

THE CPIF HELPS BUILD STRONG LOCAL COMMUNITIES

The CPIF provides an investment opportunity that keeps hard-earned dollars circulating in the local economy.

By embracing the CPIF concept, local communities leverage advantages of cooperation that are greater than engaging against each other in conventional approaches, such as a Request for Proposal competition. By working together, we can build a healthy, vibrant community power sector in Manitoba.

Through the CPIF, the specific location of projects matters little. For example, if Manitoba Hydro accepts only one project when multiple projects seek participation, the communities associated with all of the unsuccessful projects have an opportunity to invest in the successful project.

Also, because of the province-wide nature of the program, a resident of Thompson can invest in a project in Brandon and receive all of the individual and community financial benefits as though the project were local to Thompson.

Safety for the Investor

Individual investors always earn 6% unless the projects (which are projected to earn 12%) earn less than 6%. The community returns fluctuate over time, greater than or less than 5%, depending on how well the projects do financially year over year.

Ask your local MLA
to support
Community Power
in Manitoba



Community Power Investment Fund

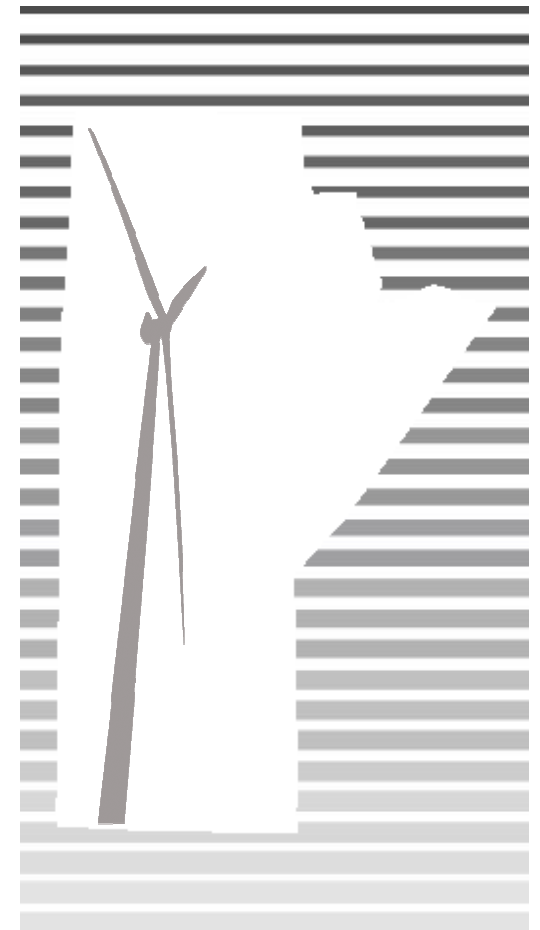
Forrest, MB R0K 0W0
204-763-4646

www.CommunityPowerAssociation.org

COMMUNITY POWER INVESTMENT FUND

(CPIF)

Powering Manitoba Communities



INVEST IN MANITOBA COMMUNITIES

Join us in creating a province-wide, non-profit Community Power Investment Fund, whose mission is to keep Manitoba's renewable energy dollars in Manitoba

► The CPIF *offers Manitobans a way to buy and sell shares* in Manitoba's community-owned renewable energy projects.

► The CPIF *provides investment services* for community-based projects, including pro forma review, financial management, investment transactions, investor relations, annual tax reporting, and financial audit management.

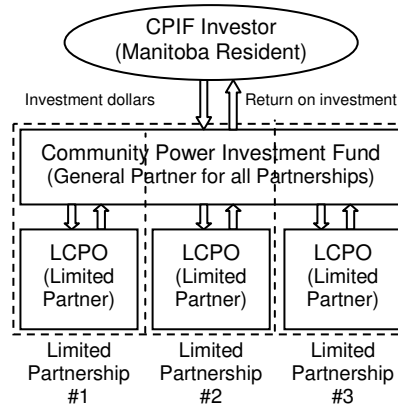
► The CPIF *assists multiple renewable energy project types*, including wind, biomass, biogas and solar.

HOW DOES IT WORK?

1. Entrepreneurs form a Local Community Power Organization (LCPO) and raise seed money to launch a project. Eligible organizations include a cooperative, a First Nations Band, a

municipality, a service organization, etc. (for example, ~\$70,000 may be required to put up a met tower to gather wind data for two years for a prospective wind project).

2. The LCPO forms a *limited partnership* with the CPIF in which the CPIF is the *general partner* and the LCPO is the *limited partner*. The CPIF buys out local investors (for example, the ~\$70,000 shown above) and, in exchange, a democratically elected member of the LCPO acquires a seat on the non-profit CPIF Board of Directors.



Limited Partnership Benefits

The CPIF holds title to the capital equipment, and leases the equipment to the LCPO for the 20-year term of the power purchase agreement. This ensures that the assets remain under community control in perpetuity, while allowing the CPIF and LCPO to leverage each organization's strengths for the benefit of the partnership. This arrangement also allows the flexibility for the pass-through of tax benefits to investors.

3. The partnership negotiates with Manitoba Hydro for ~12% returns on the community-based renewable energy project.

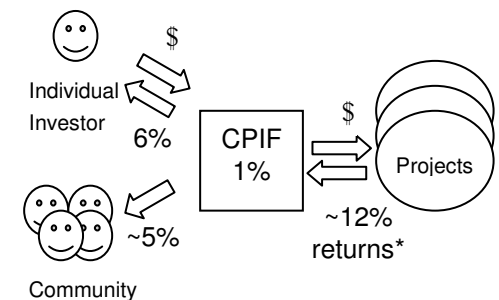
4. The LCPO launches a word of mouth, "community level" marketing campaign and raises the required equity.

\$3 million of equity could be raised by securing \$2,000 from each of 1,500 families.

5. The partnership (LCPO and the CPIF) negotiates with a local bank or credit union to secure debt financing, hires a professional developer, and launches the project.

6. Fixed returns of ~6% are passed back to CPIF Individual Investors. The remaining ~5% variable *community returns* are passed to the communities in which the investors live, and through a democratic investor-based voting process (one vote per investor), are used for community programs such as bursaries, hockey rinks, etc.—whatever the investors decide for their local community.

Returns flow to both investors and communities:



* Requires Manitoba Hydro to support 12% project returns