



## **Non-Member Loan Policy**

**Adopted by OREC Board of Directors February 15, 2015 – revised June 28, 2015**

In order to better manage our cash flow and deliver improved benefits to our members, OREC is interested in obtaining loans from non-members that share and advance our vision and goals.

### **Vision**

OREC'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 Eastern Ontario.

### **Goals**

The Co-op's goals are:

1. Generate decentralized renewable electricity in Eastern Ontario;
2. Create a democratic, self-reliant, environmentally, socially and financially sustainable business model for community power in cooperation with other community-based cooperatives in Eastern Ontario;
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 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.

### **Eligible Participants**

Any entity that has been pre-approved by the OREC Board may be invited to invest a non-member loan to the co-operatives.

In considering approval, the OREC Board shall be guided by the following:

- a) Avoid political parties and fossil fuel and nuclear power producers, transporters and industry groups;
- b) Encourage loans from: Eastern Ontario community-based organizations including charities, nonprofits and faith-based group; cooperatives; credit unions and community development funds; businesses that are owned and operated by OREC member(s); businesses that commit to socially responsible practices through their products or services, purchasing, hiring or other practices; certified B corporations and municipal or other government agencies.

## Solicitation Process

The following approach shall be followed when seeking non-member loans:

1. Entities shall be approved by OREC Board
2. Contact and any presentations to the potential lender shall be made by OREC's Operations Manager or Board members designated as contacts for loans.
3. Potential lender shall be provided with the Non-Member Loan Package which shall include a summary of the investment opportunity, terms, OREC's most recent audit, and any other relevant information.
4. Terms may be negotiated between the lender and OREC's Operations Manager or Board members designated as contacts for loans, with guidance from the OREC Business or Executive team
5. All loans and their terms shall be approved by the Board at a regular or special meeting with appropriate notice.

*Note - informal inquiries may be made by OREC volunteers to gauge an entity's interest in receiving more information.*

## Terms and Loan Structure

Current terms are as follows:

Investment size	\$50,000 - \$250,000
Interest Rate	Up to 2.5% per annum
Loan Period	24 to 60 months
Interest Payments	Quarterly
Collateral	Pledge of corporate assets
Prepayment	Permitted without penalty
Call provision	May be negotiated after 2 year term – requires 90-day notice.