

NOTICE TO PROSPECTIVE SUBSCRIBERS

ISLAND COMMUNITY SOLAR CO-OP IS NOT A REPORTING ISSUER UNDER CANADIAN SECURITIES LAW. THE SHARES YOU ARE BUYING WILL BE SUBJECT TO RESTRICTIONS ON RESALE FOR AN UNLIMITED PERIOD. THERE IS NO RESALE MARKET FOR THESE SHARES.

**SUBSCRIPTION AGREEMENT**  
*Island Community Solar Co-op*

THIS AGREEMENT is made on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

**BETWEEN:**

*Island Community Solar Co-op* (the "Association")

- and -

\_\_\_\_\_ (the "Subscriber")

**SUBSCRIBER INFORMATION:**

Name of Subscriber	Contact Name of Subscriber <i>(if an entity)</i>
Physical Address of Subscriber	Mailing Address of Subscriber <i>(if different from physical address)</i>
Primary Telephone of Subscriber	Email Address of Subscriber

1.

**SUBSCRIBER EXEMPTION:**

In connection with the purchase by the Subscriber of securities of **Island Community Solar Co-op** (the "Association"), the undersigned hereby represents and warrants to the Association that:

- the Subscriber is currently a member of the Association.
- the Subscriber is (***please select only one***):
  - resident in British Columbia, or
  - resident in the Province or Territory of \_\_\_\_\_, or
  - not a resident of Canada.
- the Subscriber (***please select only one***):
  - is a retail investor and confirms that the acquisition cost of the shares of the Association being purchased hereunder, together with any shares (membership & investment) already held by the subscriber, does not exceed \$10,000, or

- is a director, officer or employee of the co-op; family member of directors or senior officers; close personal friends of directors or senior officers; or business associates of directors or senior officers.
  
- is an "Accredited Investor" as defined in **National Instrument 45-106** of the Canadian Securities Administrators which includes:
  - a. financial institutions
  - b. registered advisers or dealers
  - c. pension funds
  - d. mutual funds selling only under a prospectus or to accredited investors or persons buying at least \$150,000 of securities
  - e. corporations, limited partnerships, trusts or estates having net assets of at least \$5 million
  - f. individuals who have at least \$1 million in financial assets (cash and securities) before taxes. (In calculating an individual's financial assets, any outstanding loans incurred to acquire those assets must be deducted.)
  - g. individuals whose net income before taxes exceeds \$200,000 (or \$300,000 combined income with spouse) in each of the two most recent years and who reasonably expects to exceed that net income in the current year
  - h. individuals who have at least \$5 million in net assets and will complete the risk acknowledgement form in Schedule A, as required by applicable securities laws.

**EXISTING SHARES:**

Membership shares (the "**Shares**") of the Association presently held by the Subscriber:

Type of Security	Total Acquisition Cost of Existing Shares
Membership Shares	\$ _____
Investment Shares	\$ _____

**NEW SHARE PURCHASE:**

Subject to the terms of this subscription agreement and the schedule hereto (together, the "**Agreement**" or "**Subscription Agreement**"), the Subscriber hereby agrees to purchase from the Association the following Shares at the following price for a total subscription price "**Subscription Price**" as noted below:

Type of Security	Price Per Share	Number of New Shares Subscribed	Total Subscription Price
Investment Share	\$450.00	[number] _____	\$ _____

The Subscriber and the Association agree to the following terms:

- 1. Subscription and Acceptance or Rejection By Association.** The Subscriber hereby offers to purchase the number of Shares set out on page 2 hereof at the Subscription Price. Upon acceptance by the Association, this offer will constitute a binding agreement of the Subscriber with the Association to purchase from the Association and, on the part of the Association, to sell to the Subscriber, the number of Shares set out on page 2 hereof, all on the terms and conditions in this Subscription Agreement. The Subscriber acknowledges that the Association reserves the right to accept or reject the Subscriber's subscription in whole or in part. If the subscription is rejected in whole, any forms of payment delivered to the Association will be promptly returned to the Subscriber without interest or deduction. If the subscription is accepted only in part, a cheque representing any refund of the Subscription Price for that portion of the subscription which is not accepted, will be promptly delivered to the Subscriber without interest or deduction.
- 2. Offering.** The Subscriber acknowledges that the Shares will be issued in connection with the ongoing offering of Shares from time to time.
- 3. Documentation and Payment.** The Subscriber agrees to deliver the following to the Association as soon as possible:

  - a) a completed and signed copy of this Subscription Agreement;
  - b) if an Accredited Investor, a Risk Acknowledgement Form in the form of Schedule A, and
  - c) unless alternative arrangements acceptable to the Association are made, a certified cheque, bank draft or electronic funds transfer made payable to **Island Community Solar Co-op** in the amount of the Subscription Price.
- 4. Exemption from Prospectus Requirements.** At the time of issuance of the Shares, the Association is exempt from providing a Prospectus under BC Instrument 45-530 *Exemptions for Securities Issued by a Cooperative Association* (BCI 45-530). The Subscriber will be a member of the Association and has properly completed the Subscriber Exemption section on page 1 and 2 hereof.
- 5. Representations and Warranties of the Association.** By accepting this offer, the Association represents and warrants to the Subscriber as follows:

  - (a) the Association has been incorporated under the *Cooperative Association Act* (British Columbia) and has the power and capacity to enter into and carry out its obligations under this Subscription Agreement;
  - (b) the Association has taken, or prior to the completion of the issue and sale by the Association and the purchase by the Subscriber of the Shares pursuant to this Subscription Agreement (the "**Closing**") will take, all necessary corporate action to authorize the execution, delivery and performance of this Subscription Agreement, including the issuance of the Shares, and upon execution of this Subscription Agreement on behalf of the Association, this Subscription Agreement shall constitute a legal, valid and binding obligation of the Association; and
  - (c) the Shares, when issued and delivered to the Subscriber, will be validly issued as fully paid shares in the capital of the Association.
- 6. Acknowledgements and Agreements of the Subscriber.** The Subscriber acknowledges and/or agrees as

follows:

- (a) the sale and delivery of the Shares to the Subscriber is conditional upon such sale and delivery being exempt from the prospectus requirements under applicable securities legislation, and as a consequence of acquiring the Shares pursuant to such prospectus exemptions: (i) certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages, will not be available to the Subscriber; (ii) the Subscriber may not receive information that might otherwise be required to be provided under such legislation; and (iii) the Association is relieved from certain obligations that would otherwise apply under such legislation;
- (b) no securities commission, agency, governmental authority, or other regulatory body has reviewed or passed on the merits of the Shares;
- (c) there are risks associated with the purchase of the Shares and the Subscriber is solely responsible for obtaining such legal advice and tax advice as the Subscriber considers appropriate in connection with this Subscription Agreement and the transactions contemplated hereunder;
- (d) in accepting this Subscription Agreement, the Association is relying upon the representations and warranties and acknowledgements of the Subscriber herein and the Subscriber hereby agrees to notify the Association immediately of any change in any representation, warranty, covenant or other information relating to the Subscriber contained in this Subscription Agreement which takes place prior to Closing;
- (e) the Shares are subject to the terms, conditions and provisions of this Subscription Agreement and the Memorandum of Association and Rules of the Association, and copies of such documents, once executed, will be made available to the Subscriber upon request;
- (f) the Association is not a reporting issuer and does not plan to become a reporting issuer at any time;
- (g) the Shares will be subject to resale restrictions under applicable securities legislation, and if the Association does not become a reporting issuer the Shares will be subject to restrictions on resale for an unlimited period, and the Subscriber covenants that it will comply with all such restrictions and requirements;
- (h) the Subscriber has received a term sheet describing details and the funds needed for a specific project. It is prepared for review by prospective Subscribers to assist in making an investment in the Shares; and
- (i) this Subscription Agreement requires the Subscriber to provide certain personal information to the Association and such information is being collected by the Association for the purposes of completing the sale of the Shares (the "Offering"), which includes, without limitation, determining the Subscriber's eligibility to purchase the Subscriber's Shares under applicable securities legislation and preparing and registering certificates representing the Shares. The Subscriber's personal information may be disclosed by the Association to: (a) securities regulatory authorities, (b) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering.

**7. Representations and Warranties of Subscriber.** The Subscriber hereby represents and warrants to the

Association (which representations and warranties shall be true on and shall survive the Closing) that:

- (a) the Subscriber is a resident of, or has its registered office at, the address set out on page 1 of this Subscription Agreement and such address is not being used solely for the purpose of acquiring the Shares;
- (b) this Subscription Agreement has been duly executed and delivered by, and constitutes a binding agreement of, the Subscriber;
- (c) the information relating to the Subscriber contained in this Subscription Agreement is true, accurate and complete;
- (d) if the Subscriber is:
  - (i) an individual, that the Subscriber is at least 19 years of age and is legally competent to execute, deliver and be bound by this Subscription Agreement; or
  - (ii) a corporation, it is duly incorporated and subsisting under the laws of Canada, and has the requisite corporate power and authority and has taken all necessary corporate actions to execute, deliver and be bound by this Subscription Agreement.
- (e) the Subscriber is purchasing the Shares as principal (as defined in applicable securities legislation), and not for the benefit of any other person;
- (f) the Subscriber has the knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder and is able to bear the economic risk of loss of that investment and is capable of making an informed investment decision;
- (g) except as set out in the Rules of the Association or as provided herein, no person has made to the Subscriber any written or oral representation:
  - (i) that any person will resell or repurchase any of the Shares;
  - (ii) that any person will refund the purchase price of any of the Shares; or
  - (iii) as to the future price or value of any of the Shares;
- (h) if the Subscriber is a resident of or otherwise subject to the securities legislation of a jurisdiction other than Canada, the purchase of the Shares does not contravene the applicable securities legislation in the jurisdiction in which the Subscriber is resident and does not trigger (i) any obligation on the part of the Association to prepare and file a prospectus, registration statement or similar document, or any other report with respect to such purchase, or (ii) any registration or other obligation on the part of the Association;
- (i) none of the funds being used to purchase the Shares are, to the Subscriber's knowledge, proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds

being used to purchase the Shares which will be advanced by the Subscriber to the Association hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “**PCMLTFA**”) and the Subscriber acknowledges that the Association may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to the PCMLTFA.

The foregoing representations and warranties are made by the Subscriber with the intention that they may be relied upon by the Association and its legal counsel in determining the Subscriber’s eligibility to purchase the Shares under applicable laws. By accepting delivery of the Shares on the date of Closing (the “**Closing Date**”), the Subscriber shall be representing and warranting that those representations and warranties are true as at the Closing Date.

**8. Survival of Representations and Warranties.** All representations, warranties and covenants contained in this Subscription Agreement, in any document delivered by any of the parties pursuant to this Subscription Agreement, or otherwise with respect to the transactions contemplated herein, shall survive the closing of the purchase of the Shares and, notwithstanding any investigation made by or on behalf of the Subscriber or the Association, respectively, shall continue in full force and effect through to the second anniversary of the Closing.

**9. U.S. Law.** The Subscriber:

- (a) is aware that the Shares have not been and will not be registered under the U.S. Securities Act of 1933 ( the “U.S. Securities Act”) or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable States and acknowledges that the Association has no obligation to or present intention of filing a registration statement under the U.S. Securities Act in respect of the Shares;
- (b) is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person; and
- (c) undertakes and agrees that the Subscriber will not offer or sell the Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available.

**10. Privacy Legislation.** The Subscriber acknowledges that the Association is collecting the Subscriber’s personal information for the purpose of completing the Subscriber’s subscription. The Subscriber consents to the Association retaining the personal information for so long as permitted or required by applicable law. The Subscriber acknowledges that the Association may be required by securities laws to provide regulatory authorities any personal information provided by the Subscriber. The Subscriber agrees that the Association may use and disclose the Subscriber’s personal information, as follows:

- (a) for internal use with respect to managing the relationships between and contractual obligations of the Association and the Subscriber;
- (b) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;

- (c) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
- (d) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (e) disclosure to professional advisers of the Association and its agents in connection with the performance of their professional services;
- (f) disclosure to a court determining the rights of the parties under this Subscription Agreement;  
or
- (g) for use and disclosure as otherwise required or permitted by law.

**11. Conditions of Closing.** The Subscriber's obligation to complete the transactions contemplated herein is subject to fulfilment at or before the time of the Closing on the Closing Date (the "**Closing Time**") of the following conditions:

- (a) the representations and warranties of the Association contained in this Subscription Agreement shall be true and correct at the Closing Time;
- (b) the Association shall have performed and complied with all of its obligations hereunder to be performed at or prior to the Closing Time; and
- (c) all necessary corporate action will have been taken by the Association to authorize the execution and delivery of this Subscription Agreement and to consummate the transactions contemplated by this Subscription Agreement.

The foregoing conditions are for the exclusive benefit of the Subscriber, and any condition may be waived in whole or in part by the Subscriber without prejudice to the Subscriber's rights in respect of any other condition, any such waiver to be binding on the Subscriber only if it is in writing.

The Association's obligation to complete the transactions contemplated herein is subject to fulfilment at or before the Closing Time of the following conditions:

- (a) the representations and warranties of the Subscriber contained in this Subscription Agreement shall be true and correct at the Closing Time;
- (b) the Subscriber shall have performed and complied with all of the Subscriber's obligations hereunder to be performed at or prior to the Closing Time; and
- (c) all necessary corporate action, if any, will have been taken by the Subscriber to authorize the execution and delivery of this Subscription Agreement and to consummate the transactions contemplated by this Subscription Agreement.

The foregoing conditions are for the exclusive benefit of the Association, and any condition may be waived in whole or in part by the Association without prejudice to its rights in respect of any other condition, any such waiver to be binding on the Association only if it is in writing.

**12. Indemnification.** Each of the Subscriber and the Association agrees to indemnify the other party and their respective directors, officers, employees, agents, advisers and members against any and all loss and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably

incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of any representation or warranty of the Subscriber or the Association, as applicable, contained herein being untrue in any material respect or any failure by the Subscriber or the Association, as applicable, to comply with any covenant or agreement made herein.

**13. Governing Law.** This Subscription Agreement is governed by the laws of British Columbia. The Subscriber irrevocably attorns to the exclusive jurisdiction of the courts of British Columbia.

**14. Entire Agreement.** This Subscription Agreement contains the entire agreement of the parties relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

**15. Survival.** Subject to Section 9 above, this Subscription Agreement, including without limitation the representations, warranties and covenants herein, shall survive and continue in full force and effect following the Closing Date and be binding upon the parties notwithstanding the completion of the purchase of the Shares by the Subscriber and any subsequent disposition of the Shares by the Subscriber.

**16. Assignment.** This Agreement is personal to the Subscriber and may not be assigned.

**17. Email, Electronic and Counterpart Subscriptions.** The Association may rely on delivery by email or other electronic means of an executed copy of this Subscription Agreement, including the completed schedule, and acceptance by the Association of such email or electronic copy shall create a binding agreement between the Subscriber and the Association. This Subscription Agreement may be executed in counterparts.



**SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT**

**IN WITNESS WHEREOF** the Subscriber and Association have duly executed this Agreement.

**SUBSCRIBER:**

\_\_\_\_\_  
Print Name of Subscriber

\_\_\_\_\_  
Subscriber Signature (if an individual)

\_\_\_\_\_  
Print Name of Authorized Signatory #1 (if subscriber is an entity)

\_\_\_\_\_  
Authorized Signature #1 (if subscriber is an entity)

\_\_\_\_\_  
Print Name of Authorized Signatory #2 (if subscriber is an entity)

\_\_\_\_\_  
Authorized Signature #2 (if subscriber is an entity)

\_\_\_\_\_  
Date (dd, mm, yyyy)

\_\_\_\_\_  
Location at time of signing (City, Province, Canada)

**ASSOCIATION:**

\_\_\_\_\_  
Print Name of Authorized Signatory of Association

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date (dd, mm, yyyy)

\_\_\_\_\_  
Location at the time of signing (City, Province, Canada)

**SCHEDULE A - Form 45-106F9**  
***This form is for Accredited Investors Only***

**WARNING!**

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment**

**SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**

**1. About your investment**

**Type of securities:**

*Investment shares in a for-profit Co-operative Association*

**Issuer:**

*Island Community Solar Co-op*

**Purchased from:**

*Island Community Solar Co-op*

**SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER**

**2. Risk acknowledgement**

This investment is risky. Initial that you understand that:

**Your initials**

**Risk of loss** – You could lose your entire investment of \$\_\_\_\_\_ .

**Liquidity risk** – You may not be able to sell your investment quickly – or at all.

**Lack of information** – You may receive little or no information about your investment.

**Lack of advice** – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to [www.aretheyregistered.ca](http://www.aretheyregistered.ca).

**WARNING!**

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

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**3. Accredited investor status**

You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.

**Your initials**

a. Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years,

and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)

b. Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.

c. Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.

d. Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)

e. You are a person buying at least \$150,000 of securities.

f. You are a corporation, limited partnership, trust or estate having net assets of at least \$5 million.

g. You are a financial institution.

h. You are a registered adviser, dealer or pension fund.

#### **4. Your name and signature**

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

#### **SECTION 5 TO BE COMPLETED BY THE SALESPERSON**

##### **5. Salesperson information**

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*For Investment Co-op Use Only: the salesperson is the President and Chair of the Association.*

First and last name of Association's President (please print):

Telephone:

Email:

Director's position on the Association: President and Chair

#### **SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**

##### **6. For more information about this investment**

Non-Registered Dealer or Investment Fund:

*Island Community Solar Co-operative*

*353 Seventh St., Nanaimo, BC, V9R1E3*

*[info@islandsolarcoop.ca](mailto:info@islandsolarcoop.ca)*

*[www.islandsolarcoop.ca](http://www.islandsolarcoop.ca)*

**For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

*The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*