

This document contains important information about the securities offered for sale by WindShare named below. You should read the whole Offering Statement before deciding whether or not to buy these securities. All prospective purchasers of these securities must receive this Offering Statement before completing their purchase.

Offering Statement of
TREC Windpower Co-operative (No. 1) Incorporated
 (“WindShare”)
 June 15, 2002
Minimum Aggregate Offering: \$400,000
Maximum Aggregate Offering: \$1,600,000

The minimum aggregate offering amount will be held in escrow, as described under “Use of Proceeds of the Offering” (Section 5, below). In the event that the escrow conditions are not met, no Preference Shares of WindShare will be issued and any funds raised will be returned to investors.

WindShare is offering to sell Membership Shares and Preference Shares. Prospective members of WindShare must be admitted into membership by the Board of Directors of WindShare and purchase a minimum of one Membership Share and five Preference Shares. Preference Shares may only be purchased by persons who are admitted as members into WindShare.

	Membership Shares	Preference Shares	Aggregate Offering
Minimum Offering	None	\$400,000	\$400,000
Maximum Offering	\$3,200	\$1,600,000	\$1,600,000
Minimum Individual Purchase	\$1.00	\$500	\$501
Maximum Individual Purchase**	\$1.00	\$5,000	\$5,001

*See Section 8 below (“Description of Securities Offered”) for further details on the securities offered for sale.

**The maximum individual purchase limit may not apply to possible corporate investors, including Government agencies and charitable organizations. The Board of Directors will review on a case-by-

case basis requests from potential corporate investors to purchase more than \$5,000 in Preference Shares of WindShare.

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

No official of the Government of Ontario has considered the merits of the matters addressed in this Offering Statement. Neither the Financial Services Commission of Ontario nor any other ministry or agency of the Government of Ontario assumes any liability or obligation to anyone who purchases the securities offered under this Offering Statement.

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

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 6 below (“Risk Factors”) 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 June 14, 2003. No further securities may be issued after this date unless a new Offering Statement is filed and received.

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GLOSSARY

“**Act**” means the *Co-operative Corporations Act* (Ontario) and the Regulations thereunder;

“**Ashbridges Bay Lands**” means the lands at 1313 Lakeshore Boulevard East, Toronto which may be leased from the Toronto Port Authority, adjacent to the sewage treatment facility owned by the City of Toronto and on which the second wind turbine project may be constructed;

“**Escrow Agent**” means Iler Campbell, Barristers & Solicitors, in its capacity as escrow agent under the Escrow Agreement;

“**Escrow Agreement**” means the agreement to be entered in between WindShare and the Escrow Agent;

“**Exhibition Place**” means the land at Exhibition Place in Toronto, Ontario upon which the first wind turbine project is to be constructed;

“**Exhibition Place Board**” means the Board of Governors of the Corporation incorporated under the *Municipality of Metropolitan Toronto Act* which is the owner and lessor of Exhibition Place;

“**Joint Venture**” means the working relationship set out in the Joint Venture Agreement between WindShare and THESI;

“**Joint Venturers**” means WindShare and THESI, as parties to the Joint Venture Agreement between WindShare and THESI;

“**Lagerwey**” means Lagerwey Windturbine International B.V., the manufacturer and installer of the wind turbines to be purchased by the Joint Venturers;

“**Lease**” means the Lease Agreement between the Exhibition Place Board and the Joint Venturers;

“**License**” means the License Agreement between the Toronto Port Authority and the Joint Venturers, an agreement providing the Joint Venturers with exclusive use of the subject lands located on the Ashbridges Bay lands for the purposes of the Projects;

“**Net Billing**” means an agreement with an electricity provider or electricity services provider whereby WindShare’s share of the energy generated by the wind turbines is credited against the invoices for electricity purchased by WindShare’s members from an energy provider;

“**Projects**” means the purchase, installation, and operation of the electricity-generating wind turbines at Exhibition Place and the Ashbridges Bay Lands;

“THESI” means 1512830 Ontario Ltd., a wholly owned subsidiary of Toronto Hydro Energy Services Inc.,

“Toronto Port Authority” means the Board of Directors of the Corporation incorporated in 1999 under the *Canada Marine Act*, and owner of the Ashbridges Bay Lands;

“Toronto Hydro Energy Services Inc.” means the retail energy services corporation owned by the City of Toronto, and with whom WindShare has a Purchase and Sale Agreement;

“WindShare” means TREC Windpower Co-operative (No. 1) Incorporated.

1. CORPORATE INFORMATION

Name of Co-operative: TREC Windpower Co-operative (No. 1) Incorporated

Date of Incorporation: Incorporated by Articles of Incorporation dated April 16, 1999.

Ontario Corporation No.: 1103813

Head Office Address: 401 Richmond Street West
Suite 380, Box 80
Toronto, Ontario M5V 3A8

Auditors: Prentice Yates & Clark
Chartered Accountants
15 Toronto Street, Suite 700
Toronto, Ontario M5C 2E3

Fiscal Year End: September 30th

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

2. DIRECTORS AND OFFICERS. The Articles of WindShare provide that WindShare shall have a minimum of five and a maximum of ten directors. The By-laws set the number of directors at five. The current directors and officers are as follows:

NAME	TITLE	RESIDENCE ADDRESS	OCCUPATION
Edward Robert Hale	President, Director	134 Glenlake Avenue Toronto, Ontario M6P 1E6	Retired Businessman
Brian Ernest Iler	Chair, Director	1418-45 Carlton Street Toronto, Ontario M4W 3P4	Lawyer
Gregory Arthur Samuel Allen	Treasurer, Director	73 Woodville Avenue Toronto, Ontario M4K 2J5	Professional Engineer
Mario Werner Kani	Secretary, Director	9 Wanless Crescent Toronto, Ontario M4N 3B6	Professional Engineer
Judith Ann Ramsay	Director	45 Chilton Road Toronto, Ontario M4J 3C7	Energy Consultant

3. DESCRIPTION OF THE BUSINESS OF WINDSHARE.

Overview and History

TREC Windpower Co-operative (No. 1) Incorporated (“WindShare”) was incorporated in April 1999 to develop and operate electricity-generating wind turbines to be constructed in Toronto, Ontario for the benefit of its members.

The Projects are a practical way for individuals and organizations to address the urgent problems of climate change and deteriorating air quality. They will serve as a highly visible symbol of the potential for generating environmentally sustainable, locally produced, emissions-free electricity.

The goal of WindShare is to deliver electricity to its members, in proportion to the number of Preference Shares purchased by each of them. Legislative changes to the electricity market, which is scheduled to open to competition in Ontario on May 1, 2002, are intended to permit the direct delivery of electricity. Since there are still some outstanding technical issues associated with the direct delivery of electricity, WindShare has decided to enter into a three-year agreement with Toronto Hydro Energy Services Inc. which will purchase the electricity generated by WindShare’s portions of the wind turbines. Toronto Hydro Energy Services Inc. will then retail the energy purchased from WindShare as “green energy.”

The first of the wind turbines is to be located at Exhibition Place, while the second is to be located at the Ashbridges Bay Lands.

The purchase, installation, and operation of the Projects will be through the Joint Venture between WindShare and THESI, as equal participants. Each is entitled to half the electricity generated by the turbines. The Toronto Renewable Energy Co-operative Inc., which has many of the same Directors as WindShare, has managed the development of the Project on behalf of the Joint Venture.

Installation of the Exhibition Place wind turbine will commence in Spring 2002, with this turbine fully operational by Fall, 2002. The wind turbine at Ashbridges Bay is anticipated to be installed between the late Fall of 2002 and late Spring of 2003. It is anticipated that this turbine will be operational by the Summer of 2003.

The development of the Projects constitutes the purpose of this offering and is described in detail under “Business Plan,” Section 4, below.

WindShare has devoted over three years to researching the technology associated with the Projects, conducting anemometer tests to verify wind conditions and assess likely production of electricity, identifying suitable sites, obtaining regulatory approvals, negotiating and entering into agreements, mobilizing community and prospective member support for the Projects, and arranging pre-development funding and bridge financing. As described further below in this section (“Real

Estate”), the Joint Venturers have entered into a fifteen year Lease Agreement with the Board of Governors of Exhibition Place, renewable for a further five years, for the wind turbine at Exhibition Place. The Joint Venturers have also agreed on most terms for a ten year license from the Toronto Port Authority, renewable for two additional five year terms, for the Ashbridges Bay Lands.

To date, WindShare has generated its revenues from grants. Until the wind turbines start producing electricity, WindShare will have no income, except from those grants.

Membership Requirements

Membership in WindShare is open to all residents of the City of Toronto who support the objectives of WindShare. Members are required to purchase one Membership Share for one dollar and a minimum of five one hundred dollar Preference Shares, and to enter into a Membership Agreement with WindShare. The Membership Agreement is attached as Schedule I.

WindShare’s Membership

WindShare’s membership currently consists of its founding Board of Directors. To date, approximately 150 persons have expressed an interest in membership in WindShare and have given WindShare minimum advances of \$500 towards the purchase of Preference Shares. These advances, which amount to approximately \$85,000 as of April 1, 2002, are held in an escrow account established by Iler, Campbell, solicitors for WindShare. WindShare will be launching a membership drive in 2002 in order to solicit additional members and member investment in WindShare.

Insurance

Because it has not yet commenced operations, WindShare currently does not carry any insurance. Once installation of the first wind turbine commences, the Joint Venturers will arrange appropriate property and general liability insurance, which will also meet the various obligations for insurance contained in the agreements entered into by WindShare.

Authorizations, Licenses, and Permits

The Ontario Government has enacted laws and regulations which will open portions of the market for electrical energy to competition in May 2002. It is this initiative which has made WindShare’s Projects possible. While this initiative is intended to permit organizations which have generated electricity to deliver it to consumers of electricity, technical issues currently prevent WindShare from being able to deliver electricity to its members. As an interim measure, until these technical issues

have been resolved, WindShare has entered into a three-year agreement with Toronto Hydro Energy Services Inc. through which the latter will purchase its members' electricity for resale.

The Joint Venture will need to obtain a Generator's License from the Ontario Energy Board by July 1, 2002. Future changes to the regulation of electrical generation, transmission, distribution and sale of electricity in Ontario could have an impact, including potentially an adverse impact, upon WindShare's business. At the present time it is not possible to determine with precision the nature or materiality of any such impact.

The construction and operation of the Project requires various permits and regulatory approvals from various levels of Government. Those which have been obtained to date include the following:

- a building permit from the City of Toronto for the Exhibition Place wind turbine;
- an Environmental Assessment as approved by Environment Canada;
- exemption from the Ontario environmental assessment requirements by the Ministry of the Environment;
- approvals from Toronto City Council and the Exhibition Place Board for the Exhibition Place lease;
- approval from Toronto City Council for the use of the Ashbridges Bay Lands;
- zoning approval for the Ashbridges Bay Lands; and
- aircraft obstruction clearance approvals from Transport Canada and Nav Canada for both proposed sites.

Approvals from the Toronto Port Authority for the licensing of the Ashbridges Bay Lands remains outstanding. Approval by the Electrical Safety Authority will be required upon the interconnection of the wind turbines to the local electricity distribution system. All of the permits and regulatory approvals required for Project construction and operation have either been obtained or, in the opinion of the Board of Directors, will be obtained in the ordinary course of business.

Environmental Compliance

The proposed wind turbine at Exhibition Place was subject to an Environmental Assessment completed by the Environmental Protection Branch of Environment Canada on March 9, 2001. The proposed wind turbine at Ashbridges Bay was also subject to an Environmental Assessment completed by the Environmental Protection Branch of Environment Canada on December 6, 2000,

with an exemption from a provincial Environmental Assessment granted by the Province of Ontario on December 6, 2001.

The Environmental Assessments at both sites considered the construction, operation, and decommissioning of the wind turbines at the Project sites. The scope of the assessment encompassed the effects of the Projects on the biophysical environment (aquatic environment, water quality, noise, soils, terrestrial vegetation, terrestrial wildlife including birds), and the socio-economic environment (cultural and heritage resources, planned land use, recreation, aesthetics, and safety relating to collapse and ice shedding).

The Environmental Assessments determined that any adverse environmental effects would likely not be significant and both sites were approved subject to these key conditions:

a) Permits and Approvals. WindShare will be required to obtain all requisite permits and approvals, and fulfill all conditions of other jurisdictions and landowners relating to the siting, construction, operation and demolition of the turbine(s) at the proposed sites.

b) Environmental Noise Mitigation. WindShare will be required to provide for mitigation of potential adverse effects related to environmental noise by procuring wind turbines which meet noise specifications appropriate to the proposed sites. The Lagerwey turbines meet these specifications. Post-installation noise assessment will also be required for a period of up to one year. In the event that predicted noise levels from the wind turbine(s) are significantly exceeded, Environment Canada will consider ordering further noise abatement measures.

c) Wildlife Impacts. Turbine operations must be monitored for any associated bird mortality and disturbance for at least one full year by an independent professional. The Project is not expected to affect wildlife or birds significantly. In the event that there are considerable bird impacts, a mechanism to remedy the situation must be implemented.

d) Storm Conditions. The turbine(s) and their foundations must be designed to survive wind gust speeds of up to 200 km/hour. For ice shedding, automated control systems as well as remote manual systems for the turbines shall be designed to safely shut down in icing conditions. The Lagerwey turbine meets these requirements. In the case of rare, extreme storms with significant icing conditions, public access to the area in the vicinity of the turbine will be restricted. Warning signs must be posted to alert the public to danger.

e) Site Excavation. As excavation proceeds, excavated material shall be tested, handled and disposed of in accordance with applicable provincial guidelines.

The Board of Directors of WindShare believes that the Joint Venturers can meet all of the above conditions within the proposed budget and time lines. The risks associated with any inability or failure to meet any of the conditions indicated above are outlined under Section 6 (“Risk Factors”) below.

Real Estate

The Joint Venturers have entered into a lease with the Board of Governors of Exhibition Place for a site located at Exhibition Place, in Toronto, north of Lakeshore Boulevard. See Section 15 below (“Material Contracts”) for additional details of the Lease Agreement. The Joint Venturers will construct the first wind turbine at this site. The Joint Venturers have also reached an agreement on most terms for the licensing of the Ashbridges Bay Lands.

Under the terms of the Lease Agreement, the Joint Venturers are to pay the Exhibition Place Board annual rent of \$2,000 for the initial eight years of the Lease, and annual rent of \$3,000 for years 9-15 of the Lease, plus all applicable property taxes and utilities. If the Joint Venturers exercise their option to renew the Lease for an additional five year term, the annual rent shall be \$4,000. The lease is a standard net lease, in which the tenant is responsible for all costs, and taxes payable by the landlord in relation to the leased land

The Joint Venturers are required to post a \$25,000 performance bond, to be held in an interest-bearing account, prior to the commencement of the Lease, which shall be returned to them, with interest, upon expiry or termination of the Lease.

The proposed terms for the ten year License Agreement for Ashbridges Bay Lands are similar to those for the Exhibition Place site. The license fee for this site will fluctuate in accordance with changes in the price paid to the Joint Venturers for their electricity. It is anticipated that this annual fee will likely increase, perhaps significantly, after the deregulation of the energy market in Ontario. The License Agreement is renewable at the option of WindShare for up to three additional five year terms, provided that the City of Toronto does not require the land for the operation of the Ashbridges Bay Sewage Treatment facility.

Recent Developments

Over the past year, WindShare has prepared a comprehensive Business Plan for the WindShare project, as summarized in Section 4 below. Together with its Joint Venture partner, it has also negotiated and executed the various agreements and funding arrangements that are detailed in Section 4 (“Business Plan”) and Section 15 (“Material Contracts”) below. In addition, WindShare has raised public awareness of the Projects through a series of media releases and meetings with prospective members.

Results of Operations and Material Variations

Summary of Key Financial Indicators

Financial information for previously completed fiscal years is reported as at March 31st. WindShare has recently changed its fiscal year end to September 30th in order better to reflect the anticipated start date of operations. Financial statements are prepared in accordance with a review engagement. Interim unaudited financial information for the 2002 fiscal year is reported as at March 31, 2002.

	2002 Interim Statement (October 1, 2001- March 31, 2002)	2001 Stub Year (April 1, 2001 – September 30, 2001)	2000 (April 1, 2000 – March 31, 2001)
Revenues	\$148,479	\$0	\$0
Net Earnings (Loss)	(\$4,413)	\$0	\$0
Total long-term and short-term debt	\$645,000	\$0	\$0
Members' Equity (Deficit)	(\$4,413)	\$0	\$0
Members' Advances (funds in escrow)	\$85,000	\$73,500	\$56,500

Outlook and Market Environment

As North America's demand for energy continues to increase alongside of growing public concern about the detrimental environmental effects of traditional forms of electrical generation including the burning of fossil fuels, hydro electrical generation, and nuclear energy, the market for renewable energy has enjoyed steady growth. Based upon growing consumer and political pressure for renewable forms of energy, it is anticipated that wind power will continue to enjoy a growing share of the energy market. Furthermore, in response to the global crisis of climate change and increasing urban smog, legislative bodies from the local to the international level are having an increasing positive effect on the market outlook for renewable forms of energy, including wind power, which is growing at rates in excess of 25% per year.

WindShare has entered into a three year Purchase and Sale Agreement with THESI to sell all of the energy generated by its share of the Project at Exhibition Place to Toronto Hydro Energy Services Inc. The Agreement will take effect upon the commissioning of the wind turbine at Exhibition Place.

The Ontario Government has announced that the market will open to competition on May 1, 2002.

4. BUSINESS PLAN

WindShare has recently completed a comprehensive Business Plan. Key components of this Business Plan are outlined below.

Overview

WindShare has been established in order to develop, in a joint venture with THESI, two utility scale wind turbines to be located along Toronto's waterfront. The Projects are intended to provide Toronto residents with an opportunity to participate in the development of alternative energy sources as a means of combating the smog and climate change brought about by the burning of fossil fuels. By locating the wind turbines in downtown Toronto, the Project will serve as a highly visible symbol of the potential for generating environmentally sustainable, locally produced, emissions-free electricity through a consumer co-operative. Each of the Project's wind turbines will generate an estimated annual average output of 1,800,000 kWh, of which WindShare's 50% share will be approximately 900,000 kWh annually per turbine.

In accordance with a Purchase and Sale Agreement between WindShare and Toronto Hydro Energy Services Inc. (See Section 15 below, "Material Contracts"), WindShare will sell all electricity generated by its share of the Exhibition Place wind turbine to Toronto Hydro Energy Services Inc. for the first three years of its operation. This fixed-price Agreement provides for an annual price increase of two per cent. In addition, WindShare will transfer to Toronto Hydro Energy Services Inc. ownership of all Emission Reduction Credits for the electricity delivered to Toronto Hydro Energy Services Inc. under this Agreement. The contract stipulates that these Credits shall not be further transferred beyond retail customers to whom the electricity is intended to be sold as renewably-generated electricity. It is anticipated that WindShare and Toronto Hydro Energy Services Inc. will enter into a similar agreement with respect to the electricity generated by the Ashbridges Bay wind turbine.

The Projects are being developed as a joint venture between WindShare and THESI, with WindShare and THESI each holding a 50% interest in the assets and entitled to 50% of the electricity generated. For details on the Joint Venture Agreement between WindShare and THESI, see Section 15 ("Material Contracts") below. Project construction for Exhibition Place is expected to commence in Spring 2002, with the wind turbine fully operational by Fall, 2002. Construction of the Ashbridges Bay turbine is expected to begin in late Fall 2002 or in Spring 2003 and this wind turbine is expected to be operational by Summer 2003. Energy from the wind turbines will be transmitted to the municipally-owned distribution system.

Turbine Purchase and Installation

The Joint Venturers have entered into a Sales Agreement for the delivery and installation of a wind turbine at Exhibition Place with Lagerwey Windturbine International B.V., an internationally recognised wind turbine manufacturer based in Barneveld, The Netherlands. This Sales Agreement provides for the purchase of one LW 58/750-65 wind turbine to be assembled at Exhibition Place. The turbine is to be commissioned in Fall 2002. Lagerwey will provide training support to the Joint Venturers upon commissioning of the turbine.

The Joint Venturers have also signed a Letter of Intent with Lagerwey for the purchase and assembly of the wind turbine at Ashbridges Bay. The terms and conditions of the proposed agreement with Lagerwey for the Ashbridges Bay wind turbine are anticipated to be substantially the same as those for the Exhibition Place wind turbine.

At current exchange rates, the total cost for the purchase and installation of one wind turbine is approximately Cdn\$1.19 million, not including the cost of the foundation and electrical interconnection to the Exhibition Place and/or the Toronto Hydro-Electric System Limited distribution grid. WindShare has obtained a quote of approximately \$300,000 from a civil engineering firm for the foundation and interconnection of the turbine at Exhibition Place. Costs for the foundation and interconnection at Ashbridges Bay Lands remain to be determined. Details of the Sales Agreement with Lagerwey are set out under Section 15 (“Material Contracts”).

WindShare anticipates that Project construction will commence by late Spring 2002, with the Exhibition Place wind turbine fully commissioned by October 31, 2002, and the Ashbridges Bay wind turbine operational by Summer 2003.

Marketing Plan

At the current time, Ontario Power Generation, one of Ontario Hydro’s successor companies, generates over 95% of Ontario’s electricity. Hydro One, another successor company to Ontario Hydro, and the remaining local hydro utilities transmit and distribute all electricity in Ontario, but under market rules are required to transmit electricity for all participants in the market, including generators and retailers.

Seeking to take advantage of these rules, WindShare negotiated a letter of intent with Toronto Hydro, in which Toronto Hydro agreed to use its best efforts to implement a system for transmitting the electricity generated by WindShare to its members. However, technical barriers have prevented implementation of this system to date. Directors of WindShare cannot assure that such a system will be implemented in the near future.

As an interim measure, WindShare has entered into a Power Purchase Agreement to sell to Toronto Hydro Energy Services Inc. all of the electricity generated by WindShare's 50% share of the Exhibition Place turbine. After deduction of operating expenses, a reasonable reserve for capital repairs and replacements after the fifth year of operation, and any other expenses approved by the Board any remaining net income of WindShare would be distributed to members of WindShare, in proportion to the number of Preference Shares held by each member.

Through this Power Purchase Agreement, WindShare is assured of a market for the electricity generated through the Project for a minimum of three years. Prior to the expiry of this term, WindShare may be able to obtain the right and ability to deliver the electricity directly to its members. In the event that technical obstacles prevent WindShare from doing so, WindShare anticipates being able to market all of its electricity on the open market, but there can be no assurance that it will be able to do so.

Revenue Projections

The Board of Directors of WindShare has prepared income projections for the first three years of Project operations. **These projections are based upon assumptions and hypotheses which the Board of Directors of WindShare believes to be reasonable and which are consistent with the business plan prepared by WindShare. There can be no assurance that these projections will actually be achieved. Actual results will vary, perhaps materially, from these projections. The assumptions upon which these projections are based may change on account of circumstances beyond the control of WindShare. However, expenses after Start up are reasonably certain. Co-operative revenues depend on the market price for electricity, and as such, if the market price for electricity remains stable, it is anticipated that revenues after Year 3 will be similar.**

The Board of Directors plans to declare dividends based on distributing all of WindShare's net operating income before depreciation and amortization. **There can be no assurance that WindShare will be able to pay out such dividends. Investors are advised that the Board of Directors is not establishing any reserve for the replacement of equipment, other than as is required for ordinary maintenance. Accordingly, at the end of twenty years, after which the wind turbines will have been entirely depreciated, the equity of WindShare will have been entirely eroded and the Membership Shares and Preference Shares in WindShare will have no residual value. However, there is no technical reason why the turbine may not continue to operate past year 20.**

PRO FORMA INCOME STATEMENT

	*Fiscal Year:			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
	<u>*Start Up</u>	<u>Ops Year 1</u>	<u>Ops Year 2</u>	<u>Ops Year 3</u>
Revenues				
Power Purchase Agreement	0	133,273	168,037	174,687
Interest Income	9,283	4,781	608	944
Total Revenues	<u>9,283</u>	<u>138,054</u>	<u>168,646</u>	<u>175,631</u>
Operating Expenses				
Accounting	(2,664)	(2,718)	(2,773)	(2,829)
Legal	(8,513)	(1,542)	(1,573)	(1,605)
Bank Charges	(202)	(206)	(210)	(214)
Insurance	(3,833)	(14,681)	(16,875)	(17,216)
Interest	(5,916)	(4,098)	156	156
Ex Lease	(1,000)	(1,000)	(1,000)	(1,000)
ABTP Lease	0	(630)	(770)	(785)
O&M for turbines	(2,789)	(5,578)	(11,969)	(18,360)
Municipal Taxes	(588)	(718)	(733)	(748)
Office	(606)	(618)	(630)	(643)
Wages & Benefits	(9,285)	(9,472)	(9,663)	(9,858)
Sales and Marketing	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>(55,396)</u>	<u>(61,260)</u>	<u>(46,040)</u>	<u>(53,101)</u>
Net Operating Income (before taxes and depreciation)	<u>(46,150)</u>	<u>76,794</u>	<u>122,606</u>	<u>122,530</u>
Available Cash/Share for Distribution (before depreciation)			8	8
Depreciation	(299,686)	(420,080)	(295,556)	(206,889)
Net Income (Deficit)	<u>(345,836)</u>	<u>(347,384)</u>	<u>(172,794)</u>	<u>(84,203)</u>

*Fiscal Year of WindShare is October 1 - September 30, with the exception of "Start up" which represents data from April 1 - September 30.

Development and Start-up Costs, including Working Capital

Estimated costs for WindShare's 50% share of the development and start-up costs associated with the Projects are indicated below.

Project development costs	\$70,000
Engineering	\$67,000
Foundations	\$175,000
Electrical (including grid interconnection)	\$100,000
Landscaping	\$10,000
Turbine purchase and installation	\$1,191,000
Spare parts	\$45,000
Capitalized interest	\$20,500
Environmental compliance	\$15,000
Miscellaneous	<u>\$6,500</u>
Total project costs	\$1,700,000

Project Financing

Based upon its Agreements with the Government of Canada and the Toronto Atmospheric Fund (See Section 15 below, "Material Contracts"), the Board of Directors of WindShare believes that the financing structure outlined below will enable WindShare to complete its share of the Projects successfully.

The financing structure described herein is conditional upon WindShare raising a minimum of \$1,055,000 from the proceeds of this offering. In the event that less than that amount is raised, and provided the minimum offering amount of \$400,000 is raised, WindShare will seek to arrange alternate financing to enable WindShare to proceed with the purchase and installation of the wind turbine at the Ashbridges Bay Lands. There can be no assurance that WindShare will be able to obtain any such additional alternate financing on terms acceptable to WindShare. Should WindShare be precluded from completing the financing as contemplated herein, the Board of Directors shall use its best efforts to obtain financing from other sources by May 14, 2003 in order to complete the Ashbridges Bay Lands Project.

The financing structure currently envisioned by the Board of Directors of WindShare contemplates obtaining financing from the following sources:

Member's equity	\$1,055,000
Government of Canada forgivable loan	\$150,000
Toronto Atmospheric Fund Bridge Financing	<u>\$495,000</u>
Total	\$1,700,000

All proceeds raised through this offering in excess of \$1,055,000 will be allocated to the reduction of WindShare's debt.

5. USE OF PROCEEDS OF THE OFFERING

Minimum Aggregate Offering:	\$400,000
Maximum Aggregate Offering:	\$1,600,000

WindShare intends to allocate the proceeds of this offering to the items indicated below, in the following order of priority. The expenditures indicated below represent WindShare's 50% share of the costs to be incurred by the Joint Venture between WindShare and THESI.

1) Project development costs	\$70,000
2) Professional and engineering fees	\$67,000
3) Site preparation, civil works, foundation, landscaping (Exhibition Place turbine)	\$95,000
4) Purchase and installation of Turbine Units, spare parts (Exhibition Place turbine)	\$295,500
5) Grid interconnection, electrical work (Exhibition Place turbine)	\$50,000
6) Site preparation, civil works, foundation, landscaping (Ashbridges Bay turbine)	\$95,000
7) Purchase and installation of Turbine Units, spare parts (Ashbridges Bay turbine)	\$295,500
8) Grid interconnection, electrical work (Ashbridges Bay turbine)	\$50,000
9) Capitalized interest, environmental compliance	\$30,500
10) Miscellaneous	\$6,500
11) Repayment of TAF and Government of Canada Loans	<u>\$545,000</u>
Total proceeds used	\$1,600,000

Conditions for the Release of the Share Subscription

The minimum aggregate offering of \$400,000 will be held in an escrow account established by Iler Campbell which will act as Escrow Agent pursuant to an Escrow Agreement to be entered into with WindShare. No funds will be released from this account until:

- i) The minimum offering amount of \$400,000 is raised; and
- ii) All Government permits and approvals required for the Exhibition Place Project to commence have been obtained.

These conditions shall be the conditions precedent for the release of funds from the escrow account.

In the event that the minimum proceeds of this offering are not raised by May 14, 2003, or that the other conditions enumerated above are not met, WindShare will return all funds raised to investors without deduction and with interest, if any.

6. RISK FACTORS

The Projects, WindShare, and its investors will be subject to a number of risks common to start-up ventures in general as well as to the specific risks associated with electricity generation and wind turbine technology. The failure to prevent or mitigate any of the following circumstances could jeopardize investors' investment in WindShare and/or financial returns:

- a) **Speculative Investment**: The securities being offered under this Offering Statement are speculative and involve a degree of risk. Investors may lose their investment.
- b) **New Venture**: WindShare has not yet commenced its intended business operations and has no history of operating projects similar to the proposed Project. WindShare currently does not have any significant assets nor does it have any revenues apart from Government grants. The commencement of the Projects, including the installation of the wind turbines, is dependent upon WindShare raising the minimum offering amount.
- c) **Repayment of Government Funding**: In the event that the wind turbine at the Ashbridges Bay site is not completed, WindShare will be required to repay an additional \$75,000 in Federal Government contributions.
- d) **Failure to Raise Sufficient Equity**: In the event that the net proceeds received under this Offering Statement together with the other resources of WindShare are insufficient to meet the equity requirements of the Project, the Project will not be completed. If only the minimum offering amount is raised, WindShare will complete only the Exhibition Place Project.
- e) **Contract Negotiation Risk**: The negotiation of the contracts for the second wind turbine to be constructed at Ashbridges Bay has not yet been completed and there is a risk that agreement may not be reached on some of these contracts or that the terms and conditions of these contracts could vary, perhaps materially, from the terms and conditions set out in the contracts pertaining to the first wind turbine. In the event that all of the contracts necessary for the development of the Ashbridges Bay wind turbine are not successfully negotiated, funds raised for the development of that wind turbine would be returned to investors with interest, if any, and without deduction.
- f) **Non-completion**: Should the terms of the Escrow Agreement not be satisfied, as described above under "Conditions for the Release of the Share Subscription" (Section 5), WindShare will be unable to proceed with the Project. In that event, all proceeds of this offering will be returned to investors with interest, if any, and any remaining assets of WindShare, after the

payment of any outstanding debts and the redemption of any outstanding shares, would be distributed among its members.

g) **Market Risk**: The long-term viability and profitability of WindShare, if net billing is not available beyond the term of its three year Power Purchase Agreement, depends upon its ability to find markets for its electricity, which ensure an adequate price for WindShare's electricity, and to operate the Project within the budget projected in WindShare's Business Plan. Any long-term decrease in the energy prices of other market suppliers could have a potentially adverse impact on WindShare's revenues.

h) **Operational Risk**: In the event that the wind turbine does not generate the anticipated amount of electricity due to insufficient wind, mechanical defects beyond the two year warranty period or five year service agreement period, or other causes beyond the control of WindShare, projected revenues of WindShare could be adversely affected.

i) **Priority of Lenders**: The net proceeds from the securities offered herein will be subordinate to the term and working capital lenders, including both Government and other lenders, who will be in priority to any equity investment in the Project. These lenders will have priority with respect to the payment of interest and principal and will hold a first secured position over all of the assets of WindShare in priority to the shareholders. The ability of WindShare to pay dividends on the Preference Shares and patronage dividends will be dependent on the success of the Project.

j) **Profitability and solvency**: There is no certainty that WindShare will be profitable and able to pay patronage dividends, should the Board of Directors elect to do so. In addition, there can be no assurance that WindShare will be able to make any dividend payments on the shares offered under this Offering Statement.

k) **Market for Securities**: There is no market for the securities offered and none is expected to develop. Purchasers may not be able to resell securities purchased pursuant to the Offering Statement. Except as otherwise provided under the Membership Agreement, no Membership Shares or Preference Shares of WindShare may be transferred without the express consent of the Board of Directors. WindShare will maintain a list of interested purchasers of these shares but there can be no assurance that shareholders will be able to find a purchaser for their shares.

l) **Redemption of Securities**: WindShare does not intend to redeem any of the securities offered under this Offering Statement upon a member's withdrawal from membership. No reserve or sinking fund is being established for the redemption of the securities being issued.

m) **Depreciation of Assets**: Investors are advised that the Board of Directors is not establishing any reserve for the replacement of equipment, other than as is required for ordinary maintenance. Accordingly, at the end of twenty years, after which the wind turbines will

have been entirely depreciated, the equity of WindShare will have been entirely eroded and the Membership Shares and Preference Shares in WindShare will have no residual value. However, the turbines may continue to operate beyond 20 years. WindShare has selected 20 years as an average anticipated life for wind turbines before retrofits or replacement. Replacement is often selected because of improvements in available technology. It is possible that WindShare could elect, with its Joint Venture partner, to keep the turbines in operation should it be possible to extend the lease and/or license for the properties.

n) **Long-Term Investment**: Purchases of the securities offered herein should be considered long-term investments which will not be suitable for investors who may need to sell their securities quickly in order to raise money. Investors who require regular, guaranteed returns from their investments should not purchase the securities offered herein.

o) **Projections**: Actual results of operations may vary materially from the projections contained in this Offering Statement. No representations or warranties are given that these projections will actually be achieved. The assumptions upon which these projections are based may change on account of circumstances beyond the control of WindShare.

7. DESCRIPTION OF CAPITAL STRUCTURE (Members' Equity and Members' Entitlements)

TREC Windpower Co-operative Inc. is incorporated as a co-operative with share capital. In accordance with its amended Articles of Incorporation, its authorized capital is eleven million dollars (\$11,000,000), divided as follows:

Membership Shares: One million dollars (\$1,000,000) comprised of 1,000,000 shares with a par value of one dollar (\$1.00) each.

Preference Shares: Ten million dollars (\$10,000,000) consisting of 100,000 shares with a par value of one hundred dollars (\$100) each.

The Membership Shares and Preference Shares offered under this Offering Statement are described in detail in Section 8 below.

As at March 31, 2002, WindShare's issued capital consisted of the following :

Membership Shares	\$5
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To date, WindShare has not issued any Preference Shares.

Members' equity in WindShare as at March 31, 2002 was as follows:

Members' Equity	
Membership Shares	\$ 5
Retained earnings (deficit)	<u>(\$4,413)</u>
Total members' equity	<u>(\$4,418)</u>
Members' Entitlements	
Members' advances	<u>\$85,000</u>
Total Members' Entitlements and Equity	\$80,582

8. DESCRIPTION OF SECURITIES OFFERED

WindShare is offering to sell Membership Shares and Preference Shares to its members. The Minimum and Maximum Offering may be raised in any combination of such Shares, provided that no more than \$3,200 in Membership Shares may be raised pursuant to this offering.

Minimum Offering: \$400,000

Maximum Aggregate Offering: \$1,600,000

MEMBERSHIP SHARES

Minimum Offering: None.

Maximum Offering: \$3,200

Minimum Individual Subscription: \$1

Maximum Individual Subscription: \$1

Prospective members of WindShare are required to purchase one (1) Membership Share with a par value of \$1 each. Holders of Membership Shares are entitled to attend and vote at all meetings of members of WindShare and to receive such patronage dividends and dividends on Membership Shares as may be declared from time to time at the sole discretion of the Board of Directors.

Par Value: \$1.00.

Issue: Membership Shares shall be issued to all residents of Toronto who are eligible for membership in WindShare and have been admitted into membership by the Board of Directors.

Dividends: At the discretion of the Board of Directors, to the maximum amount permitted under the *Co-operative Corporations Act*. Regulations under the *Act* set the maximum annual dividend at two per cent (2%) above the prime rate of a bank, trust company, or credit union named in WindShare's by-laws.

Rank: Junior, with respect to the payment of dividends, to the Preference Shares. Junior to the Preference Shares upon dissolution.

Patronage Dividends: Holders of one Membership Share are entitled to patronage dividends, if any, based upon their volume of business with WindShare.

Transfer: Subject to the consent of the Board of Directors.

PREFERENCE SHARES

Minimum Offering: \$400,000

Maximum Offering: \$1,600,000

Minimum Individual Subscription: \$500 Maximum Individual Subscription: \$5,000*

*The maximum individual purchase limit may not apply to possible corporate investors, including Government agencies and charitable organizations. The Board of Directors will review on a case-by-case basis requests from potential corporate investors to purchase more than \$5,000 in Preference Shares of WindShare.

Par Value: \$100.

Issue: Preference Shares shall not be allotted or issued without the prior consent of the Board of Directors.

Dividends: Preference Shares are entitled to such dividends as may be declared by the Board of Directors.

Voting Rights: Under the *Co-operative Corporations Act*, the holders of any class of Preference Shares have a right to vote at all meetings of that class of Preference Shareholders called for the purpose of amending any of the terms of the said class of shares, and at such meetings are entitled to cast one vote for each such share held. In addition, Preference Shareholders are entitled to receive notice of and attend all meetings of members, but not to vote at such meetings.

Redemption: **Preference Shareholders are not entitled to demand the redemption of their shares upon their withdrawal from membership in WindShare.**

Transfer: Preference Shares may be transferred with the consent of the Board of Directors.

Dissolution: In the event of the dissolution or liquidation of WindShare, the holders of Shares shall be entitled to receive, before any distribution of any part of the assets of WindShare among the holders of Membership Shares, the amount of one hundred dollars (\$100) for each Preference Share, plus 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 WindShare.

No reserve or sinking fund has been established by WindShare for the redemption of the Preference Shares.

9. METHOD OF SALE OF SECURITIES

All securities sold pursuant to this Offering Statement will be sold exclusively by Directors, Officers, and other senior employees of WindShare. There are no commissions payable or discounts allowed. All Preference Shares will be sold exclusively to members of WindShare.

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

There is no market for the securities offered and none is expected to develop. Purchasers may not be able to resell securities purchased pursuant to this Offering Statement. No shares may be transferred without the express consent of the Board of Directors. Management will maintain a list of interested purchasers of WindShare's shares.

WindShare does not intend to redeem any of the Preference Shares offered under this Offering Statement upon the withdrawal of a member and there is no obligation for WindShare to do so. No reserve or sinking fund is being established for the redemption of the securities being issued. As set out in the Membership Agreement, upon the approval of the Board of Directors, shares may be transferred to other members or prospective members of WindShare, but there can be no assurance that members interested in the purchase of such shares will be available if and when a member wishes to transfer his or her shares.

11. STATEMENT OF MINIMUM AND MAXIMUM AMOUNT OF THE OFFERING AND MINIMUM AND MAXIMUM AMOUNT OF ANY INDIVIDUAL SUBSCRIPTION

Minimum Aggregate Offering: \$400,000

Maximum Aggregate Offering: \$1,600,000

Unless the minimum offering amount of \$400,000 is raised, none of the shares offered pursuant to this Offering Statement will be issued. Pending receipt of subscriptions for this minimum offering amount, and subject to the satisfaction of the other conditions enumerated in Section 5 above ("Use of Proceeds of the Offering"), all funds received will be held in escrow. In the event that the minimum proceeds of this offering are not raised by May 14, 2003, or that the other conditions

enumerated in Section 5 above are not met, WindShare will return all funds raised to investors without deduction and with interest, if any.

Minimum and Maximum Amount of any Individual Subscription

As indicated on the face page of this Offering Statement, the minimum and maximum individual purchases permitted for each of the classes of shares offered pursuant to this Offering Statement is as follows:

	Membership Shares	Preference Shares
Minimum Individual Purchase	\$1.00	\$500
Maximum Individual Purchase*	\$1.00	\$5,000

*The maximum individual purchase limit may not apply to possible institutional investors, including Government agencies.

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

As of the date of this Offering Statement, WindShare has borrowed \$495,000 from the Toronto Atmospheric Fund and \$150,000 from the Government of Canada, in accordance with the agreements set out in Section 15 below (“Material Contracts”). The proceeds from these loans will be applied towards the purchase of the Exhibition Place turbine and other development expenses.

13. MATERIAL LEGAL PROCEEDINGS TO WHICH WINDSHARE IS A PARTY

WindShare is not party to any material legal proceedings.

14. MATERIAL INTERESTS OF DIRECTORS, OFFICERS, AND EMPLOYEES OF WINDSHARE

a) In the Operation of WindShare

Each of the Directors of WindShare is a member of WindShare and holds a minimum of five Preference Shares in WindShare. It is anticipated that the aggregate purchase by Directors of the

Preference Shares offered pursuant to this Offering Statement will amount to less than ten per cent (10%) of the minimum offering amount.

b) In the Securities Offered Herein

The Directors of WindShare will be offered the securities to be issued under this Offering Statement on the same terms as are available to other members. Purchases by such Directors are in aggregate likely to total less than 10% of the total offering, with no individual Director likely purchasing more than 5% of the total issue of Preference Shares.

15. MATERIAL CONTRACTS ENTERED INTO DURING THE TWO YEARS PRECEDING THIS OFFERING STATEMENT AND OTHER MATERIAL CONTRACTS

WindShare has entered into the following material contracts in the preceding two years:

1) Joint Venture Agreement between WindShare and Toronto Hydro Energy Services Inc. (“THESI”), executed on February 14, 2002. Pursuant to this Joint Venture Agreement, the parties have formed a joint venture for the purpose of acquiring, owning and operating a minimum of one, and a maximum of three, wind turbines each with a capacity of up to one mega watt in the City of Toronto. The wind turbines will generate emissions-free electricity to be fed into the Toronto Hydro-Electric System Limited’s electric system grid or into the host facility’s distribution system.

Each of the Joint Venturers has an equal undivided interest in all property subject to the Joint Venture Agreement, including the wind turbines, the leases for their sites, and intangible rights such as an interest in required licences. Each of the Joint Venturer shall own 50% of the power generated by the Wind Turbines and may sell, distribute or otherwise dispose of its share of the power generated or any revenues received at its sole discretion.

Each of the Joint Venturers is required to contribute equally to the Joint Venture. Since WindShare had incurred certain expenditures and expended considerable efforts on the Projects prior to the commencement of its working relationship with THESI, WindShare was paid \$122,500 upon execution of the Joint Venture Agreement.

The Joint Venturers may be called upon from time to time to make equal contributions as required for the conduct of the Joint Venture, whether it is for the purpose of capital expenditure or otherwise.

In the event that one of the Joint Venturers fails to make the required contribution, the other Joint Venturer shall have the right to pay the required sum, and the non-paying Joint Venturer shall reimburse that Joint Venturer for the amount paid together with interest equal to Prime plus 2% per annum. The non-defaulting Joint Venturer may also, at its sole option, wind-up the Joint Venture. Upon wind-up of the Joint Venture, the non-defaulting Joint Venturer shall have the option of purchasing the Property owned by the defaulting Venturer at fair market value.

The business and affairs of the Joint Venture shall be managed by a Management Committee consisting of four members, with each Joint Venturer entitled to appoint two members.

Each of the Joint Venturers shall have a right of first refusal on any transfer of a Joint Venturer's interest in the Joint Venture.

2) Sales Agreement between Lagerwey Windturbine International B.V. ("Lagerwey") and the Joint Venturers, executed on February 14, 2002, for the purchase of one LW 58/750-65 wind turbine to be assembled in Canada. This turbine will include the generator, rotor, a three-piece conical steel tower with a hub height of 65 metres, convertor, control panel and alarm system, and an integral lightning protection system. The Exhibition Place turbine is to be commissioned in Fall 2002. Lagerwey will provide one supervisor to train staff of the Joint Venturers for five working days during or within two weeks of commissioning the turbine.

The price for all wind turbine components, including supervision and project management, transportation of components and use of cranes for on-site installation, is approximately 850,837 Euros, plus applicable taxes. At current exchange rates, the total cost for the purchase and installation of each wind turbine is approximately Cdn\$1.19 million. As of April 15, 2002, one Euro was equivalent to approximately Cdn\$1.3989.

The turbine is warranted against defects in material and/or workmanship of any turbine part for a period of two years, excluding ordinary wear and tear, and defects caused by improper operation and maintenance. Lagerwey will replace defective components or parts covered by warranty.

During the warranty period Lagerwey guarantees that the wind turbine will produce 95% of the power for which the turbine is rated at specified wind speeds.

3) Maintenance Agreements between Lagerwey Windturbine International B.V. and the Joint Venturers, executed on February 14, 2002. Pursuant to the Maintenance Agreement, Lagerwey agrees to provide regularly scheduled maintenance every six months for an annual fee during the two year warranty period. The annual fee is exclusive of parts and interim repairs.

4) Lease Agreement between the Board of Governors of Exhibition Place and the Joint Venturers, executed on February 5, 2002, for a site located at Exhibition Place, along the Toronto lakeshore. The Joint Venturers will construct the Project at this site. The Council of the City of Toronto approved the construction of the Project at Exhibition Place in June 2001.

Under the terms of this fifteen year Lease, the Joint Venturers are to pay Exhibition Place annual rent of \$2000 for the initial nine years of the Lease, and annual rent of \$3,000 for years 10-15 of the Lease, plus all applicable property taxes and utilities. If the Joint Venturers exercise their option to

renew the Lease for an additional five year term, the annual rent shall be \$4,000. The Joint Venturers are responsible for all costs associated with the construction and operation of the Project.

The Joint Venturers are required to post a \$25,000 performance bond, to be held in an interest-bearing account, prior to the commencement of the Lease, which shall be returned to them, with interest, upon expiry or termination of the Lease.

5) Purchase and Sale Agreement between WindShare and Toronto Hydro Energy Services Inc. for the sale of WindShare's share of the power generated by the Exhibition Place Project to Toronto Hydro Energy Services Inc., entered into on February 14, 2002. This three year Agreement is to commence upon commissioning of the turbine and its full interconnection into the grid. If the commencement date does not occur by December 31, 2002, this Agreement shall be automatically terminated.

WindShare is to sell all electricity generated by its share of the turbine at Exhibition Place to Toronto Hydro Energy Services Inc. This fixed-price Agreement provides for an annual price increase of two per cent. In addition, WindShare agrees to transfer to Toronto Hydro Energy Services Inc. ownership of all Emission Reduction Credits pertaining to the Electricity delivered to it under this Agreement.

This Agreement is conditional upon various conditions being satisfied, including WindShare obtaining sufficient financing and all required approvals, upon terms which are satisfactory to it, and securing a generator's license from the Ontario Energy Board, and Toronto Hydro Energy Services Inc. obtaining all necessary regulatory approvals and licences for the operation of the Project and the sale of electricity under the Agreement.

6) Contribution Agreement between Her Majesty the Queen in Right of Canada, represented by the Minister of Environment, and WindShare, effective as of February 1, 2001, pursuant to which WindShare agrees to procure and install two utility-scale wind turbines pursuant to the Joint Venture Agreement between WindShare and THESI. Under this Agreement, Environment Canada shall contribute up to \$240,000 against the down-payment on the purchase price of one or two competitively-procured utility-scale wind turbines, and up to \$30,000 for fees, professional services, staff salary, overhead, and other related expenses, including any GST that is not reimbursable by Revenue Canada. Environment Canada shall provide an advance payment of up to \$240,000 for the sole purpose of purchasing one or two wind turbines.

Pursuant to this Agreement, WindShare is to repay Environment Canada \$150,000 of the advance payment, without interest, in accordance with a schedule based upon members' investment in WindShare, but in any event no later than March 31, 2004. WindShare is also required to repay an additional \$75,000 within one month of a request by Environment Canada, in the event that a second

wind turbine procurement and installation is not completed by March 31, 2004. On February 13, 2002, Environment Canada advanced \$240,000 to WindShare.

7) Bridge Financing Loan Agreement between the Toronto Atmospheric Fund and WindShare, entered into on February 14, 2002, under which the Toronto Atmospheric Fund agrees to provide a bridge loan of up to \$495,000 to WindShare, with 5.5% annual interest payable, for the purchase of the wind turbine. This loan is to be repaid in equal monthly instalments commencing not later than May 1, 2003 and ending on December 1, 2003.

8) Contribution Agreements between Unnamed Foundation and WindShare, executed on April 23, 2002. Pursuant to these Agreements among WindShare, a Foundation which has requested confidentiality as a condition of its contribution, and, respectively, the Daily Bread Food Bank and FoodShare Toronto, the Foundation has donated a total of \$200,000 to these two local charitable corporations to enable each of them to purchase 1,000 Preference Shares of WindShare.

9) Escrow Agreement between WindShare and Iler Campbell, executed on April 30, 2002, pursuant to which Iler Campbell agrees to act as the Escrow Agent for WindShare for all funds raised pursuant to this Offering Statement. Details of the conditions for the release of such funds from Escrow are set out in Section 5 (“Use of Proceeds: Conditions for the Release of Funds”) above.

16. PATRONAGE RETURNS AND OTHER DISTRIBUTIONS PAID, DECLARED OR ACCUMULATED BUT UNPAID DURING THE FIVE YEARS BEFORE THE DATE OF THIS OFFERING STATEMENT

WindShare has not paid or declared any patronage returns or dividends since its incorporation in 1999.

17. DESCRIPTION OF ANY OTHER MATERIAL FACTS

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

None of the securities issued by WindShare pursuant to this Offering Statement will be in bearer form.

This Offering Statement will expire on June 14, 2003, after which date no further sales of the securities offered hereunder shall occur, unless a new Offering Statement has been filed and receipted.

The attached audited financial statements form an integral part of this Offering Statement.

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 *CO-OPERATIVE CORPORATIONS ACT*.

Dated at Toronto, Ontario, this 15th day of June, 2002.

President of the Board

Vice President of the Board

Secretary of the Board

SCHEDULE I: MEMBERSHIP APPLICATION

SCHEDULE II: FINANCIAL STATEMENTS

TREC Windpower Co-operative
Balance Sheet
As of March 31, 2002

	Mar 31, 02
ASSETS	
Current Assets	
Chequing/Savings	
Credit Union 6948186	98,015.85
Scotiabank G.I.C.	478,937.94
Total Chequing/Savings	576,953.79
Accounts Receivable	
Accounts Receivable	148,479.05
Total Accounts Receivable	148,479.05
Total Current Assets	725,432.84
Fixed Assets	
Lagerwey Wind Turbine	118,529.05
Total Fixed Assets	118,529.05
Other Assets	
WPC Receivable from Toronto Renewable Energy Co-operative	14,716.05
Total Other Assets	14,716.05
TOTAL ASSETS	858,677.94
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	135,016.30
Total Accounts Payable	135,016.30
Other Current Liabilities	
Due To T.A.F.	495,000.00
GST Payable	-1,925.00
Total Other Current Liabilities	493,075.00
Total Current Liabilities	628,091.30
Long Term Liabilities	
Team Loan	150,000.00
Member Advances	85,000.00
Total Long Term Liabilities	235,000.00
Total Liabilities	863,091.30
Equity	
Net Income	-4,413.36
Total Equity	-4,413.36
TOTAL LIABILITIES & EQUITY	858,677.94

TREC Windpower Co-operative
Balance Sheet
As of September 30, 2001

	Sep 30, 01
ASSETS	
Current Assets	
Chequing/Savings	
Credit Union 6948186	58,533.95
Total Chequing/Savings	58,533.95
Total Current Assets	58,533.95
Other Assets	
WPC Receivable from Toronto Renewable Energy Co-operative	14,966.05
Total Other Assets	14,966.05
TOTAL ASSETS	73,500.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Member Advances	73,500.00
Total Long Term Liabilities	73,500.00
Total Liabilities	73,500.00
TOTAL LIABILITIES & EQUITY	73,500.00

TREC Windpower Co-operative
Balance Sheet
As of September 30, 2001

	Mar 31, 01
ASSETS	
Current Assets	
Chequing/Savings	
Credit Union 6948186	39,033.95
Total Chequing/Savings	39,033.95
Total Current Assets	39,033.95
Other Assets	
WPC Receivable from Toronto Renewable Energy Co-operative	17,466.05
Total Other Assets	17,466.05
TOTAL ASSETS	56,500.00
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Member Advances	56,500.00
Total Long Term Liabilities	56,500.00
Total Liabilities	56,500.00
TOTAL LIABILITIES & EQUITY	56,500.00