

TERMS AND CONDITIONS OF SUBSCRIPTION

1. SUBSCRIPTION AND CLOSING

- 1.1 The Subscriber irrevocably subscribes for the Shares at the subscription price and agrees to purchase, in accordance with the terms of this Subscription Agreement, the number of Shares set out on the cover page hereof and, upon execution of this Subscription Agreement, the Subscriber agrees to provide the Co-operative with cash or a personal cheque made payable to the Co-operative in the amount of the aggregate subscription price for such Shares.
- 1.2 The Subscriber's subscription for the Shares evidenced by the Subscriber's execution of this Subscription Agreement is subject to acceptance or rejection in whole or in part by the Board of the Co-operative in its sole discretion and the Co-operative reserves the right to allot to the Subscriber less than the number of Shares subscribed for. The acceptance of subscriptions for Shares by the Co-operative is conditional upon the completion and delivery of all documentation relating to a subscription in form and substance satisfactory to the Co-Operative.
- 1.3 The issue and sale of the Shares to the Subscriber are conditional upon such issue and sale being exempt from the Offering Statement requirements of the *Co-operative Corporations Act* (Ontario) and the Subscriber acknowledges and agrees with the Co-operative that the Co-operative is relying upon the representations, warranties and covenants of the Subscriber contained herein in connection therewith.

2. REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBER

- 2.1 The Subscriber represents, warrants and certifies to the Co-operative as follows and acknowledges the Co-operative is relying upon such representations, warranties and certifications in accepting this Subscription Agreement:
- (a) The Subscriber is purchasing the Shares as principal, and not on behalf of or in trust for any other party;
 - (b) If an individual, the Subscriber has resided at the address indicated on the cover page hereof for no less than two (2) consecutive years from the date of this Subscription Agreement and Subscriber will notify the Co-operative as soon as they cease to reside at the address indicated on the cover page hereof; (delete if not applicable)
 - (c) This Subscription Agreement has been duly authorized, executed and delivered by the Subscriber and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;
 - (d) If an individual, the Subscriber has attained the age of majority and is legally competent to execute this Subscription Agreement and to complete the subscription for Shares hereunder; and
 - (e) The Subscriber has been advised there can be no assurance the Subscriber will receive any dividends on the Shares or be able to redeem these Shares upon request.
- 2.2 By accepting the Shares, the Subscriber shall be representing and warranting that the foregoing representations and warranties are true and correct as at the time of completion of the Subscription Agreement for the Shares on the Closing Date, with the same force and effect as if they had been made by the Subscriber at such time. The Subscriber agrees to indemnify the Co-operative against all losses, costs, expenses and damages or liabilities which the Co-operative may suffer or incur as a result of any such representations and warranties being incorrect.

3. COVENANTS AND ACKNOWLEDGEMENTS OF THE SUBSCRIBER

- 3.1 The Subscriber hereby covenants and acknowledges with the Co-operative that:
- (a) The Subscriber has been advised that the Co-operative is in its development phase with no record of operations and that all funds raised will be used to fund start-up expenses associated with the Co-Operative, the objective being to ultimately procure and develop renewable energy projects. If no renewable energy projects are procured and developed, the Co-operative will not proceed and the Subscriber will lose their investment;
 - (b) The Shares being offered are speculative and involve a high degree of risk. Investors may lose their investment;

- (c) The Co-operative is a start-up venture. The Co-operative currently does not have any significant assets or other financial resources. The ability to pursue renewable energy projects will be dependent upon the Co-operative receiving sufficient equity pursuant to an Offering Statement;
- (d) The Government of Ontario can suspend the FIT Program at any time. It is assumed, but cannot be guaranteed, that any contract for a project under the FIT Program signed prior to a suspension will be honoured. The Ontario Power Authority is required under the *Green Energy Act* (Ontario) to review and amend FIT Program rates periodically to reflect changes in renewable energy equipment costs. The Co-operative is making a number of assumptions in how the Government of Ontario and the Ontario Power Authority will proceed with the FIT Program, but rates and contracts are ultimately beyond the control of the Co-Operative. Assumptions that ultimately prove to be incorrect may have a material negative affect on the Co-Operative's profitability and solvency;
- (e) There is presently no market for the Shares nor is a market expected to develop. Subscribers may not be able to re-sell Shares. Transfers of Shares require Board approval;
- (f) The viability of the renewable energy industry in Ontario and Canada is dependent upon tax 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 energy industry in Canada will require the maintenance and/or implementation of federal, provincial and/or municipal government programs, policies and/or regulations;
- (g) The Co-operative may also be subject to other unknown risk factors which 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;
- (h) My contact information may be provided to the Ontario Power Authority or other parties as required for the Co-Operative's operations;
- (i) If I am admitted as a member of the Co-Operative, I will abide by all of the by-laws and policies of the Co-Operative;
- (j) I have been informed the Co-operative is accepting subscriptions for Shares in reliance upon exemptions to the requirement to provide investors with an Offering Statement available to the Co-operative under the *Co-operative Corporations Act* (Ontario), there are significant risks associated with any investment in the Co-operative and that I could lose my entire investment; and
- (k) I have obtained a copy of the Articles of Incorporation of the Co-operative or have been given the opportunity to obtain a copy of the Articles of Incorporation of the Co-operative and decided not to obtain a copy thereof.

4. REPRESENTATIONS AND WARRANTIES OF THE CO-OPERATIVE

- 4.1 The Co-operative represents and warrants to the Subscriber as follows and acknowledges that the Subscriber is relying on such representations and warranties in making an investment in Shares hereunder:
- (a) The Co-operative is incorporated and validly subsisting under the laws of the Ontario *Co-operative Corporations Act*;
 - (b) If signed by the Co-Operative, the Subscription Agreement will be duly authorized, executed and delivered by the Co-operative and will constitute a legal, valid and binding obligation of the Co-Operative, enforceable in accordance with its terms; and
 - (c) Subject to the acceptance of this Subscription Agreement by the Board of the Co-operative pursuant to and in compliance with the provisions of Section 1.2 hereof, all necessary corporate action will have been taken by the Co-operative to allot and issue the Shares purchased by the Subscriber and, upon the Co-operative accepting this Subscription Agreement, the Shares shall be validly issued as fully paid and non-assessable Shares in the capital of the Co-Operative.

5. RELIANCE BY CO-OPERATIVE AND SURVIVAL

5.1 The Subscriber acknowledges and agrees that the representations, warranties, covenants, acknowledgements and agreements made by the Subscriber in this Subscription Agreement are made with the intention that they may be relied upon by the Co-operative in determining the Subscriber's eligibility to purchase the Shares and that they shall in each case survive the closing of the transactions contemplated hereby notwithstanding any subsequent disposition by the Subscriber of the Shares.

6. CONFIDENTIALITY

6.1 The Subscriber hereby agrees to keep confidential all information which may be provided to the Subscriber relating to the business and affairs of the Co-operative upon becoming a shareholder of the Co-Operative, and not to distribute or otherwise make available any such information to any other person or otherwise exploit any such information.

7. FURTHER ASSURANCES OF SUBSCRIBER

7.1 The Subscriber shall execute and deliver such additional instruments, certificates and other documents as may be required or requested by the Co-Operative, acting reasonably, to permit the purchase of the Shares or otherwise to carry out the provisions and intent of this Subscription Agreement.

8. ASSIGNMENT

8.1 No rights or obligations of the Subscriber hereunder may be assigned without the prior written consent of the Co-Operative.

9. GOVERNING LAW

9.1 This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Subscriber irrevocably attorns to the non-exclusive jurisdiction of the Courts of Ontario with respect to any matters arising out of this Subscription Agreement.

10. ELECTRONIC AND FACSIMILE SUBSCRIPTIONS

10.1 The Co-operative shall be entitled to rely on delivery by facsimile or electronic PDF of an executed copy of this Subscription Agreement by Subscriber and acceptance by the Co-operative of that delivery shall be legally effective to create a valid and binding agreement between the Subscriber and the Co-operative in accordance with the terms of this Subscription Agreement.

11. TIME OF ESSENCE

11.1 Time shall be of the essence in this Subscription Agreement and every part hereof and no extension or variation of this Subscription Agreement shall operate as a waiver of this provision.

12. ENTIRE AGREEMENT

12.1 This Subscription Agreement constitutes the only agreement between the Co-operative and Subscriber with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings and there are no representations, warranties, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein or therein. This Subscription Agreement shall be read with such changes in number and gender as the context or reference to parties may require.

13. ENUREMENT

13.1 This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns.