radiation levels in 2017 and delays in FIT program approvals and joint ownership agreements. All projects are closely monitored electronically and are now operating as designed and in line with expectations.

B) Projects to be Financed with this Offering

Four new FIT 5 contracts were received in September 2017, enabling the co-op to build 1.65 MW of new solar over the next 2 years. The two rooftop FIT 5 contracts will be built in summer 2018 while the 2 ground mount FIT 5 contracts will be built in 2019 or 2020 and financed through a subsequent offering.

In 2017 the Co-operative, in a 50/50 collaboration with the Conseil des écoles catholiques du Centre-Est**,** was awarded two new renewable electricity supply projects in Ottawa, with a total capacity of 650 kW, under the FIT 5 program. The Co-operative intends to bring those on-line in 2018 with part of the proceeds of this offering.

The Co-operative is negotiating two possible 100 and 200 kW rooftop net metering projects with municipal, governmental or related institutions. The installation of these projects is planned for spring/summer 2018. There may be additional projects of this nature over the period of the Offering.

OREC is planning on building one 500 kW FIT 4 groundmount project in 2018, financed under this Offering. The project selected will be the best project of three potential projects described below. All three have the flexibility of being built anytime before Sept, 2019, therefore projects not constructed this year may be constructed next year.

OREC is considering entering into an agreement in principle to purchase a 49% economic share (51% ownership share) in an additional 500kW project, located in Alfred-Plantagenet. This would be a similar project to one that OREC successfully acquired and brought on stream in 2017, whereby OREC owns 100% of the equipment and receives revenues in proportion to the invested capital.

The Co-operative is also considering acquiring two FIT 4, 500 kW groundmount solar projects that were awarded to another co-operative. These projects are located near Manotick and Renfrew respectively and have until August, 2019 to be completed.

It is possible the co-op will finance the development work of additional projects that will be built after 2018.

If OREC decides not to proceed with one or more of the above projects OREC will seek out additional projects which will be financed with the proceeds of this offering, and may limit the funds raised under this offering. Figure 2 illustrates the steps and expected time frame generally involved in the design, construction and connection of FIT solar projects.

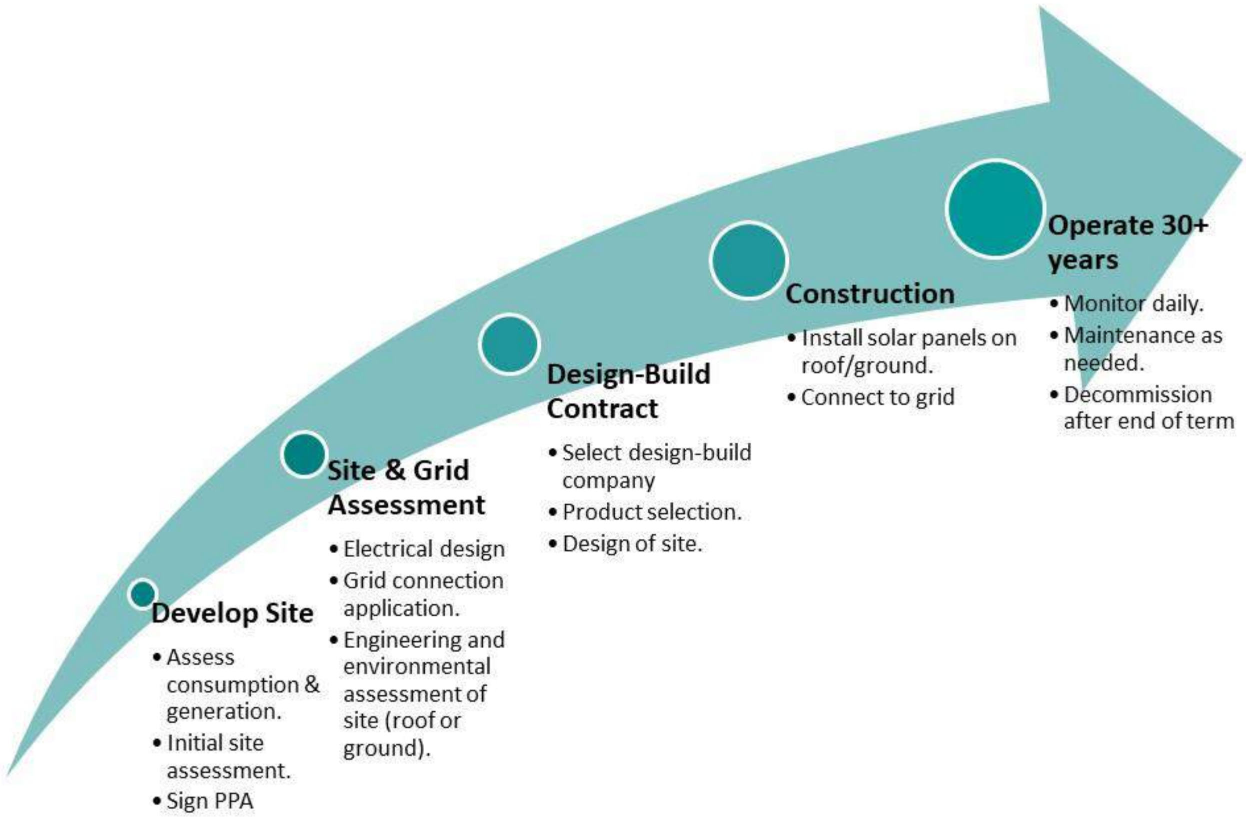

Figure 2: Expected Schedule for Solar Projects

C) Raising New Capital

As of October 2017, the expected total capital requirements for the FIT solar projects described above is $3,160,000, as follows:

500 kW FIT 4 ground mount project: $1,750,000

250 + 400 kW FIT 5 roof mounted projects: $750,000 (50% of total cost)

Potential net metering projects mentioned above totals $660,000:

100 kW rooftop project: $220,000

200 kW rooftop project: $440,000

To complete the capitalization of the projects described above, the Co-operative is planning to raise up to $3,000,000 through the sale of Preference shares and issuance of Member and Non-Member Investment Notes under this Offering. In addition, the Cooperative may use its own funds and borrow from financial institutions or other entities under this offering to fund project development.

Any capital not raised through this offering required for these projects will be raised through other debt financing from financial institution(s). OREC's bylaws allow it to use up to 40% debt to finance its projects. Currently debt is less than 10% of total assets.

OREC declares dividends on preference shares depending on operating and financial performance. OREC has periodically paid an interim dividend in the first half of the year and a further dividend later in the year. The Co-operative intends to pay the same rate of dividend on Class A Preference Shares. Dividends are paid to shares outstanding at the time the dividend is declared, so any interim dividend declared in the early part of 2018 might not be available to purchasers of Preference Shares under this offering. Repayment of share capital on Class A Series 6 Preference Shares is planned to start in 2024.

Interest on Member and Non-Member Investment Notes will be paid annually on the anniversary of their issue with the principal repaid at the end of their Term.

To ensure that the Co-operative has sufficient capital to take advantage of any new project opportunities that present themselves, the Co-operative obtains short-term debt financing, as necessary, from traditional financial institutions. The Co-operative also maintains short-term investments of the proceeds of previous offerings not yet invested in projects and of funds being built up to finance redemption of previous share offerings. These investments are also available to finance project development.

The Co-operative currently has the following debt obligation, which was issued outside of a receipted Offering:

- $50,000 investment loan from Tolcor Investments

Surplus net income from the Co-operative's operations will be distributed as per the following priorities:

1. Payment to service short term secured financial institution loan financing, if any;
2. Payment to service debt obligations including Member and Non-Member Investment Notes and Promissory Notes;
3. Contribution to the Co-operative's reserve fund;
4. Payment of declared dividends and return capital to holders of the Class A Preference Shares. All holders of each Class of Preference Shares receive their respective dividend.

D) Financial Position

The Co-operative's Audited Financial Statements and Auditors Opinion for the year ending August 31, 2017 are attached as Appendices A and B, respectively.

E) Cash Flow Forecast

Cash flow is determined by a detailed budgeting process that estimates investments in new projects, net revenue from all operational OREC projects over a 20-year period, annual administrative and operation expenses, project development and capital raising costs, the cost of borrowing, annual payment of dividends and capital repayment, and expected grants received.

The estimated revenue from a solar PV project is equal to the energy production for a project multiplied by the FIT Contract price for the project. Contract prices for the projects to be financed with this offering as follows:

FIT 4 Ground Mount: 22.4 cents/kWh
FIT 5 Roof Mount: 20.7 cents/kWh
PPA prices will vary between sites, starting around 13-14 cents and escalating over 30 years.

Net revenue from a project is defined as the production revenue from the sale of power to the grid from the project minus annual project related costs including maintenance, site insurance, roof lease rent, and project management. These costs normally account for about 15% of production revenue. A contingency of 3% of solar revenues is assumed in the cash flow forecast.

Net revenue from all operating projects owned by the Co-operative is used to cover annual administrative expenses of the Co-operative, service and retire debt, pay dividends, and return member capital. The following table summarizes OREC's annual operating budget assumptions.

Annual Operating Budget	
Staffing	$145,000
Legal Services	$6,000
Office rental and expenses	$15,930
Insurance – projects and business	$32,500
Financial Services	$19,400
Communications	$7,800
Memberships	$3,120
Project Operations, Maintenance + Metering	$49,500
Equipment Reserve Fund	$11,800
Project Leases	$60,470
Project Development and Management	$11,000
Depreciation	$350,074
Member debt Servicing	$39,040
Total	$751,634

*Certain expenses assumed to inflate at 2% per year in the 20-year cash flow forecast
** Details may not add to total due to rounding

F) Taxation

The purchase of renewable power production equipment will qualify for up to 30% per annum accelerated capital cost allowance under Class 43.1 of Schedule II to the *Income Tax*

Regulations for specified energy generation equipment. Previously, Class 43.2 applied at a 50% maximum write off rate. With these accelerated capital cost allowance rates, it is not anticipated the Co-operative will be liable for tax on solar projects for approximately the first ten (10) years of their operation. Future tax provisions have been based on a future rate (federal and Ontario) of 13.5% in 2018 and 12.5% in 2019 onward, if OREC qualifies under tax concessions for active business income for small business corporations.

G) Other Assumptions

Other financial assumptions are as follows:

Interest rate – long term financing	6.5%
Interest rate – bridge financing	8.5%
Portion of debt financing	Up to 40%
Term debt in years	15
Income tax rate	15%
Annual Inflation rate	2%

OREC's 25-year illustrative cash flow forecast is provided in Appendix C. The cash flow forecast includes investment in OREC's current projects and estimates of investment requirements for the new project(s) to be financed with this offering. It also includes net revenue from the Co-op's existing and new project portfolios; combined Co-op administrative and project development costs; proceeds from the sale of Preference Shares and Investment Notes; and payment of dividends and return of capital. Because the forecast assumes no new investment in projects after those financed from this portfolio, it assumes a reduction in OREC operating expenses. As noted above, OREC is likely to continue growth in future depending on the availability and profitability of investment opportunities.

The cash flow forecast in Appendix C shows that the Co-operative will be able to maintain a positive cash position for the full 20 years of the FIT projects while building a reserve to cover contingencies and business development, servicing all debt obligations, paying a reasonable dividend to Preference Shareholders, and returning invested capital.

4.2 Securities Marketing Plan

OREC's Marketing Plan focuses on two target markets for the sale of shares and investment notes:

1) Current members
2) Potential new members and investors

These components, while separate, are tightly interconnected. The success of OREC's current projects will be used to promote the Co-operative to potential members.

ORECs current focus is to increase membership in Eastern Ontario and to raise capital through the sale of Preference Shares and Investment Notes.

A) Key Messages

- Eastern Ontario residents do not need to wait for a government or big company to bring renewable energy to town; they can join forces with other interested investors in the community and take matters into their own hands.
- Know where your money is being invested; see the impact in your own community.
- Collaborate with Eastern Ontario residents to be part of the change.

B) Promotional Strategy

OREC's promotional strategy is designed to both recruit new members and sell securities when an offering statement is approved and active. Key strategies include:

- Position OREC as the leading impact investment opportunity in Eastern Ontario
- Promote the high social, environmental, and monetary impact OREC brings to Eastern Ontario
- Craft an identity for this latest investment opportunity

C) Promotional Tactics

OREC promotes its message through a wide variety of media channels which can be broken down into four categories: owned, earned, shared, and paid.

D) Owned Media

- Focus on target communities for outreach (geographically or community of interest where we have most members now) and hold information sessions and tables, kitchen-table parties, and stories in community papers.
- Give presentations and support them in finding and making presentations at faith groups, workplaces, community centres, public events, etc.
- Promote OREC membership to all the employees, patrons and members of buildings where solar projects are or will be located.
- Work with the co-op sector in Eastern Ontario to promote the co-operative economy as well as encourage members of Credit Unions, housing co-ops, and worker co-operatives to join OREC.
- Recruit members through sustainable local businesses through collaborative events and cross promotion.
- Feature OREC projects and promote membership and investments through social media and the OREC website.
- Update placards at schools and buildings where OREC has solar projects on the roof.
- Co-market with environmental and other renewable energy organizations at events in Eastern Ontario to promote OREC and its activities.

E) Sell Preference Shares (when offering statement approved)

- Prepare a member security purchase guide including a summary version of this approved Offering Statement.
- Distribute this guide to members and those on the interested list. Post it on the OREC web site.
- Phone call drive to members and those interested. Involve volunteers in phone calls.

F) Press Communication

- Secure promotional articles in local newspapers, television, magazines and web sites.
- Issue regular press releases on OREC activities.
- Select journalists to focus on (Citizen, Metro, Rogers TV, CBC Radio, Radio Canada) and further develop relationships.

G) Member communications

- Monthly e-mail (or regular mail for those who have requested) newsletter with updates that are graphically appealing.
- Mail out to members at the launch of the Offering period.
- Provide incentives to members for referring friends.
- Host open houses at project sites and invite members, media, and politicians.
- Take photos and videos of members and project hosts as testimonials for the website.
- Recognize members for referrals and volunteer involvement on social media and in newsletter.

H) Pricing Strategy

The $100 non-refundable membership fee was chosen as it would attract only those who are seriously considering investment through OREC and those who want to help community-owned power to succeed.

OREC has set the minimum investment in all new Preference Share Offerings at $2,500 ($5,000 if any portion of the investment is for an RRSP or TFSA). This amount was chosen to keep administrative costs to reasonable levels while at the same time providing opportunities for a wide range of members. The minimum purchase requirement for members who already own Preference Shares is $500 (one share). A maximum of $500,000 was chosen to promote wide ownership of the Co-operative.

Prices obtained for power sold by OREC to the IESO under FIT contracts are set by FIT rules depending on project size and type. OREC projects will be chosen to maximize the benefit of these prices.

l) Distribution or Location Strategy

Membership and projects are restricted to within Eastern Ontario. A key aspect of OREC's marketing campaign will be that Eastern Ontario money will be only invested in local projects to generate community power and jobs.

5. RISK FACTORS

Investment in Class A Preference Shares (Series 6) and Member and Non-Member Investment Notes involves certain risks. As described below, several factors (the "Risk Factors") could adversely affect the value of these investments and could jeopardize investors' capital in the Co-operative and/or their financial returns.

While the Co-operative's management will make every effort to prevent or mitigate the factors, before investing, prospective investors should carefully consider, considering their own financial circumstances, the Risk Factors set forth below as well as the other information contained in this Offering Statement.

Long Term Investment: Purchases of the investments offered herein should be considered long term investments which may not be suitable for investors who may need to sell their securities quickly in order to raise money. Investors are not entitled to demand the redemption of these Preference Shares or repayment of Investment Notes prior to their maturity date. Any redemption or repayment will occur at the sole discretion of the Board as explained in Section 8 "Description of Investments Offered". Investors who are looking for short-term returns and liquidity of capital from their investments should not purchase the investments offered herein.

Speculative Investment: The investments being offered under this Offering Statement are speculative, and involve a high degree of risk. Investors may lose their investment.

Start-up Venture: The Co-operative is still in a start-up phase. While the Co-operative does have assets or other financial resources, the commencement of construction of the next stage of renewable power projects is dependent upon the Co-operative raising sufficient equity under this Offering Statement and receiving the revenue described in Section 4.

Financial Projections: The Co-operative has prepared income projections for its portfolio of projects up to year 2040. They are included as part of the Business Plan included as Section 4. These projections are based upon assumptions and hypotheses, which the Board of the Co-operative believes to be reasonable. There can be no assurance that these forecasts and projections will be achieved. Actual results will vary, perhaps in a materially negative way, from these forecasts and projections. The assumptions upon which these forecasts and projections are based may change, whether due to circumstances beyond the control of the Co-operative or otherwise.

Failure to Raise Sufficient Equity and Impact on Financing: In the event that the net proceeds received under this Offering Statement, together with the other resources of the Co-operative, are insufficient to meet the equity requirements of the new project portfolio, the Co-operative's project portfolio will be scaled down in size accordingly. There can be no

assurance given that raising the amounts provided in this Offering Statement, together with existing equity, will give prospective lenders the confidence required to provide financing to the Co-operative.

Projections and Forward-Looking Information: This Offering Statement and the Business Plan contain forward-looking statements and projections which involve numerous assumptions, hypotheses, risks and uncertainties including, among others, those set out herein as Risk Factors. Actual results of operations will vary, perhaps materially and adversely, from the projections contained in this Offering Statement and the Business Plan. No representations or warranties are given that these projections will be achieved. The assumptions and hypotheses upon which these projections are based may change because circumstances beyond the control of the Co-operative.

Cash Flow: The Co-operative anticipates receiving positive cash flow over the life of the Cooperative's projects. However, these projections are based on several assumptions, which are outlined in this Offering Statement. If any one or more of these assumptions are incorrect, then the Co-operative may be unable to manage its cash flow requirements. This could jeopardize the ability of the Co-operative to pay interest on Investment Notes, the intended dividends and redemption of Preference Shares, and the solvency of the Co-operative.

Currency Risk: A portion of the components in the current and future Installations are imported and are paid in a foreign currency, therefore changes to the value of the Canadian dollar could potentially have a material impact and adverse effect on the cost of future projects or on the component costs for maintenance and replacement.

Depreciation of Assets: Investors are advised that the Co-operative is not establishing any reserve for the replacement of equipment, other than inverters and ordinary maintenance items and is depreciating the value of the system to zero at the end of its 20th year of operation. Solar PV systems have long operating life spans, however, and it is anticipated that after its operational term (20 years for FIT projects and 30 years for net metering), a project will produce between 80% and 90% of its initial rated output and thus be producing energy with some value. Since the value of this production cannot be determined today, no value has been assigned to it. These assumptions may prove inaccurate.

Domestic Content – To maintain the validity of some of the Co-operative's FIT contracts, the generation facility must meet the domestic content requirements as outlined by the IESO. The Co-operative must, for the duration of such FIT contracts, maintain records that verify the domestic content requirements were met. The IESO can audit these records at any time and if they deem that the records are insufficient, the FIT contract can be cancelled. The Co-operative has made best efforts to ensure the proper documentation has been maintained but there are no assurances that the IESO will deem this sufficient in the case of an audit.

Performance Risk: In the event that any of the solar PV installations do not generate the anticipated amount of electricity due to insufficient sunlight, underperformance of the systems or other causes beyond the control of the Co-operative, projected 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 panels,

when placed in the same general locale as the data utilized to predict solar intensity, will experience the same solar intensity.

Rooftop Destruction: In some of the Co-operative's leases, should the building under one of the Co-operative's rooftop installation be so significantly damaged by fire or other casualty that its owner decides to demolish it rather than rebuild, the Co-operative's lease for that rooftop may be terminated. The Co-operative's 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, the Co-operative may lose the revenues for the remaining duration of the contract.

Warranties: The Co-operative 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 the Co-operative's suppliers will not go out of business and thus be unable to honour their warrantees.

Availability of Additional Debt Financing: No assurances can be given that any of the new loan facilities from financial institutions referred to in this Offering will be obtained or will be obtained on acceptable terms. If the loans or bridge financing are not obtained by the Co-operative on terms acceptable to the Co-operative's Board, the Co-operative may not be able to proceed on all project opportunities. If the loans are obtained but at higher interest rates, then the revenue flow to the Co-operative from IESO or other purchasers of power will be reduced and the projections in the Business Plan will not be accurate.

Priority of Lenders: The net proceeds from the Class A Series 6Preference Shares offered herein will be subordinate to any funds borrowed from Members and to term and/or working capital lenders, who will rank in priority to all Class A Preference Shareholders. Holders of Investment Notes will be subordinate to any secured lenders, who will rank in priority to both holders of Investment Notes and Class A Preference Shares. It is anticipated these lenders will place certain conditions and restrictions upon the Co-operative's ability to meet debt obligations to investors and make distributions to its Shareholders. These conditions could require the Co-operative to allocate all or part of any excess cash flow generated by the Co-operative's operations to the pre-payment of its indebtedness, thereby eliminating or reducing the amount of cash, which could otherwise be available for distribution. The ability of the Co-operative to pay interest and dividends, and to repay capital, will depend both on the success of the Co-operative, its Projects, and on the terms and conditions imposed by the Co-operative's lenders.

Agreement Risk: Each Lease Agreement or Power Purchase Agreement must be negotiated on a property by property basis and the final form of the Agreements to be entered into with each property owner will vary, perhaps materially, from one another, and from the general description of Agreement terms set out in Section 3. It is also envisioned that many property owners' properties will be subject to a mortgage or mortgages. If a property owner's property were sold under power of sale or were foreclosed upon, then such proceedings may terminate an Agreement prematurely. Whenever possible, the Co-operative will enter into a non-disturbance agreement with such property owners and their mortgagees permitting the Co-operative to remain in possession in the event that a property-owner's property is sold under power of sale or foreclosed upon. However, some property owners and/or mortgagees may be unwilling to enter into such non-disturbance

agreements. In this case, if a property owner's property were sold under power of sale or were foreclosed upon, the Co-operative would have to attempt to recover the termination penalties in the Agreement.

Insufficient Capital: The Co-operative believes that the amount raised in Class A Series 6 Preference Shares and Investment Notes, plus funds on hand and external debt financing capacity, will be sufficient capital to proceed with the Co-operative's project portfolio as described above. Nonetheless, a combination of factors such as price increases for the purchase of Renewable Energy equipment, inability to obtain the equipment when contemplated due to short supply, and the cost to comply with regulatory issues, could result in an insufficient amount of capital raised, which could ultimately result in the number of additional Installations being reduced and/or the Co-operative not being profitable.

Failure of Some Equipment: The solar PV and other Renewable Energy equipment the Co-operative intends to install is expected to be low maintenance and trouble free, except for the inverters, which are planned to be replaced every 15 years. Solar Panels are covered by performance warranty for twenty-five (25) years and the inverters are covered by warranty for seven (7) to twenty-five (25) years. Manufacturers' warranties have limited scope and their enforceability is subject to the financial condition of the manufacturer. However, should issues with the Solar Panels and/or inverters develop, there would be a loss of energy production and associated revenues for the period of time that a failure occurs. Some revenue loss is covered by warranty or insurance.

Cost, Availability and Operation of Solar Panels: Because of the tremendous growth expected in Solar Panel installation world-wide and the limited number of manufacturers of Solar Panels, there could be fluctuations in panel cost and a potential delay in being able to have the panels of choice delivered for installation according to the Co-operative's construction schedule. The imposition of duties on imported panels in Canada or the United States could result in price increases or decreases for Solar Panels. If the Solar Panel delivery time is delayed from the schedule set forth in the Business Plan, or other delays occur in bringing project on-line, the revenue stream to the Co-operative will be negatively impacted and the Co-operative may be unable to meet its commitments under its FIT contracts or PPAs.

Non-completion: Should the Co-operative not be successful in raising the required capital or sufficient debt financing, the Co-operative will be unable to complete all the Installations as stated in Section 4.

Structural Damage upon Installation: If a structure is damaged during installation, the cost could increase if the cost to repair is higher than the amount that will be covered by insurance. This will have a negative impact on the profitability of the Co-operative, as will any increase in insurance costs owing to insurance claims made.

Timing: The timeline for the new project Portfolio is subject to the Co-operative being able to negotiate for and receive the necessary FIT Contracts or PPAs and construct the projects in a timely fashion. There may be a negative impact on the profitability of the Co-operative if the FIT Contracts or PPAs are not received in the time contemplated or the projects experience delays in construction or connection beyond the control of the Co-operative.

This could result in lower dividends being paid during the first two years of the term of Class A Series 6 Preference Shares.

Political Risk: The viability of the renewable power industry in Ontario and Canada is dependent upon tax/import tariff policies, government programs, and environmental and other rules and regulations, which provide an incentive to generate electricity from Renewable Energy sources. The further development of the renewable power industry in Canada will require the maintenance of a range of federal, provincial and/or municipal government programs, policies, and/or regulations which are currently in place. Existing FIT contracts, if cancelled by the provincial government, commit to pay the Co-operative out of pocket expenses (not equipment costs) for all projects that have reached the Notice to Proceed point in project development. While OREC will manage the timing of FIT projects to reduce the risk of losses due to project cancellation, there is no guarantee that losses will not occur if projects are cancelled.

Regulatory Approval and Permits: The Co-operative needs to obtain a FIT Contract and a Connection Agreement to proceed with any project installed under the present FIT Rules & Regulations. If the FIT Rules & Regulations change this may impose additional costs to the Co-operative not contemplated in its current Business Plan. The regulatory framework for net metering is under development and therefore the ability of the Co-operative to develop and operate such projects in a way that meets its profitability and other targets is uncertain.

Feed-In Tariff Program: The Government of Ontario can suspend or modify the FIT Program at any time. It is assumed, but cannot be guaranteed, that any contract for a Project under the FIT program that has reached a Notice To Proceed milestone (Engineering, permitting and financing complete) prior to a suspension will be honoured and the Co-operative will complete the installation and connection under the terms of the FIT program prior to suspension.

The Co-operative is making several assumptions on how the Government of Ontario and IESO will manage existing FIT contracts and net metering legislation that are ultimately beyond the control of the Co-operative. Assumptions that ultimately prove to be incorrect may have a material negative effect on the Co-operative's profitability and solvency.

The Ontario government has ceased procuring renewable energy generation through their Long-Term Energy Plan, which applied to large projects greater than 500 kW. This is not a market that OREC has participated in or intended to participate in. The provincial government has also phased out the FIT program for projects smaller than 500 kW in favour of Net Metering for 2017 onward. Some details on this program are still to be made public. This transition away from the FIT program reflects the decreasing costs of installing renewable energy, enabling the technologies to be cost effective in certain applications as a cost saving tool, thus not requiring subsidization. The currently-scheduled end of the FIT program will not affect any projects and contracts already in place (but see political risk above). OREC is developing new business plans considering these developments, as noted elsewhere in this offering statement

Counter party risk. Currently the FIT contracts are with a government entity that is an agent of the province. Under net metering arrangements power purchase contracts will be

with institutional or commercial entities, which will pose heightened counterparts risk of performing under the contracts, which are long term in duration. OREC intends to mitigate this risk through choice of counterparties, and various redress arrangements under the contracts. However, there is no guarantee that OREC will not suffer a loss because of counterparties failure to perform under the contracts.

Environmental Conditions: The Co-operative is not aware of any environmental concerns that could halt proceeding with the installation of its portfolio of new projects at this time. The FIT program requires no environmental assessment for connections of 500kW or less on rooftops. Environmental screening is required for groundmounted solar projects. There can be no assurances given that the IESO will not review or change this aspect of the FIT program. This could have a negative impact on the Co-operative's Business Plan and its profitability.

Market for Shares and Notes: There is presently no established market for the Preference Shares or Investment Notes being offered nor is a market expected to develop. Purchasers may not be able to resell Shares or Investment Notes purchased pursuant to this Offering Statement. Transfers of Membership Shares, Preference Shares, and Investment Notes require Board approval. Management will use its best efforts to match buyers and sellers but no guarantee is offered that Investors will be redeemed upon request.

No Sinking Fund or Reserve: No sinking fund or reserve has been established to redeem the Preference Shares being offered or to pay out Investment Notes before the end of their term. It is the intention of the Co-operative to return capital invested in Preference Shares and principle of Investment Notes as per the conditions stated upon their Offering. However, there can be no guarantee that the Co-operative will be able to honour these intentions. Investors are not entitled to demand the redemption of Preference Shares or Investment Notes. Any early redemption of these securities will occur at the sole discretion of the Board of the Co-operative.

Dividends are Non-Cumulative: It is the sole discretion of the Board whether to declare a dividend on Preference Shares in any year. If an annual dividend is not declared, the Board may declare bonus dividends in future years, but holders of these securities do not have a right to any make-up payment in years subsequent to the year for which dividends were not declared. Interest will be paid on Investment Notes on an annual basis in accordance with their terms.

Taxation: Financial projections assume that renewable energy generation assets owned by the Co-operative are eligible for accelerated capital cost allowance under Canada Revenue Agency Class 43.1 provisions. Previously Class 43.2 applied to solar investments. These provisions limit the tax paid by the Co-operative for the first 10 years of operation of each solar project. These provisions may be changed in the future and result in higher taxation for the Co-operative.

Interest Rate Fluctuation: If prevailing market interest rates rise significantly, raising capital to repay the Investment Notes when they are due through other debt financing may prove difficult. In that event, Investment Notes may not be repaid in full or when due. Repayment will be subject to the availability of replacement funds provided by new members and

surpluses from the projects. This risk diminishes over time as cash surpluses build up over the years.

Unknown Risk Factors: The Co-operative may also be subject to other unknown Risk Factors that could potentially affect its profitability and solvency. Some of these Risk Factors could include, but not be limited to, failure to comply with governing statutes and increased competition. Potential adverse changes in these areas may limit the Co-operative's solvency and/or its ability to pay dividends and interest, and repay capital.

6. USE OF PROCEEDS OF THE OFFERING

The Co-operative plans to raise up to $3,000,000 through the sale to Members of Class A (Series 6) Preference Shares and the issue of Member and Non-Member Investment Notes to complete investment in its portfolio of Projects described in section 4 of this Offering, but the Board may decide to cap the subscriptions of each at lower than the maximum amounts set out in this Offering depending on the final availability and cost of the projects and the Co-op's financial management needs. If subscriptions are more than the maximum, subscriptions for Preference Shares will be considered in the order in which they were received.

The Co-operative intends to allocate the proceeds raised under this offering statement to investment in the capital projects described in Section 4. Proceeds from the sale of these Preference Shares and Member and Non-Member Investment Notes will not be used to cover on-going operating expenses of the Co-operative, which are covered from project revenue. Proceeds from sales of membership shares will be used for general operations of the Co-operative.

If less than the target $3 million is raised through this offering and/or a satisfactory debt financing is not secured from financial institutions, the Co-operative may proceed with fewer of the projects described above. The Co-operative's preference is to raise the majority of its investments through equity and borrowing from members.

If more capital is raised than is required for the projects listed here, the Co-operative will pursue other project opportunities, although the Board of Directors may decide to cap the amount raised at the lower amount if no new opportunities are available.

Potential subscribers should carefully review the financial projections included in Section 4 to determine to their satisfaction that the net amount to be raised by this offering is sufficient to meet the objectives of the plans as expressed by the Co-operative.

7. CAPITAL STRUCTURE

7.1 Authorized Share Capital

The Co-operative is incorporated as a for-profit co-operative with share capital. In accordance with its Articles of Incorporation, its authorized capital as of November 1, 2017 is $30,000,000, divided as follows:

- Membership Shares: $1,000,000 comprised of 10,000 Membership Shares with a par value of $100.00 each.
- Class A Preference Shares issued in Series: $9,000,000 comprised of 18,000 Class A Preference Shares with a par value of $500 each.
- Class B Preference Shares: $10,000,000 comprised of 20,000 Class B Preference Shares with a par value of $500.00 each.
- Class C Preference Shares: $10,000,000 comprised of 20,000 Class C Preference Shares with a par value of $500.00 each.

As of November 1, 2017, the Co-operative had 683 approved and current members and had Class A Preference Shares as listed below:

The Co-operative's capital structure as of November 1, 2017, was as follows:

683 Membership Shares	$68,300
1,982 Class A Preference Shares (Series 1)	$991,000
2,500 Class A Preference Shares (Series 2)	$1,250,000
2,685 Class A Preference Shares (Series 3)	$1,337,500
2,265 Class A Preference Shares (Series 4)	$1,101,000
2,877 Class A Preference Shares (Series 5).	$1,438,500
Total Members' Equity and Share Investment[1]	$6,118,000

A) Material Attributes of Membership Shares

Holders of Membership Shares are entitled to attend and vote at all meetings of Members of the Co-operative and to receive such dividends (subject always to the prior rights of holders of Preference Shares) on Membership Shares as may be declared from time to time at the sole discretion of the Board of the Co-operative.

Holders of Membership Shares have equal ownership of all assets of the Co-operative and each has one (1) vote at all meetings of Members of the Co-operative.

Upon dissolution and after payment of all debts and liabilities, the Co-op's remaining property shall be distributed or disposed of equally among its members at that time.

[1] The attached financial statements may not include some committed Series 4 Preference Share investments that were still in transit from self-directed RRSP/TFSAs at year end.

B) Material Attributes of Class A, B and C Preference Shares

Class A, B or C Preference Shares, all of which rank equally, may be issued in one or more series. The Board of Directors determines by resolution the designation, rights, privileges, restrictions, and conditions attaching to each series of Preference shares as well as the number to be issued. The terms determined by the Board of Directors include dividend payments, conversion features, redemption features, return of capital, and transfer restrictions. Different *series* of preference shares shall not be construed to constitute different *classes* of shares.

1) Redemption Amount for Class A, B and C Preference Shares

If at any time the Co-operative purchases for cancellation or redeems Preference Shares of the Co-operative, the redemption amount or purchase for cancellation amount for each Class A, B or C Preference Share (herein collectively called the "Redemption Amount") shall be an amount equal to:

(i) their par value PLUS any dividends declared thereon but unpaid LESS any return of capital paid out in full or in part by the Co-operative to the Class A, B or C Preference Shareholder, or

(ii) in the event that the par value of all issued and outstanding Class A, B and C Preference Shares is greater than the Net Shareholders' Equity of the Co-operative, and the Board determines it is necessary for the long term financial wellbeing of the Co-operative, the Board of the Co-operative may by resolution resolve that the Redemption Amount shall be an amount equal to the Redemption Amount calculated as per clause (i) multiplied by a fraction that has as its numerator the Net Shareholders' Equity of the Co-operative and has as its denominator the total par value of all Class A, B and C Preference Shares in the capital of the Co-operative, both determined as at the date of the last completed financial year end of the Co-operative immediately prior to the date that the redemption or purchase for cancellation of Class A, B and C Preference Shares is completed.

2) Dividends on Class A, B and C Preference Shares

Holders of Class A, B and C Preference Shares are entitled to receive an annual dividend in priority to any dividend being paid on Membership shares. Dividends shall be issued through electronic payment or cheques of the Co-operative payable at par at any branch of the Co-operative's bankers in Canada and the payment thereof shall satisfy such dividends. The Board shall be entitled from time to time to declare part of the said dividends payable for any financial year notwithstanding that such dividends for such financial year shall not be declared in full. If within four months after the expiration of any financial year of the Co-operative the Board in its discretion shall not declare the said dividends or any part thereof in the Class A, B or C Preference Shares for such financial year, then the rights of the holders of these Preference Shares to such dividends or to any undeclared part thereof for such financial year shall be forever extinguished. The holders of the Class A, B and C Preference Shares shall not be entitled to any dividends other than or in excess of the dividends herein provided for.

3) *Priority of Class A, B and C Preference Shares*

Class A, B or C Preference Shares, all of which rank equally, may be issued in one or more series. Class A, B and C Preference Shares shall rank, both regarding payment of dividends and re-payment of capital, in priority to Membership Shares of the Co-operative, and shall not confer any further right to participate in profits or assets. Under the Act, all series within any Class of Preference shares rank equally with other series in that Class with respect to payment of dividends. All Class A, B and C Preference Shares are subordinate to the debt obligations of the Co-operative.

4) *Redemption of Class A, B and C Preference Shares by the Co-operative*

The Co-operative may upon giving six (6) months written notice to the holders of the Class A, B or C Preference Shares, redeem at any time or from time to time the whole or any part of their then outstanding Preference Shares. Upon redemption, the Co-operative shall pay to the holders of the Class A, B or C Preference Shares to be redeemed, in respect of each Class A, B or C Preference Share to be redeemed, an amount equal to the Redemption Amount. If notices of any redemption are given by the Co-operative and if amounts sufficient to redeem the Class A, B or C Preference Shares are deposited with any chartered bank or trust company in Canada, as specified in the notice, in trust for the holders of the Class A, B or C Preference Shares to be redeemed on or before the date fixed for redemption, dividends on the Class A, B or C Preference Shares to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against the Co-operative in respect thereof except, upon surrender to the Co-operative of certificates representing such Class A, B or C Preference Shares, to receive payment therefore out of the monies so deposited.

In case only part of the then-outstanding Class A, B or C Preference Shares are at any time to be redeemed, the Class A, B or C Preference Shares so to be redeemed shall be in proportion to the number of Class A, B or C Preference Shares registered in the name of each holder of Class A, B or C Preference Shares

5) *Participation of Class A, B and C Preference Shares on Dissolution*

In the event of the liquidation, dissolution or winding up of the Co-operative or other distribution of assets of the Co-operative among its Members for winding up its affairs, the holders of the Class A, B and C Preference Shares shall be entitled to receive, after payment to satisfy any debt obligations of the Co-operative and before any distribution of any part of the assets of the Co-operative, the Redemption Amount including all dividends declared thereon and unpaid. After payment to the holders of the Class A, B and C Preference Shares of the amount so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Co-operative.

6) *Voting Rights of Class A, B, and C Preference Shares*

Holders of Class A, B and C Preference Shares have the right under the Act to vote at all meetings of holders of Class A, B or C Preference Shares called for the purpose of amending any of the terms of the said Preference Shares.

7.2 Debt Financing

The Co-operative through its By Laws can use debt to finance up to 40% of its capital projects.

As of November 1, 2017, the Co-operative's Board of Directors has authorized the following debt financing:

1. $1,000,000 of secured short-term bridge and cash flow financing from a financial institution at negotiated rates;
2. $918,000 in Member Investment Notes (5-year term at 3%) sold through Offerings 4 and 5 and up to $700,000 of new Member Investment Notes as described in this Offering;
3. $500,000 in short term capital loans from non-member organizations that support the Co-operative's visions and goals (1 to 5-year term at up to 3%); and
4. Debt financing from any of the above-mentioned lenders up to an amount that results in 40% or less debt financing of the Co-operatives projects from all sources.

The Material Attributes of Investment Notes are described in Section 8 of this Offering.

8. DESCRIPTION OF INVESTMENT OPPORTUNITIES OFFERED

The Co-operative is offering to sell Membership Shares and Class A Preference Shares (Series 6) and to issue promissory notes for loans to the Co-operative made by members and non-members called Member Investment Notes and Non-Member Investment Notes.

It also intends to borrow money from financial institutions or other entities on the terms set out above or on terms that are appropriate for the Co-operative at the time.

8.1 Membership

The following is an outline of the minimum and maximum number of Membership Shares, Class A Preference Shares (Series 6) offered pursuant to this Offering Statement and the attributes of each such class of Shares:

Membership Shares

Minimum Offering	none
Maximum Offering	$50,000
Minimum Individual Subscription	$100
Maximum Individual Subscription	$100

Prospective Members of the Co-operative are required to purchase one (1) Membership Share with a par value of $100.00 each. Holders of Membership Shares are entitled to attend and vote at all meetings of Members of the Co-operative in accordance with the terms and provisions of the Act.

Par Value $100.00

Issue Membership Shares shall be issued to anyone eligible for membership in the Co-operative, and who has been admitted into membership by the Board.

Dividends At the discretion of the Board, to the maximum amount permitted under the Act.

Rank Junior, with respect to the payment of dividends, to Preference Shares. Junior, upon dissolution, to Preference Shares. Upon dissolution and after the payment of all debts and liabilities, the Co-op's remaining property will be distributed or disposed equally to the Members of the Co-operative.

Transfer Subject to the consent of the Board and to the provisions of the Act regarding the transfer of Shares.

Membership shares must be redeemed if the Member ceases to be a resident of Ontario. FIT Program rules state that members of Renewable Energy Co-operatives that are given priority as owners of community projects must be residents of Ontario.

Upon dissolution and after payment of all debts and liabilities, the Co-op's remaining property shall be distributed or disposed of equally among its members at that time.

8.2 Class A (Series 6) Preference Shares

Minimum Offering: nil
Maximum Offering: Class A (Series 6) $2,500,000

Minimum Individual Subscription for holders of other series of Class A Shares: $500
New Preference Shareholder
- Minimum Individual Subscription with any part held in an RRSP/TFSA: $5,000
- Minimum Individual Subscription without any part held in an RRSP/TFSA: $2,500

Maximum Individual Subscription: $500,000 less the amount of any Class A Preference Shares (Series 1, 2, 3, 4, and 5) already held and holdings of Member Investment Notes issued under the fourth or current Offering.

Par Value: $500

Term: Class A (Series 6) Twenty (20) years

Issue: Class A Preference Shares (Series 6) shall not be allotted or issued without the prior consent of the Board. Only holders of Membership Shares of the Co-operative can subscribe for Class A Preference Shares (Series 6) and these shares must be owned by individuals.

Dividends: The Co-operative intends to declare and pay a non-cumulative dividend on the current value of each Class A Preference Share (Series 6) (par value less return of capital). Dividends can be paid once per year but may be paid in increments if the Board decides.

Voting Rights: Under the Act, the holders of Class A Preference Shares (Series 6) have a right to vote only at meetings of holders of Class A Preference Shares (Series 6) called for the purpose of amending any of the terms of the said Class A Preference Shares (Series 6).

Self-Directed RRSP Option: Class A Preference Shares (Series 6) can be purchased inside of a self-directed RRSP Plan. This plan is administered through the Canadian Workers Co-operative Federation (CWCF) self-directed RRSP plan, which is registered through Concentra Trust. It is possible to use this option only where the individual plan-holder and their relatives hold less than 10% of the value of each class of shares in the co-operative. Contributions in-kind are allowed, which means currently-owned shares of the Co-operative can be rolled into the self-directed RRSP. Class A Preference Shares (Series 6) may also be purchased through a 'Transfer In' from another existing RRSP account. **Investors wishing to transfer in funds from another RRSP account must ensure that their transfer is completed no later than the closing date of the offering for their purchase of Preference Shares under this offering to be affected. Transfers can take 4 to 8 weeks.** Dividends on shares are paid in cash and remain in the account. Preference shares from other eligible co-operatives may also be held in the account. The same limits that apply to RRSP contributions generally apply to this self-directed RRSP. The individual plan-holder owes an annual account fee of $55 to the CWCF, which is managed by OREC through the dividend payments unless otherwise notified. Although the minimum purchase has been set at $5,000, prospective purchasers should be aware that an invested amount of $10,000 or more is recommended to offset the cost of these fees.

Class A Preference Shares (Series 6) are not currently available to be held in a Registered Retirement Income Fund (RRIF) with CWCF. There are other agents who will hold these RRIFs but the annual fee is higher, approximately $200. However, the Board of Directors of the Co-operative will give priority to requests for Preference Share redemption from members who hold Preference Shares in an RRSP if they are about to reach the age of 71.

Self-Directed TFSA Option: Class A Preference Shares (Series 6) can be purchased inside of a self-directed TFSA Plan. This plan is administered through the Canadian Workers Co-operative Federation (CWCF) self-directed TFSA plan, which is registered through Concentra Trust. It is possible to use this option only where the individual plan-holder and their family holds less than 10% of the value of each class of shares in the co-operative. Contributions in-kind are allowed, which means currently-owned shares of the Co-operative can be rolled into the self-directed TFSA. Class A Preference Shares (Series 6) may also be purchased through a 'Transfer In' from another existing TFSA account. **Investors wishing to transfer in funds from another TFSA account must ensure that their transfer is completed no later than the closing date of the offering in order for their purchase of Preference Shares under this offering to be affected. Transfers can take 4 to 8 weeks.** Dividends on shares are paid in cash and remain in the account. Preference shares from other eligible co-operatives may also be held in the account. The same limits that apply to TFSA contributions generally apply to this self-directed TFSA. The individual plan-holder pays an annual fee of $55 to the CWCF. Although the minimum purchase has been set at $5,000, prospective purchasers should be aware that an invested amount of $10,000 or more is recommended to offset the cost of these fees.

Return of Capital: In addition to paying an annual dividend, it is the intention of the Co-operative to return the full capital value of a Member's Class A Preference Shares (Series 6), commencing in the sixth year after issuance of their preference shares generally prorated over the period from year six (6) to year twenty (20) following their issuance with appropriate adjustments to avoid redeeming fractional shares.

Redemption: The Co-operative may redeem Class A Preference Shares (Series 6) in accordance with the provisions of its Articles. Members may request to redeem Preference Shares by giving six (6) weeks written notice. As noted above, the Board of Directors of the Co-operative has no obligation to redeem Preference Shares, but will give priority to requests for Preference Share redemption from members who are about to reach the age of 71 and hold Preference Shares in an RRSP. The Co-operative is also under no obligation to redeem any of the Preference Shares offered under this Offering Statement upon the withdrawal of a Member. No reserve or sinking fund is being established for the redemption of the Preference Shares being issued. This is identified as a Risk Factor in Section 5.

Transfer: Class A Preference Shares (Series 6) only be transferred to another member with the consent of the Board of the Co-operative.

Dissolution: In the event of the dissolution or liquidation of the Co-operative, the holders of Class A Preference Shares (Series 6) shall be entitled to receive, before any distribution of any part of the assets of the Co-operative, the Redemption Amount (as defined in Section 7 hereof), including any dividends declared but unpaid. Upon payment of the above amount, the holders of Preference Shares shall not be entitled to any further share in the distribution of the assets of the Co-operative.

Please see Section 7 entitled "Material Attributes of Authorized Capital" for further details on the Shares offered pursuant to this Offering.

8.3 Member Investment Notes

Member Investment Notes are unsecured promissory notes. The Co-operative's projected 25-year cash flow is included in the Business Plan summary in Section 4. A sample of the Promissory Note that will be issued for Member Investment Notes is attached in Appendix D.

Minimum Offering: $5,000

Maximum Offering: $1,500,000
Minimum Individual subscription: $5,000
Maximum Individual Subscription: $500,000 less the amount of any Class A Preference Shares (Series 1, 2, 3,4, and 5) already held and any Class A Series 6 Preference Shares purchased under this Offering.

Term: Five (5) years

Issue: Only holders of Membership Shares of the Co-operative can lend to the Co-operative and be issued Member Investment Notes which must be owned by individuals.

Interest: The Co-operative will pay interest of 3% per annum on the value of Member Investment Notes held by each member. Interest will be paid within 30 days of the anniversary date of the issue of the Member Investment Note

Security: Member Investment Notes are unsecured.

Voting Rights: Holders of Member Investment Notes have no voting rights.

Return of Capital: Capital invested in Member Investment Notes will be repaid in full at the end of the five (5) year term.

Prepayment: The Co-operative may prepay the whole or any amount of the Member Investment Note at any time without notice, penalty or bonus.

Transfer: Member Investment Notes may only be transferred to another member with the consent of the Board of the Co-operative.

Priority: Member Investment Notes shall rank, in both interest and return of principal, subordinate to debt financing obligations to financial institutions.

Dissolution: In the event of the dissolution or liquidation of the Co-operative, the holders of Member Investment Notes and Non-Member investment notes described below shall be entitled to receive full payment of the capital invested, before any distribution of any part of the assets of the Co-operative to Preference Shareholders or members, but after retirement of other debt financing. Upon payment of the above amount, the holders of Member Investment Notes shall not be entitled to any further share in the distribution of the assets of the Co-operative.

8.4 Non-Member Investment Notes

Non-Member Investment Notes are unsecured promissory notes. The Co-operative's projected 25-year cash flow is included in the Business Plan summary in Section 4. A sample of the Promissory Note that will be issued for Non-Member Investment Notes is attached in Appendix D.

Minimum Offering: $5,000
Maximum Offering: $1,500,000

Minimum Individual subscription: $5,000
Maximum Individual Subscription: $500,000 less the amount of any Class A Preference Shares (Series 1, 2, 3,4, and 5) already held and any Class A Series 6 Preference Shares purchased under this Offering.

Term: Five (5) years

Issue: Only individuals can lend to the Co-operative and be issued Non-Member Investment Notes.

Interest: The Co-operative will pay interest of 3% per annum on the value of Non-Member Investment Notes held by each individual. Interest will be paid within 30 days of the anniversary date of the issue of the Non-Member Investment Note

Security: Non-Member Investment Notes are unsecured.

Voting Rights: Holders of Non-Member Investment Notes have no voting rights.

Return of Capital: Capital invested in Non-Member Investment Notes will be repaid in full at the end of the five (5) year term.

Prepayment: The Co-operative may prepay the whole or any amount of the Non-Member Investment Note at any time without notice, penalty or bonus.

Transfer: Non-Member Investment Notes may only be transferred to another member or Non-Member with the consent of the Board of the Co-operative.

Priority: Non-Member Investment Notes shall rank, in both interest and return of principal, subordinate to debt financing obligations to financial institutions.

Dissolution: In the event of the dissolution or liquidation of the Co-operative, the holders of Member and Non-Member Investment Notes shall be entitled to receive full payment of the capital invested, before any distribution of any part of the assets of the Co-operative to Preference Shareholders or members, but after retirement of other debt financing. Upon payment of the above amount, the holders of Non-Member Investment Notes shall not be entitled to any further share in the distribution of the assets of the Co-operative.

8.5 Other Loan or Debt financing

Under the legislation and regulations applying to the Co-operative it may enter into loans or obtain debt financing at any time from financial institutions as specified in the legislation and regulations.

Entering loan agreements with, or issuing debt to entities that are not financial institutions under the legislation and regulations can only be done pursuant to an offering statement.

Under this Offering statement, the Co-operative may seek out alternative loan or debt financing from other entities who are not financial institutions, on terms and conditions agreed by the

Board, all within the overall limit on debt financing set out above. This will occur when the alternative financing is more attractive that that available form financial institutions, or otherwise promotes the goals of the Co-operative.

9. METHOD OF SALE OF INVESTMENTS

All Class A Series 6 Preference Shares sold and Member and Non-Member Investment Notes issued pursuant to this Offering Statement will be sold and issued exclusively by Board members, officers, or the Operations Manager of the Co-operative. There are no commissions payable or discounts allowed. Class A Preference Shares (Series 6) and Member Investment Notes may be issued only to Members of the Co-operative. All prospective purchasers Preference Shares, recipients of Member or Non-Member Investment Notes, or other loans or debt financing pursuant to this Offering Statement will have received a copy of this Offering Statement as part of the process of subscribing for such Shares or Notes, or entering into loan or debt financing.

Subscription Forms for the purchase of Preference Shares and the issue of Member or Non-Member Investment Notes are attached as Appendix E and Appendix D respectively.

10. THE MARKET ON WHICH THE INVESTMENTS MAY BE SOLD

There is no market through which the Membership Shares, Class A Preference Shares (Series 6) or Member Investment Notes may be sold and none is expected to develop. Purchasers may not be able to resell investments purchased pursuant to this Offering Statement. No Shares or promissory notes of the Co-operative may be transferred without the express consent of the Board.

The Act prohibits the redemption of Class A Preference Shares (Series 6) if the Co-operative is or would be, as a result of such redemption, insolvent or if such repurchase would, in the opinion of the Board, be detrimental to the financial stability of the Co-operative. There can be no assurance given as to when or whether the Co-operative may be profitable.

Subject to the Act and upon the approval of the Board, Class A Preference Shares (Series 6) may be transferred to other Members or prospective Members of the Co-operative, as set out in the Co-operative's Articles. However, there can be no assurance that Members interested in the purchase of such Class A Preference Shares (Series 6) will be available if and when a Member wishes to transfer their Shares.

11. STATEMENT OF MINIMUM AND MAXIMUM AMOUNTS

11.1 Minimum and Maximum Aggregate Amounts

Minimum Aggregate Offering Class A Preference Shares: Nil
Maximum Aggregate Offering Class A Preference Shares (Series 6): $2,500,000

Minimum Aggregate Offering Member Investment Notes: nil
Maximum Aggregate Offering Member Investment Notes: $1,500,000

Minimum Aggregate Offering Non-Member Investment Notes: nil
Maximum Aggregate Offering Non-Member Investment Notes: $1,500,000

The Board of the Co-operative has set a maximum amount of $3,000,000 to be raised under this offering statement but may cap the sale or issue of either or both Class A Preference Shares (Series 6), Member Investment Notes, and Non-Member Investment Notes at less than maximums set forth above, depending on available project investments. If the Board of the Co-operative decides to cap the offering at the target amount, and demand exceeds that target, or if subscriptions exceed the maximum aggregate offering, the Shares and Investment Notes will be allocated to purchasers based on date on which subscription orders were received.

11.2 Minimum and Maximum Amount by Individual Member

All Members must purchase one (1) Membership Share. Only one (1) Membership Share may be held by each Member.

Class A Preference Shares (Series 6) may only be purchased by persons who are admitted as Members into the Co-operative. The purchase of Preference Shares is optional and is not a requirement of membership. Members who already hold other series of Class A Preference Shares may purchase one or more Series 6 Preference Shares ($500). Members who have not previously purchased Class A Preference Shares must purchase a minimum of $5,000 of Class A Preference Shares (Series 6), if any part is held in an eligible RRSP/TFSA, or a minimum of $2,500 of Class A Preference Shares (Series 6), if none are held in an RRSP/TFSA.

Member Investment Notes may only be purchased by persons who are admitted as Members into the Co-operative. **The purchase of Member Investment Notes is optional and is not a requirement of membership.** The minimum amount for a Member Investment Note is $5,000.

A maximum of $500,000 of Class A Preference Shares (inclusive of all series) plus Member Investment Notes per Member is permitted, Members who already own Class A Preference Shares (Series 1, 2, 3, 4 and 5) need to take that into account in determining how many Class A Preference Shares (Series 6) and Member Investment Notes they are eligible to apply for.

12. SECURITIES, MORTGAGES, BONDS, DEBENTURES OR OTHER DEBT OBLIGATIONS

The Co-operative has the securities listed in Section 7 outstanding as of November 1, 2017.

Return of capital on these series of Class A Preference Shares, pursuant to the terms of the share offering documents, is scheduled to occur in equal annual amounts over 15 years beginning in 2018, 2020, 2021, 2022, and 2023 respectively.

As of November 1, 2017, the Co-operative had the following outstanding debt obligations issued outside of a receipted offering period.

1. A $50,000 two-year loan from Tolcor Investments Ltd.

The Co-operative may enter into an agreement for a line of credit with a financial institution to ensure a positive cash flow during construction of the projects to be financed through this offering.

13. MATERIAL LEGAL PROCEEDINGS TO WHICH THE CO-OPERATIVE IS A PARTY

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

14. MATERIAL INTERESTS OF DIRECTORS, OFFICERS AND EMPLOYEES

In the Co-operative

Two employees, and each of the Directors of the Board of the Co-operative is a Member of the Co-operative and owns the required one Membership Share.

No Board member, officer, or employee has a material interest in the business or operations of the Co-operative other than disclosed herein. From time to time, the Co-operative hires directors for contract work, none of which constitute a material interest.

OREC has sixteen board members and three staff, fifteen of whom have purchased Class A Preference shares (Series 1, 2, 3, 4, or 5) or Member Investment Notes for an aggregate investment of $410,500.

In the Projects Described Herein

One individual board member has disclosed a material interest in a FIT 3.0 project constructed and operated by the Co-operative.

A second board member controls Aspen Management, which acts as the general partner of a partnership for a FIT 3.0 project that the Co-operative acquired and developed in 2017 and has a similar interest in a project that the Co-operative may develop with the proceeds of this offering statement.

In the Shares Offered Herein

The Board members, officers, and employees will be offered the Class A Preference Shares (Series 6) and Member Investment Notes to be issued under this Offering Statement on the same terms as are available to all other persons.

15. MATERIAL CONTRACTS ENTERED IN THE PAST TWO YEARS

Each of the Co-operative's current renewable energy projects involves 20-year roof lease agreement contracts with building/structure owners as described in Section 3 of this Offering

Statement. Some of these projects involve joint lease agreements with other parties through joint arrangements.

Each of the projects also involves a FIT Contract with IESO. In some projects the Co-operative is the sole party to the FIT Contract. In other projects, the FIT Contract is shared by the Co-operative and its collaborator. Five projects operate under Micro-FIT Program rules. In these projects, the Micro-FIT Contract is between the IESO and the building owner and the lease agreement with the Co-operative includes a provision to redirect revenue to the Co-operative.

The Co-operative maintains replacement cost and business revenue replacement insurance for each renewable energy installation. The Co-operative also has a general liability, blanket accident, and Directors and Officers insurance coverage.

From time to time the Co-operative applies for and receives grants related to its activities.

The Co-operative maintains staffing and service contracts as defined in the Co-operative's Business Plan (see Section 4).

Potential investors can view these contracts at the Co-operative's office at 969 Wellington Street West, 2nd Floor, Ottawa.

16. DECLARED, OR ACCUMULATED BUT UNPAID DIVIDENDS

The Co-operative declared an annual dividend of 2% to Class A Series 1 shareholders on October 16, 2013 and an interim 2014 dividend of 1.75% on February 4, 2014.

The Co-operative declared a second annual dividend of 2% to Class A Series 1 and 2 shareholders on November 24, 2014 and an interim 2015 dividend of 2% on February 10, 2015, and a second dividend of 2.25% in October 2015.

These paid dividends are shown in Appendix A-Audited Financial Statements. The board of directors also declared a dividend of 4.0% on Series 1, 2, 3 and 4 Shares in November 2016. It declared an interim dividend of 2.5% in February 2017.

17. ANY OTHER MATERIAL FACTS

A copy of this Offering Statement must be given to each investor before any payment is legally accepted by the Co-operative.

None of the Shares issued by the Co-operative pursuant to this Offering Statement will be in bearer form.

This Offering Statement will expire on Sept 15, 2018 after which date no further sale of the Shares or debt facilities offered hereunder shall occur, unless a new Offering Statement has been filed and receipted.

18. 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 ACT.

DATED this 15 th day of December, 2017.

Th. C. Bakker

Chairman of the Board and President: Theodorus (Dick) Bakker

Nicholas LePan

Treasurer: Nicholas LePan

APPENDICES

Appendix A: Audited Financial Statements August 31, 2017

Appendix B: Auditor Consent Form

Appendix C: Cash Flow Forecast

Appendix D: Member and Non-Member Investment Note and Term Sheet

Appendix E: Subscription Form for Class A Series 6 Preference Shares

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2017

FROUIN GROUP

APPENDIX A

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2017

FROUIN GROUP

INDEPENDENT AUDITORS' REPORT

To the Members of:
Ottawa Renewable Energy Co-operative Inc.

We have audited the accompanying financial statements of Ottawa Renewable Energy Co-operative Inc., which comprise the statement of financial position as at August 31, 2017, and the income statement, statement of retained earnings and cash flows statement for the year ended August 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises (ASPE), 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Ottawa Renewable Energy Co-operative Inc. as at August 31, 2017, and its financial performance and its cash flows for the year ended August 31, 2017 in accordance with Canadian accounting standards for private enterprises.

Frouin Group

Frouin Group Professional Corporation
Ottawa, Ontario
November 23, 2017

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Frouin Group Professional Corporation
Chartered Professional Accountants
2301 Carling Avenue, Suite 101, Ottawa, ON K2B 7G3
Tel: 613-230-1022 Fax: 613-230-2954

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.
(Incorporated under the Laws of Ontario)

AUDITED STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 1,134,755	$ 399,082
Accounts receivable	199,688	150,337
Prepaid expenses	33,339	5,137
HST recoverable	42,666	0
	1,410,448	554,556
LOAN RECEIVABLE (Note 7)	443,182	407,404
LONG-TERM INVESTMENTS (Note 2g)	35,404	36,874
INTEREST IN JOINT ARRANGEMENTS (Notes 2f and 8)	1,760,369	1,870,360
LOAN TO JOINT ARRANGEMENT (Note 9)	223,855	0
PROPERTY AND EQUIPMENT (Notes 2d and 3)	3,322,653	2,506,747
TOTAL ASSETS	$ 7,195,911	$ 5,375,941
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 95,848	$ 73,613
HST payable	0	10,066
	95,848	83,679
LONG-TERM LIABILITIES		
Loan payable (Note 4)	968,000	418,000
REDEEMABLE PREFERENCE SHARES (Note 15)	6,118,000	4,679,500
TOTAL LIABILITIES	7,181,848	5,181,179
MEMBER'S EQUITY		
Membership shares (Note 15)	67,800	51,300
Retained earnings (deficit)	(53,737)	143,462
	14,063	194,762
TOTAL LIABILITIES AND EQUITY	$ 7,195,911	$ 5,375,941

APPROVED ON BEHALF OF THE BOARD :

Director ______________ Director ______________

(See accompanying Notes to Financial Statements)

FROUIN GROUP

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.

AUDITED STATEMENT OF INCOME

FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
REVENUES		
Solar revenue	**$ 341,345**	$ 362,454
Income from joint arrangements (Notes 2f and 8)	**238,469**	263,737
Grant revenue	**47,011**	45,518
Interest revenue	**48,662**	9,515
	675,487	681,224
EXPENSES		
Advertising and promotion	**12,874**	3,089
Amortization (Note 2d and 3)	**136,100**	117,785
Salaries	**120,495**	98,488
Projects	**106,386**	76,104
Insurance	**8,407**	6,400
Interest on long term debt	**19,170**	14,935
Rent	**5,218**	4,244
Office costs	**18,195**	9,921
Professional fees	**18,787**	13,147
Expenses from joint arrangements (Notes 2f and 8)	**127,631**	126,936
	573,263	471,049
NET INCOME FOR THE YEAR	**$ 102,224**	$ 210,175

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.

AUDITED STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
RETAINED EARNINGS, beginning of year	**$ 143,462**	$ 13,063
Net income for the year	**102,224**	210,175
Dividend paid (Note 14)	**(299,423)**	(79,776)
RETAINED EARNINGS (DEFICIT), end of year	**$ (53,737)**	$ 143,462

(See accompanying Notes to Financial Statements)

OTTAWA RENEWABLE ENERGY CO-OPERATIVE INC.

AUDITED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	**$ 102,224**	$ 210,175
Add: Amortization	**136,100**	117,785
Cash flows from current operating items	**(108,050)**	(53,518)
	130,274	274,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(952,006)**	(490,216)
Decrease (increase) in loan receivable	**(259,633)**	(407,404)
Decrease (increase) in long-term investment	**1,470**	62,022
Decrease (increase) in investment in joint arrangements	**109,991**	(84,990)
	(1,100,178)	(920,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in loan payable	**550,000**	147,000
Dividends paid	**(299,423)**	(79,776)
Issuance of preferred share capital	**1,455,000**	1,106,500
	1,705,577	1,173,724
NET CHANGE IN CASH	**735,673**	527,578
CASH, beginning of year	**399,082**	(128,496)
CASH, end of year	**$1,134,755**	$ 399,082

REPRESENTED BY

Cash	**$1,134,755**	$ 399,082

(See accompanying Notes to Financial Statements)

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Corporation is a for-profit corporation incorporated under subsection 6(1) of the Ontario Co-operative Corporation Act on September 3, 2010. The Co-operative generates electricity from renewable energy sources and sells electricity as generator.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian accounting standards for private enterprises (ASPE) under Part II of the CPA Canada Handbook and include the following significant accounting policies:

a. Use of estimates
The preparation of these financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

b. Revenue recognition
Service revenue is recognized when the appropriate services are performed and collection of the relevant receivable is probable.

Grant revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts received for future services are deferred until the service is provided and related expenses are incurred.

Dividend income is recognized as revenue as at the declaration date and interest income is recognized on the accrual basis.

c. Income taxes
The Corporation applies the tax payable method of accounting for income taxes.

d. Property and equipment
Amortization is provided on the straight line basis as follows:

- Solar equipment	- 20 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments

Measurement of financial instruments

The carrying value of cash and HST receivable/payable approximates their fair value because of the relatively short period to maturity of the instruments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs

The Corporation recognizes its transactions costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transactions costs that are directly attributable to their origination, issuance or assumption.

f. Joint arrangements

The Corporation applies the equity method of accounting for interests in joint arrangements. The investment is initially recorded at cost and the carrying value, adjusted thereafter to include the Corporation's pro rata share of post-acquisition earnings of the joint arrangement. The amount of the adjustment is included in the determination of net income by the Corporation, and the investment account of the Corporation is also increased or decreased to reflect the investor's share of capital transactions and changes in accounting policies and corrections of errors relating to prior period financial statements applicable to post-acquisition periods. Profit distributions received or receivable from the joint arrangement reduce the carrying value of the investment.

g. Long-term investments

Long-term investments include investments in other companies subject to significant influence and in subsidiaries where control is present. The Corporation applies the cost method of accounting for long-term investments. The investment is carried at the cost thereof and the net earnings of the investment are reflected in the determination of the net earnings of the corporation only to the extent of dividends received or receivable.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	**Net Book Value 2017**	Net Book Value 2016
Solar equipment	$3,652,847	$ (330,194)	**$3,322,653**	$2,506,747

4. LOAN PAYABLE

	2017	2016
Loan from Tolcor Investments Ltd., with quarterly interest payments at a rate of 2.5%, due March 1, 2020, callable with 90 days notice.	**50,000**	50,000
Various 5 year notes payable to members with annual interest payments at the rate of 3%.	**918,000**	368,000
	$ 968,000	$ 418,000

Total principal payments required for the next five years are as follows:

2020	$ 418,000
2021	550,000
	$ 968,000

5. TERM LOAN

The Corporation has an operating line of credit with Caisse Populaire Rideau-Vision D'Ottawa Inc. The current limit of the credit facility is $0, however credit is available on demand.

6. FINANCIAL INSTRUMENTS

Risk and concentrations
The Corporation may be exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations at August 31, 2017.

Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable. Accounts payable are normally paid within 30 days.

Currency risk
The Corporation's functional currency is the Canadian dollar. Thus, the Corporation does not enter into foreign currency transactions and does not use foreign exchange forward contracts.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has no interest bearing liabilities. Fluctuation in market rates of interest on cash do not have significant impact on the Corporation's result of operations.

7. LOAN RECEIVABLE

On June 28, 2016, the Corporation entered into a loan agreement with Community Power Capital Co-operative, Inc (CPC). The Corporation loaned to CPC a principal sum of $400,000, which matures at the discretion of the Board of CPC. Interest is calculated and paid semi-annually based on the rate of:

a) 10% interest on the principal amounts allocated to approved projects that have not yet achieved commercial operating date, as defined by the Independent Electricity System Operator

b) and, 6% interest on the principal amounts starting from the date the project achieves commercial operating date

Subsequent to year end, the entire amount of the loan receivable including accrued interest was repaid on September 1, 2017.

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2017	2016
Cleary Solar Energy Inc.	**$ 900,948**	$ 945,429
CECCE	**841,421**	924,931
AP Muni Limited Partnership	**18,000**	0
	$ 1,760,369	$ 1,870,360
Income from joint arrangements		
Share of net income - Clearly Solar Energy Inc.	**$ 123,469**	$ 132,947
Share of net income - CECCE	**115,000**	130,790
Total income from joint arrangements	**$ 238,469**	$ 263,737
Expenses from joint arrangements		
Amortization - Clearly Solar Energy Inc.	**$ 52,153**	$ 55,297
Expenses - Clearly Solar Energy Inc.	**6,392**	6,032
Share of total expenses - Clearly Solar Energy Inc.	**58,545**	61,329
Amortization - CECCE	**43,495**	43,495
Expenses - CECCE	**25,591**	22,112
Share of total expenses - CECCE	**69,086**	65,607
Total expenses from joint arrangements	**$ 127,631**	$ 126,936

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Clearly Solar Energy Inc.
On February 1, 2013, the Corporation entered into a joint arrangement with Clearly Solar Energy Inc. The corporation currently holds a 50% interest in the joint arrangement.

	2017	2016
Beginning balance	$ 945,429	$ 984,025
Increase in investment	0	143
Share of net income	123,469	132,947
Share of total expenses	(58,545)	(61,329)
Return of investment	(109,405)	(110,357)
Ending balance	$ 900,948	$ 945,429

Conseil des écoles catholiques du Centre-Est (CECCE)
On December 22, 2014, the Corporation entered into joint arrangements with CECCE relating to Franco-Cite and Franco-Ouest. The Corporation currently holds a 50% interest in the joint arrangements relating to both projects.

	2017	2016
Beginning balance	$ 924,931	$ 801,345
Increase in investment	0	115,720
Share of net income	115,000	130,790
Share of total expenses	(69,086)	(65,607)
Return of investment	(129,424)	(57,317)
Ending balance	$ 841,421	$ 924,931

AP Muni Limited Partnership
On December 21, 2016, the Corporation purchased units of AP Muni P3 Limited Partnership. The Corporation currently holds 5,100 of a total 10,004 Class A Units in the partnership, and 4,900 out of a total 10,000 Class B units.

	2017	2016
Beginning balance	$ 0	$ 0
Increase in investment	18,000	0
Ending balance	$ 18,000	$ 0

9. LOAN TO JOINT ARRANGEMENT

On April 12, 2017 the Corporation entered into a loan agreement with AP Muni Limited Partnership. Under the agreement, the maximum amount of the loan is $252,144.31 plus a True-up Amount to be agreed upon by both parties acting reasonably within 60 days following the Commercial Operation Date of the Solar Facility at a rate of 6.5% interest per annum, payable in monthly blended payments of principal and interest of $1,879.92 beginning November 2017. The total balance receivable from the Partnership as at August 31, 2017 is $223,855. Of this amount, $102,358 pertains to the loan discussed above. The remaining $121,497 relates to other amounts loaned to the Partnership, which are non-interest bearing, and will be repaid as cash flow permits.

10. INCOME TAXES

The Corporation accounts for income taxes using the taxes payable method. As a result, the Corporation's income tax expense varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below:

Income Tax Rate

	2017	2016
Combined basic federal and provincial tax rates	**49.50 %**	49.50 %
Increase (decrease) in income tax expense resulting from:		
- Non-taxable income or non-deductible expense for income tax purposes	**0.08 %**	0.08 %
Income or expenses claimed in different periods for income tax purposes		
- Capital cost allowance in excess of amortization	**(49.58)%**	(49.58)%
Effective Income Tax Rate	**0.00 %**	0.00 %

11. RELATED PARTY TRANSACTIONS

Certain management, directors and members of their immediate family are owners of preference shares of the Corporation. During the year, dividends were paid on these preference shares at fair market value, which is the same rate as the amounts paid to non-related party preference shareholders.

11. RELATED PARTY TRANSACTIONS (continued)

The Corporation has entered into an agreement with a company owned by a member of the board of directors to install solar panels on the related company's property and produce solar income. During the 2017 fiscal year, the related company's share of solar income derived from this property was $1,798. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Corporation has entered into an agreement with a partnership for which a member of the board of directors of OREC acts as general partner. There was no income derived from this agreement during the 2017 fiscal year.

During the fiscal year, the Corporation entered into an agreement with a board member, who was contracted to perform project maintenance and oversight of projects for a two month period. This individual was paid $4,375 for services rendered, and this amount was recorded at the exchange amount.

During the fiscal year, the Corporation entered into an agreement with Apricity Renewables to perform a third party due diligence technical review of solar projects under construction. They are related parties by virtue of the fact that a board member is also a director of Apricity Renewables. The value of this contract was $9,000, which represents the exchange amount.

12. COMPARATIVE FIGURES

The prior year comparative figures have been reclassified to conform to this year's presentation.

13. COMMITMENTS

The Corporation is committed under several lease agreements relating to the use of roofs for the installation of solar panels. The annual minimum lease payments varies from $800 to $16,500 per annum. For certain contracts the minimum lease payment is calculated as a percentage of revenue for that project, ranging from 5-9% of revenues for the year. The term of the leases varies from a period of 20 years to 20 years and 6 months, with the earliest commencing on November 15th, 2012 and the latest expiring on July 31, 2037. The total annual minimum lease payments is $68,300.

14. DIVIDENDS

The Corporation declared and paid dividends during the fiscal year ending August 31, 2017 as follows:

October 27, 2016	$ 187,373
February 23, 2017	112,050
	$ 299,423

15. MEMBERSHIP SHARES & PREFERENCE SHARES

Authorized:
10,000 in Membership Shares at a par value of $100 each

	2017	2016
Issued:		
678 Membership Shares (2016 - 513)	**$ 67,800**	$ 51,300

Authorized:
18,000 in Class A Preference Shares at a par value of $500 each
20,000 in Class B Preference Shares at a par value of $500 each
20,000 in Class C Preference Shares at a par value of $500 each

	2017	2016
Issued:		
1,982 Class A Series 1 Preference shares	**$ 991,000**	$ 991,000
2,500 Class A Series 2 Preference shares	**1,250,000**	1,250,000
2,675 Class A Series 3 Preference shares	**1,337,500**	1,337,500
2,202 Class A Series 4 Preference shares	**1,101,000**	1,101,000
2,877 Class A Series 5 Preference shares	**1,438,500**	0
	$6,118,000	$4,679,500

These preference shares are redeemable at the holders' option at par value and carry a non-cumulative dividend.

FROUIN GROUP

AUDITOR'S CONSENT

We consent to the use of our report to the members of Ottawa Renewable Energy Cooperative Inc. on the financial statements of the Co-operative as at August 31, 2017, comprised of the statement of financial position, the statement of income, statement of retained earnings and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in the offering document of the Co-operative dated November 28, 2017 relating to the sale of shares of the Co-operative. Our audit report was dated November 23, 2017.

Frouin Group

Frouin Group Professional Corporation
November 28, 2017

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Frouin Group Professional Corporation
Chartered Professional Accountants
2301 Carling Avenue, Suite 101, Ottawa, ON K2B 7G3
Tel: 613-230-1022 Fax: 613-230-2954

APPENDIX C

Ottawa Renewable Energy Cooperative Inc.
Estimated 20 year Cash Flow for 3 Portfolios of Solar PV Roof Top Projects.

last updated 28-Nov-17

Calendar Year		Equity						Net Income After Taxes																
	Starting Balance	Membership @$100	Preference Shares	Member Loans	Bank Loans	Investment	Contracts & Grants	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Conting.	Coop Expenses	Interest Expense	Net Income before Deprec	Net Income after Deprec	Tax	After Tax Income	Dividends	Return of Capital & Principle	Annual Cash Flow	Cumulative Cash Flow After Tax
2012	-5,800	14,400	991,000			-136,953		104	0	0	0	0	0	-3	15,500	0	-15,400	-15,400	0	-15,400	0	0	847,247	847,247
2013		11,600	1,250,000			-834,917	24,000	102,653	0	0	0	0	0	-3,080	102,000	0	21,574	-27,020	0	21,574	19,820	0	428,437	1,275,684
2014		14,000	1,337,500			-974,254	10,000	108,607	63,183	0	0	0	0	-5,154	102,400	0	74,236	-23,070	0	74,236	62,163	0	389,320	1,665,004
2015		10,000	1,101,000	368,000		-2,251,894	20,000	107,593	118,309	125,535	64,852	0	0	-12,489	147,600	11,040	265,160	111,557	0	265,160	125,336	0	-633,071	1,031,934
2016		10,000	0	0		-531,591	45,000	106,582	110,258	127,296	232,512	0	0	-17,299	178,000	11,040	415,309	192,118	0	415,309	187,180	0	-293,462	738,472
2017		10,000	1,438,500	550,000		-2,730,460	20,000	105,573	109,211	126,147	231,399	88,124	0	-19,814	179,260	20,790	460,591	155,850	0	460,591	116,988	0	-388,356	350,116
2018		10,000	1,990,427	1,071,768	0	-3,062,195	82,500	104,568	108,167	125,003	229,066	253,555	142,092	-28,873	182,845	57,818	775,412	325,854	0	775,412	265,584	66,067	453,761	803,877
2019		10,000	0	0	0	0	33,583	103,564	107,125	123,862	226,737	252,174	275,899	-32,681	137,626	57,818	894,820	368,707	0	894,820	332,607	149,400	422,813	1,226,690
2020		5,000	0	0	0	0	35,181	102,563	106,086	122,726	224,411	250,800	274,876	-32,444	124,142	54,175	905,883	379,769	0	905,883	326,631	360,007	224,245	1,450,935
2021		5,000	0	245,456	0	0		101,565	105,050	121,594	222,090	249,433	273,865	-32,208	126,625	54,175	860,590	334,477	0	860,590	317,088	311,967	481,991	1,932,927
2022			0	0	0	0		100,568	104,015	120,467	219,772	248,075	272,868	-31,973	129,157	50,957	853,677	327,564	0	853,677	304,609	493,467	55,601	1,988,528
2023			0	366,850	0	0		99,574	102,983	119,343	217,458	246,724	271,883	-31,739	131,740	38,631	855,855	329,741	0	855,855	292,131	899,418	31,156	2,019,684
2024			0	714,869	0	0		98,582	71,954	118,223	215,146	245,382	270,912	-30,606	134,375	38,631	816,585	290,472	0	816,585	269,781	542,162	719,512	2,739,196
2025			0	0	0	0		97,591	100,926	117,107	212,836	244,048	269,953	-31,274	137,063	36,190	837,935	311,822	0	837,935	289,882	623,527	-75,473	2,663,723
2026			0	0	0	0		96,602	99,900	115,994	210,530	242,724	269,008	-31,043	139,804	36,190	827,722	301,609	0	827,722	259,369	542,162	26,191	2,689,914
2027			0	163,719	0	0		90,615	98,876	114,885	208,225	241,409	268,077	-30,663	142,600	34,034	814,790	288,677	0	814,790	232,924	663,767	81,818	2,771,733
2028			0	0	0	0		94,630	97,854	113,780	205,921	240,104	267,159	-30,583	145,452	25,811	817,601	291,487	0	817,601	228,537	780,333	-191,268	2,580,464
2029			0	244,689	0			93,645	96,833	112,677	203,620	238,809	266,255	-30,355	148,361	25,811	807,312	281,199	37,962	769,350	197,997	542,162	273,880	2,854,344
2030			0	476,818	0			92,662	95,814	111,578	201,319	237,525	265,364	-30,128	151,328	24,176	798,631	272,518	36,790	761,841	167,458	596,676	474,525	3,328,869
2031			0	0	0			91,681	94,796	110,482	199,019	236,253	264,488	-29,902	154,355	24,176	788,286	262,173	35,393	752,893	133,648	542,162	77,083	3,405,952
2032			0	0	0			90,652	93,779	109,389	196,720	234,992	143,140	-26,060	157,442	22,731	662,438	143,173	19,328	643,110	114,322	623,637	-94,849	3,311,103
2033			0		0			5,186	92,763	108,299	194,421	233,275	262,776	-26,902	133,826	7,719	728,274	250,754	33,852	694,422	73,985	952,437	-332,000	2,979,103
2034			0		0			0	35,655	107,212	192,121	231,549	261,942	-24,854	136,502	7,719	659,405	230,598	31,131	628,274	43,976	392,762	191,537	3,170,640
2035			0		0			0	0	1,732	138,515	229,816	261,122	-18,936	92,821	4,399	515,030	198,817	26,840	488,189	19,800	414,276	54,114	3,224,753
2036			0		0			0	0	0	657	228,073	260,316	-14,671	33,162	4,399	436,814	147,182	19,870	416,945	11,377	230,195	175,373	3,400,126
2037			0		0			0	0	0	0	133,738	259,526	-11,798	33,162	0	348,304	195,194	26,351	321,953	5,971	395,615	-79,633	3,320,493
2038			0		0								158,409	-4,752	33,776	0	119,881	119,881	16,184	103,697	0	0	103,697	3,424,190
2039			0		0								65,744	-1,972	34,403	0	29,368	29,368	3,965	25,404	0	0	25,404	3,449,593
2040			0		0								67,049	-2,011	35,043	0	29,995	29,995	4,049	25,945	0	0	25,945	3,475,539
2041			0	0	0								68,380	-2,051	35,695	0	30,634	30,634	4,136	26,498	0	0	26,498	3,502,037
2042			0	0	0								69,738	-2,092	36,361	0	31,285	31,285	4,223	27,061	0	0	27,061	3,529,098
2043			0	0	0								71,122	-2,134	37,039	0	31,949	31,949	4,313	27,636	0	0	27,636	3,556,734
2044			0	0	0								72,534	-2,176	37,731	0	32,626	32,626	4,405	28,222	0	0	28,222	3,584,956
2045			0	0	0								73,974	-2,219	38,437	0	33,317	33,317	4,498	28,819	0	0	28,819	3,613,775
2046			0	0	0								75,442	-2,263	39,158	0	34,021	34,021	4,593	29,428	0	0	29,428	3,643,203
2047			0	0	0								76,940	-2,308	39,892	0	34,739	34,739	4,690	30,049	0	0	30,049	3,673,253
2048			0	0	0								0	0	0	0	0	0	0	0	0	0	0	3,673,253
2049			0	0	0								0	0	0	0	0	0	0	0	0	0	0	3,673,253
2050			0	0	0								0	0	0	0	0	0	0	0	0	0	0	3,673,253
Totals		**100,000**	**8,108,427**	**4,202,170**	**0**	**-10,522,265**	**270,264**	**1,995,359**	**2,013,537**	**2,353,332**	**4,247,346**	**4,806,582**	**5,900,852**	**-639,510**	**3,664,682**	**648,430**	**16,634,649**	**6,333,635**	**322,572**	**16,312,077**	**4,399,161**	**10,122,195**	**3,673,253**	

Notes

* Assumes that return of capital starts in year 6 of an investment in a portfolio at a rate of 1/15 per year
* The cashflow forecast is based on a calendar year, whereas the audited statements are based one a fiscal year, which results in some discrepancies.

APPENDIX D

MEMBER/NON-MEMBER INVESTMENT NOTE

FOR VALUE RECEIVED, Ottawa Renewable Energy Co-operative Inc. (the "Borrower"), promises to pay or cause to be paid to ______________________________ (the "Lender") the principal sum of ______________________________($ .00) plus interest calculated at 3% per annum calculated and paid at the end of each year (the "Principal Sum + Interest) as outlined in the attached Term Sheet.

The principal amount plus any outstanding Interest shall be due and payable on the fifth anniversary of this Note.

The Borrower may prepay the whole or any part of the amount payable under this Investment Note at any time and from time to time, without notice, penalty, or bonus.

The Borrower hereby waives demand and presentment for payment, and notice of non-payment and notice of protest and dishonour of this Investment Note.

Notwithstanding anything to the contrary in this Note, if the Borrower defaults in the performance of any obligation under this Note, then the Lender may declare the principal amount owing and interest due under this Note at that time to be immediately due and payable.

If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Note will in no way be affected, impaired or invalidated as a result.

Time is of the essence of this Member/Non-Member Investment Note.

This Member/Non-Member Investment Note shall be governed by and construe in accordance with the laws of the province of Ontario and the laws of Canada applicable therein.

IN WITNESS, this Member/Non-Member Investment Note has been made and delivered as of the __ day of___________ , 201___.

SIGNED, SEALED AND DELIVERED

Ottawa Renewable Energy Co-operative

In the presence of:

____
Its

____
Witness

____
Its

Member/Non-Member Investment Note Term Sheet

Payment schedule for interest and principle sum

- Term Commencement Date:
  Last day of the month in which the funds were received by Ottawa Renewable Energy Co-operative. Lender pays Ottawa Renewable Energy Co-operative the Principle Sum.

- Annual Anniversaries:
  Ottawa Renewable Energy Co-operative pays Lender annual interest of 3% within 2 weeks of Annual Anniversary of Term Commencement Date for the subsequent five years.

- Principle Sum repayment:
  Ottawa Renewable Energy Co-operative pays Lender the Principle Sum within 2 weeks of the Fifth Annual Anniversary, unless a subsequent agreement is made between the Parties waiving the Principle Sun return.

APPENDIX E

Ottawa Renewable Energy Co-op Subscription Form

To: Ottawa Renewable Energy Co-operative (the 'Co-operative')

The undersigned is a member of the Ottawa Renewable Energy Co-operative who wishes to support the Co-operative investments in renewable energy generation. In support of that, the undersigned subscribes (select one or more):

$___________________for a total of ____________ (minimum of 5) Class A Preference Shares of the Co-operative, at a price of $500.00 per Share.

$___________________for a total of ____________ (minimum of 10 inside an RRSP or TFSA) Class A Preference Shares of the Co-operative, at a price of $500.00 per Share.

$___________________To invest in a Member Investment Note (minimum of $5,000, not registerable).

$___________________To invest in a Non-Member Investment Note (minimum of $5,000, not registerable).

Enclosed herewith is a [ ] cheque [ ] money order [ ] bank transfer in the amount of $_______________ payable to "Ottawa Renewable Energy Co-operative" or "Canadian Workers Co-operative Federation" (as appropriate) representing payment in full for the Shares and/or Note.

1. The undersigned acknowledges that the undersigned:

(a) is aware that the Shares or Notes are being sold under an Offering Statement and acknowledges that the undersigned is not acquiring the Shares or Notes as a result of any information about the affairs of the Co-operative that is not generally known to the public;

(b) has received a copy of the Co-operative's Offering Statement as prepared in accordance with the provisions of the *Co-operative Corporations Act*, R.S.O. 1990, CHAPTER C.35 with regard to the sale of the Shares and Notes and further acknowledges that the undersigned is aware of and understands its contents including the "Risk Factors" section contained therein;

(c) has received and obtained all of the information regarding the Co-operative that the undersigned requires prior to making this subscription and that the undersigned's subscription has not been solicited in any way contrary to the provisions of the *Co-operative Corporations Act* and the regulations thereto;

(d) understands that this subscription is given for valuable consideration and shall not be withdrawn or revoked by the undersigned after midnight of the second day after acceptance. The acceptance of this subscription shall be effective upon delivery to the Co-operative and the tender of the full subscription price by cheque or money order;

(e) understands that, if Preference Shares are purchased through an RRSP, currently there is no RRIF option available to convert the shares when members turn 71; therefore, the par value of the shares and any dividends accrued in the RRSP will need to be declared as income that year; and

(f) understands that, if the Preference Shares are purchased through an RRSP, currently the shares are not eligible for the First Time Homebuyers Program.

2. The undersigned hereby declares, represents and warrants that:

(a) the undersigned is purchasing the Shares or Note as principal;

(b) the undersigned has attained the age of 19 years and is a resident of Ottawa;

(c) the undersigned is a member of the Co-operative;

(d) by virtue of the undersigned's investment experience or by virtue of the undersigned's consultation with or advice from professional advisors, the undersigned is in a position to evaluate the prospective investment on the basis of the Offering Statement and has determined that the investment in the Shares is compatible with the undersigned's investment objectives; and

(e) the undersigned is not a resident of the United States of America or any place subject to the jurisdiction thereof and is not acting directly or indirectly for any person who is resident of the United States of America or any place subject to the jurisdiction thereof.

The said Shares or Notes are to be registered as follows:

Full Name (please print): ____

Social Insurance Number: ______ - ______ - ______

Street Address: ____

City and Province: ___________________________________ Postal Code: _______________________

Email: ____

Designation of Beneficiary
Name: SIN:
Address: Relation:

Dated this __________ day of ____________ , 201__.

Signature of: Subscriber_____________________________ Witness ___________________________

Note: The accepted subscription, share certificate and other documentation will be mailed or emailed to the subscriber at the contact details above. Shares will be registered and Promissory Notes shall be issued in the manner in which the subscriber's name appears above. Any change in the subscriber's address will only be effective on receipt of written notice thereof by the Co-operative.

Receipt and acceptance of the foregoing subscription and payment of the subscription price is acknowledged

Per: ____