

ARTICLES OF INCORPORATION

Under the Cooperatives Act, (Alberta) (the "Act")

1. Name of Cooperative

SOLAR POWER INVESTMENT COOPERATIVE OF EDMONTON

2. Registered Office

101, 4508-121 Avenue NW, Edmonton, Alberta, T5W 2V1

Business address: 101, 4508-121 Avenue NW, Edmonton, Alberta, T5W 2V1

3. Name and Address of Incorporators

<u>Name</u>	<u>Residential Address</u>
Raquel Feroe	10144 87 Street NW, Edmonton, AB T5H 1N4
Warren Sarauer	10940 81 Street NW, Edmonton, AB T5H 1L5
Rob Harlan	7310 155 Street NW, Edmonton, AB T5R 1V5

4. Minimum and Maximum Number of Directors

The Cooperative will have a minimum of 5 (five) and a maximum of 10 (ten) Directors

5. Restrictions on the Business that the Cooperative May Carry On

The Cooperative will provide investment services to its members and investors as described in the Objects and Purposes of the Cooperative set forth in these Articles of Incorporation and the Bylaws of the Cooperative as amended from time to time, and in accordance with the principals set out in the Bylaws of the Cooperative.

6. Objects or Purpose the Cooperative is Intended to Fulfil

The Cooperative will support and facilitate the development of investment opportunities, businesses, and undertakings which, in the opinion of the Cooperative, will enhance the development of renewable energy generation projects and related projects, in the Province of Alberta in accordance with the principles set out in the Bylaws of the Cooperative.

7. Restrictions on the Powers of the Directors to Manage the Business of the Cooperative

There are no restrictions on the powers of the directors to manage the business of the Cooperative other than as provided in the Articles of Incorporation, the Bylaws, and any Unanimous Agreement.

8. Restrictions on the Class of Membership

Membership will be restricted to persons who:

- a) Are 18 years of age or older, and;
- b) Qualify for membership under the Bylaws and are accepted as members in the Cooperative by the Board of Directors.

At least 90% of the Members must be individuals, other cooperative corporations, or corporations or partnerships that carry on the business of farming, and at least 90% of its shares must be held by those persons or partnerships, or by trusts governed by Registered Retirement Savings Plans or Tax Free Savings Accounts, the annuitants, holders or subscribers under which are those persons described above.

9. Cooperative Basis

The Cooperative will be organized and operated, and will carry on business on a cooperative basis in accordance with Section 2 of the Act.

10. Membership Share Capital

The Cooperative is authorized to issue the following Membership Shares which are called Class "A" Shares:

- a) An unlimited number of non-par value voting membership Class "A" Shares issued only to members of the Cooperative.
- b) Class "A" Shares shall be issued at a price of \$50 each or such greater price as may be set from time to time by the Board of Directors.
- c) Each holder of a Class "A" Share shall be entitled to receive notice of, and to attend and to cast one vote at every meeting of the members of the Cooperative. No Class "A" shareholder has more than one vote, regardless of the number of Class "A" Shares held by the shareholder.
- d) The redemption price for the Class "A" Shares of members whose membership has been terminated, and members who voluntarily withdraw from membership, shall be the price paid for the shares without interest.

11. Investment Share Capital

a) Class "B" Shares:

The Cooperative is authorized to issue the following investment shares which are known as Class "B" Shares:

- (i) An unlimited number of voting Class "B" Shares without par value at a maximum price of \$5,000.00 each which may be issued to Members of the Cooperative.
- (ii) Class "B" Shares carry the right to dividends in such amounts as may be declared by the Board of Directors of the Cooperative from time to time in accordance with the Bylaws.
- (iii) Class "B" Shares may be redeemed either by the Cooperative or at the request of the Shareholder at the same price of their issue, plus all unpaid dividends (whether declared or not) subject to any terms or conditions set out in the Bylaws or Share Subscription Agreement.

b) Class "C" Shares:

The Cooperative is authorized to issue the following investment shares which are known as Class "C" Shares:

- (i) An unlimited number of voting Class "C" Shares without par value at a maximum price of \$5,000.00 each which may be issued to Members of the Cooperative.
- (ii) Class "C" Shares carry the right to dividends in such amounts as may be declared by the Board of Directors of the Cooperative from time to time in accordance with the Bylaws.
- (iii) Class "C" Shares may be redeemed either by the Cooperative or at the request of the Shareholder at the same price of their issue, plus all unpaid dividends (whether declared or not) subject to any terms or conditions set out in the Bylaws or Share Subscription Agreement.

c) Class "D" Shares:

The Cooperative is authorized to issue the following investment shares which are known as Class "D" Shares:

- (i) An unlimited number of voting Class "D" Shares without par value at a maximum price of \$5,000.00 each which may be issued to Members of the Cooperative.
- (ii) Class "D" Shares carry the right to dividends in such amounts as may be declared by the Board of Directors of the Cooperative from time to time in accordance with the Bylaws.
- (iii) Class "D" Shares may be redeemed either by the Cooperative or at the request of the Shareholder at the same price of their issue, plus all unpaid dividends

(whether declared or not) subject to any terms or conditions set out in the Bylaws or Share Subscription Agreement.

- d) The Cooperative is authorized to issue an unlimited number of other investment shares in one or more classes and in one or more series pursuant to Section 108 of the *Act*. (“Other Investment Shares”) The Cooperative is authorized to issue the following Other Investment Shares:
- i. an unlimited number of Class “E” Investment Shares in one or more series, each of which may be issued to members or non-members of the Cooperative;
 - ii. an unlimited number of Class “F” Investment Shares in one or more series, each of which may be issued to members or non-members of the Cooperative;
 - iii. an unlimited number of Class “G” Investment Shares in one or more series, each of which may be issued to members or non-members of the Cooperative.
 - iv. an unlimited number of Class “H” Investment Shares in one or more series, each of which may be issued to members or non-members of the Cooperative.

The directors of the Cooperative are authorized to fix the number or series in each class of Other Investment Shares and determine the designation, rights, privileges, restrictions and conditions attached to each Class and Series of Other Investment Shares pursuant to Section 110(1) (b) of the *Act*. Such rights may include the right of holders of Other Investment Shares to elect no more than 20% of the directors of the Cooperative pursuant to Sections 108(5) of the *Act*.

11.1 Discretion to Declare Dividends

The holders of each share of every class of Shares shall be entitled to receive dividends as and when declared by the Directors acting in their discretion in accordance with the Bylaws.

12. Dissolution

In the event of the dissolution of the Cooperative:

- a) Firstly after all debts and liabilities of the Cooperative are paid out, loans made by Members to the Cooperative shall be paid out, excluding the debts and liabilities in sub-clause (b) and (c) below.
- b) Secondly, the shares held by the holders of each class of Investment Shares shall be paid out and redeemed (including all dividends thereon whether declared or undeclared) from the proceeds and assets of the Project (as defined in the Bylaws and the Share Subscription Agreement related to the shares in question) to which each class of shares relates. In the event the proceeds and assets of a Project are not sufficient to fully pay out these amounts, the proceeds and assets shall be paid

on an equal pro rata basis in proportion to the amounts outstanding on each Investment Share, as the case may be.

- c) Finally, the balance, if any, shall be paid out to the holders of all Class "A" Shares on an equal basis per share.

13. Maximum Interest Rate on Member Loans

The maximum interest rate on loans made by members to the Cooperative is the prime rate of interest charged from time to time by Servus Credit Union or its successor for commercial loans plus 3 per cent per annum.

14. Transfer of Member Interest

The right of a member to transfer a membership or an interest in shares held by the member in the Cooperative shall be subject to the discretion of the Board of Directors which shall be exercised in accordance with the Act, the Bylaws, these Articles, and the following conditions:

- a) The transferee of any Class "A" Share must qualify for membership in the Cooperative;
- b) Investment Shares shall be transferable to the extent authorized at their time of issue; and
- c) The Board is not obliged to accept any transfer if the Board of Directors, acting reasonably, is not satisfied that the transferee is qualified to hold the interest proposed to be transferred, or is not capable of meeting the transferee's potential obligations to the Cooperative.

15. Membership Fees

The Cooperative may charge annual or other fees to members and shareholders, including investment shareholders, as provided in the Bylaws.