

TERMS OF USE

THE FOLLOWING DESCRIBES THE TERMS UNDER WHICH YOU MAY ACCESS AND USE CERTAIN MATERIALS ON www.agric.gov.ab.ca/app21/rtw/index.jsp, THE “ROPIN’ THE WEB” WEBSITE OF THE ALBERTA GOVERNMENT DEPARTMENT OF AGRICULTURE, FOOD AND RURAL DEVELOPMENT (the “Website”) PROVIDED BY PARLEE MCLAWS LLP (the “PM Materials” and “PM” respectively). PLEASE READ THIS AGREEMENT CAREFULLY BEFORE USING OR ACCESSING THE PM MATERIALS. BY ACCESSING THE PM MATERIALS YOU ARE AGREEING TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE WITH THE TERMS OF THIS AGREEMENT YOU MAY NOT ACCESS OR USE THE PM MATERIALS.

PM provides the PM Materials (the “Services”) on the Website and reserves the right to modify or discontinue the Services and may amend this Agreement at any time by posting a new agreement in place of this one. Please check this Agreement periodically for changes. PM will post or cause to be posted, notice that the Agreement has been amended on the Website for a period of 30 days. The amended Agreement will automatically be effective when posted. Your continued use of the Services following the posting of the amended Agreement and notice shall mean that you accept the terms of this Agreement as amended. If you do not agree with any of the terms of the amended Agreement then you must terminate all use of the Services. This Agreement may not otherwise be amended. This Agreement was last modified on November 12, 2004.

A. SERVICES

You agree that PM will not be liable for any delay or unavailability of any of the Website or Services, whether due to an act or omission of PM or an act or omission of any third party.

B. ACCESS

In order to access and use any of the Services you agree to abide by these Terms of Use. Any other access or use shall constitute a trespass on the Website, shall constitute an infringement of PM’s intellectual property and an unlawful use of PM’s assets.

Certain portions of the Website and/or Services may have additional terms and conditions, which apply to the access or use of those portions of the Website and/or Services.

C. LICENCE

Upon accepting the Terms of Use you are granted a non-exclusive and non-transferable licence to use and access the Services.

D. THIRD PARTY MATERIALS AND EXTERNAL LINKS

The Website and/or the Services may provide, or third parties may provide, links to other World Wide Web sites or resources. Because PM has no control over such sites and resources, you acknowledge and agree that PM is not responsible for the availability of such external sites or resources and does not endorse and is not responsible or liable for any content, advertising, products,

services or other materials on or available from such sites or resources. You further acknowledge and agree that PM shall not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

E. INTELLECTUAL PROPERTY

PM has certain protectable proprietary rights in the PM Materials, its software and websites, including copyrights and trademarks. You may not modify, copy, publish, republish, transmit, sell, create derivative works, display or in any way exploit any Services or any content contained on the Website except to use the Services and view the Website for personal use only.

F. DISCLAIMER OF WARRANTIES

YOU EXPRESSLY AGREE THAT USE OF THE SERVICES AND WEBSITE IS AT YOUR SOLE RISK. THE SERVICES AND WEBSITE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. PM EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND THOSE THAT ARE IMPLIED BY LAW. PM MAKES NO WARRANTY THAT THE WEBSITE OR SERVICES WILL MEET YOUR REQUIREMENTS, OR THAT THE USE OF THE WEBSITE OR SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE; PM MAKES NO WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICES OR WEBSITE OR AS TO THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE WEBSITE OR SERVICES OR THAT DEFECTS WILL BE CORRECTED.

G. LIMITATION OF LIABILITY

PM SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, RESULTING FROM THE USE OR THE INABILITY TO USE THE WEBSITE OR SERVICES, OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, OR RESULTING FROM ANY GOODS OR SERVICES PURCHASE OR OBTAINED, OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO OR THROUGH THE SERVICES OR WEBSITE OR RESULTING FROM UNAUTHORIZED ACCESS TO, OR ALTERATION OF USER'S TRANSMISSIONS OR DATA, EVEN IF PM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

H. TERMINATION OF RIGHTS

PM retains the right, at PM's sole discretion, to determine whether or not your conduct is consistent with the letter and spirit of these Terms of Use. PM reserves the right, based on its sole discretion, to suspend or terminate your registration or to suspend or terminate current or future access and use of the Services if your conduct is found to be inconsistent with these Terms of Use.

I. USER CONDUCT

- (a) Your use of the Services is subject to all applicable federal, provincial, state, municipal, international and local laws and regulations.

- (b) You agree not to use the Services for illegal purposes.
- (c) You agree not to transmit through the Website or Services any unlawful, harassing, libellous, abusive, threatening, harmful, vulgar, obscene, pornographic or otherwise objectionable material of any kind or nature.
- (d) You agree not to transmit any material that encourages conduct that could constitute a criminal offence, give rise to civil liability or otherwise violate any applicable federal, provincial, state, municipal, international and local law and/or regulation.
- (e) You agree not to use the Services to commit any dishonest act, act of fraud or any act which infringes any third party rights including the right of privacy.
- (f) Attempts to gain unauthorized access to any computer system are prohibited.
- (g) You agree not to use any spider, robot or other automatic means to search or monitor the content of the Services or Website. You also agree not to use any automatic means, including software, to interfere with or attempt to interfere with the Services or their use by any other user. You agree not to cause any unreasonable burden or load on the Website or the Services or the software or computer systems supporting them.

J. ADVERTISERS AND VENDORS

Your correspondence or business dealings with, or participation in promotions of, third party advertisers and vendors found on or through the Services or the Website, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between you and such advertiser and/or vendor. You agree that PM shall not be responsible or liable for any loss or damage of any sort incurred as the result of any such dealings or as the result of the presence of such advertisers or vendors on the Website or in connection with the Services. All of your business dealings with third party vendors and advertisers appearing on the Website or in connection with the Services, shall be at your sole risk.

K. INDEMNIFICATION

You agree to indemnify and hold PM and any of its parents, partners, subsidiaries, affiliates, directors, partnerships, principals, governors, representatives, agents, officers and employees, successors and assigns, harmless from any third party claim or demand, including all legal fees on a solicitor and his own client basis, due to or arising out of your use of the Services or Website, the violation of these Terms of Use by you, or the infringement by you of any intellectual property or other right of any person or entity or other user. You shall be responsible for all activities conducted using your computer.

L. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between you, the user, and PM, and supersedes all prior agreements between the parties, regarding the subject matter contained herein and there are no statements, representations, warranties, undertakings or agreements, written or oral, express or implied, between the parties hereto except as herein set forth.

M. NO WAIVER

PM's failure to insist upon, exercise or enforce any rights or provisions of these Terms of Use shall not be construed as a waiver of such right or provision of the same or different type in the future.

N. TERMINATION

Should you object to any of these Terms of Use or any subsequent modifications thereto or become dissatisfied with the Services in any way, your only recourse is to immediately discontinue use of the Services.

Notwithstanding the termination of this Agreement for any reason, the provisions of this Agreement relating to intellectual property, warranty disclaimer, limited liability, indemnity and governing law shall survive such termination.

O. GOVERNING LAW

These Terms of Use, the relationship between you and PM and your use of the Services and the resolution of any dispute arising between the parties shall be governed by and construed in accordance with the laws of the Province of Alberta and those of Canada applicable therein, without reference to their conflicts of laws. You and PM agree to submit to the exclusive jurisdiction of the courts of the Province of Alberta to hear all matters arising in relation to the Website, the Services or this Agreement. Notwithstanding the forgoing, either party may apply to any court of competent jurisdiction for injunctive relief and other equitable remedies.

P. SEVERABILITY

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

Q. HEADINGS

Headings are for reference purposes only and shall not be used in the interpretation of this Agreement.

SUBSCRIPTION AGREEMENT

(Part 4 Offering Memorandum Exemption Pursuant to "Multi-lateral Instrument 45-103 – Capital Raising Exemptions" – British Columbia, Alberta, Saskatchewan and Manitoba Residents Only)

TO: **[Insert name of Cooperative]** (the "Issuer")
 Head Office: **[Head office address]** Mail Completed Agreement to: **[Insert Mailing address]**
 Fax: ●
 Email: ●

The undersigned subscriber (the "Purchaser") acknowledges that the Issuer is proceeding with an Offering of Membership Shares and Investment Shares of the Issuer. The Minimum Offering is \$0 or 0 Shares. You may be the only purchaser. The Maximum Offering is \$● or ● Membership Shares, and \$● or ● Investment Shares. The undersigned Purchaser subscribes for the number of Shares as set out below, and hereby tenders to the Issuer this subscription offer which, upon acceptance by the Issuer, will constitute an agreement of the Purchaser to subscribe for, take up, purchase and pay for and, on the part of the Issuer, to issue and sell to the Purchaser, the number of Shares set out below on the terms and subject to the conditions set out in this Agreement. Any subscription funds raised will be held in trust until after midnight on the second business day after the Purchaser signs the Agreement. Until the Closing of the Offering, all subscription funds shall be held in a non-interest bearing account for the credit of the Issuer. Upon closing of this Offering, all of the subscription proceeds (net of expenses thereon) will be released to the Issuer. The Purchaser hereby acknowledges and agrees that the terms and conditions contained in the attached Schedule "A" form part of this Agreement and are incorporated herein by reference. Capitalized terms used in this Agreement not otherwise defined shall have the meaning ascribed to them in the Offering memorandum.

The Purchaser hereby subscribes for _____ Membership Shares. The Subscription Price for _____ Membership Shares at a price of \$5,000 per Membership Share is \$_____.

The Purchaser hereby subscribes for _____ Investment Shares. The Subscription Price for _____ Investment Shares at a price of \$5,000 per Investment Share is \$_____.

DATED at _____, in the Province of _____ this ____ day of _____, 200●.

Details of the Purchaser	
Name of the Purchaser (Please Print)	
Signature of Purchaser or Authorized Representative	
Official Capacity of Person Signing if Other Than the Purchaser	
Name of Person Signing if Other Than the Purchaser (Please Print)	
Purchaser's Address	
Telephone No.	Fax No.
Email Address	

Delivery Instructions – Please Deliver the Units to: (Complete if different than Details of Purchaser)	
Name	
Account Reference (if applicable)	
Address	
Telephone No.	Fax No.

ACCEPTANCE: The Issuer hereby accepts the above subscription as of this _____ day of _____, 200● and the Issuer represents and warrants to the Purchaser that the representations, warranties and covenants made by the Issuer to the Purchaser are true and correct in all material respects as of this date and that the Purchaser is entitled to rely thereon.

Dated: _____, 200●

[Insert name of Cooperative]

By: _____

Schedule "A"

Definitions

1. In this Agreement, unless the subject matter or context is inconsistent therewith:
 - 1.1 "Agreement" means this agreement, as amended or supplemented from time to time;
 - 1.2 "accredited investor" means:
 - 1.2.1 a Canadian financial institution, or an authorized foreign bank listed in Schedule III of the Bank Act (Canada),
 - 1.2.2 the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada),
 - 1.2.3 an association under the Cooperative Credit Associations Act (Canada) located in Canada or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act,
 - 1.2.4 a subsidiary of any person or company referred to in paragraphs (a) to (c), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
 - 1.2.5 a person or company registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a limited market dealer registered under the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador).
 - 1.2.6 an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada, as a representative of a person or company referred to in paragraph (e),
 - 1.2.7 the government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the government of Canada or a jurisdiction of Canada,
 - 1.2.8 a municipality, public board or commission in Canada,
 - 1.2.9 any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
 - 1.2.10 a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,
 - 1.2.11 an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000,
 - 1.2.12 an individual whose net income before taxes exceeded \$200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent years and who, in either case, reasonably expects to exceed that net income level in the current year,
 - 1.2.13 a person or company, other than a mutual fund or non-redeemable investment fund, that, either alone or with a spouse, has net assets of at least \$5,000,000, and unless the person or company is an individual, that amount is shown on its most recently prepared financial statements,
 - 1.2.14 a mutual fund or non-redeemable investment fund that, in the local jurisdiction, distributes its securities only to persons or companies that are accredited investors,
 - 1.2.15 a mutual fund or non-redeemable investment fund that, in the local jurisdiction, is distributing or has distributed its securities under one or more prospectuses for which the regulator has issued receipts,
 - 1.2.16 a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, trading as a trustee or agent on behalf of a fully managed account,
 - 1.2.17 a person or company trading as agent on behalf of a fully managed account if that person or company is registered or authorized to carry on business under the securities legislation of a jurisdiction of Canada or a foreign

- jurisdiction as a portfolio manager or under an equivalent category of adviser or is exempt from registration as a portfolio manager or the equivalent category of adviser,
- 1.2.18 a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or other adviser registered to provide advice on the securities being traded
- 1.2.19 an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) through (e) and Paragraph (j) in form and function, or
- 1.2.20 a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, except the voting securities required by law to be owned by directors, are persons or companies that are accredited investors.
- 1.3 "Closing" means the closing of the Offering, expected to occur on or about ●, or such other date or dates as may be determined by the Issuer and such other subsequent closings as may be required to complete the Maximum Offering;
- 1.4 "Eligible Investor" means:
- 1.4.1 a person or company whose:
- 1.4.1.1 net assets, alone or with a spouse, exceed \$400,000;
- 1.4.1.2 net income before taxes exceeded \$75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year; or
- 1.4.1.3 net income before taxes combined with that of a spouse exceeded \$125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year;
- 1.4.2 a person or company of which a majority of the voting securities are beneficially owned by Eligible Investors or a majority of the directors are Eligible Investors;
- 1.4.3 a general partnership of which all of the partners are Eligible Investors;
- 1.4.4 a limited partnership of which the majority of the general partners are Eligible Investors;
- 1.4.5 a trust or estate in which all of the beneficiaries or a majority of the trustees are Eligible Investors;
- 1.4.6 an Accredited Investor; or
- 1.4.7 a person or company described in section 3.1, or
- 1.4.8 a person or company that has obtained advice regarding the suitability of the investment and, if the person or company is resident in a jurisdiction of Canada, that advice has been obtained from an Eligibility Adviser;
- 1.5 "Eligibility Adviser" means
- 1.5.1 an investment dealer or equivalent category of registration, registered under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and
- 1.5.2 in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or management accountants in a jurisdiction of Canada provided that the lawyer or public accountant:
- 1.5.2.1 does not have a professional, business or personal relationship with the issuer, or any of its directors, senior officers, founders or Control Persons, and
- 1.5.2.2 has not acted for or been retained personally or otherwise as an employee, senior officer, director, associate or partner of a person or company that has acted for or been retained by the issuer or any of its directors, senior officers, founders or Control Persons within the previous year;
- 1.6 "Financial Assets" means cash and securities;

- 1.7 "Investment Share" means a [describe the investment shares, i.e. Class "B" etc.] investment share of the Issuer;
- 1.8 "Issuer" means [Insert name of Cooperative], a cooperative incorporated and subsisting under the laws of the Province of Alberta;
- 1.9 "Maximum Offering" means the Offering by the Issuer of a maximum of ● Membership Shares and ● Investment Shares pursuant to the Offering Memorandum;
- 1.10 "Membership Share" means a [describe the investment shares, i.e. Class "A" etc.] membership share of the Issuer;
- 1.11 "Minimum Offering" means the Offering by the Issuer of a minimum of zero Membership Shares and zero Investment Shares pursuant to the Offering Memorandum;
- 1.12 "MI 45-103" means Multilateral Instrument 45-103 - Capital Raising Exemptions;
- 1.13 "Offering" means the offering by the Issuer of Membership Shares and Investment Shares pursuant to the Offering Memorandum;
- 1.14 "Offering Memorandum" means the offering memorandum of the Cooperative dated the ● day of ●, 200●;
- 1.15 "Purchaser" means the subscriber herein;
- 1.16 "Share" or "Shares" means a Membership Share and or Investment Share as the context may require;
- 1.17 "Subscription Price" means the aggregate subscription price paid by the Purchaser, being the number of Membership Shares subscribed for multiplied by \$● per Membership Share and or the number of Investment Shares subscribed for multiplied by \$● per Investment Share; and
- 1.18 "\$" means Canadian dollars.

Subscription for Shares

2. The Purchaser hereby confirms its subscription for and agrees to take up the Shares as provided for on the initial page of this Agreement and delivers herewith a certified cheque or bank draft payable to the Issuer in the amount of the Subscription Price and authorizes the Issuer to release the said funds for use by the Issuer on Closing, provided that closing occurs after midnight on the second business day after the Purchaser signs the agreement, against delivery to the Purchaser of duly issued certificates representing the Shares subscribed for herein.
3. The Purchaser acknowledges that this subscription is subject to acceptance by the Issuer and to the fulfillment of certain other terms and conditions. This subscription is subject to rejection or allotment in whole or in part in the sole discretion of the Issuer.
4. The Purchaser agrees that this subscription is given for valuable consideration. The acceptance of this subscription shall be effective upon execution of this subscription on behalf of the Issuer.
5. In addition to one manually signed, completed copy of this Agreement, the Purchaser will execute and deliver to the Issuer all other documentation as may be required by applicable securities legislation, rules, policy statements, and orders, including MI 45-103, to permit the issue and sale of the Shares. The Purchaser acknowledges and agrees that any such documentation, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser hereunder in favour of the Issuer, and the Purchaser consents to the filing of such documents as may be required to be filed with any securities or the regulatory authority in connection with the transactions contemplated hereby.

6. The Purchaser acknowledges that this Agreement and the Exhibits hereto require the Purchaser to provide certain personal information to the Issuer. Such information is being collected by the Issuer for the purposes of completing the Offering, which includes, without limitation, determining the Purchaser's eligibility to purchase the Shares under applicable securities legislation, preparing and registering certificates representing Shares to be issued to the Purchaser and completing filings required by any stock exchange or securities regulatory authority. The Purchaser's personal information may be disclosed by the Issuer to: (a) stock exchanges or securities regulatory authorities, (b) the Issuer's registrar and transfer agent if any, and (c) any of the other parties involved in the Offering, including legal counsel and may be included in record books in connection with the Offering. By executing this Agreement, the Purchaser is deemed to be consenting to the foregoing collection, use and disclosure of the Purchaser's personal information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents described herein as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

7. The Purchaser represents and warrants that the funds representing the Subscription Price which will be advanced by the Purchaser to the Issuer hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) Act (Canada) (the "PCMLA") and the Purchaser acknowledges that the Issuer may in the future be required by law to disclose the Purchaser's name and other information relating to this Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge, the subscription funds to be provided by the Purchaser (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Purchaser. The Purchaser shall promptly notify the Issuer if the Purchaser discovers that any of such representations ceases to be true, and to provide the Issuer with appropriate information in connection therewith.

Representations, Warranties and Covenants of the Purchaser

8. By executing this Agreement, the Purchaser hereby represents, warrants and covenants to, and agrees with the Issuer (and acknowledges that the Issuer, and its counsel are relying thereon) that:

- 8.1 it has been independently advised as to and is aware of the applicable restrictions on the resale of the Shares imposed by securities legislation in the jurisdiction in which it resides and of the fact that the Purchaser may not be able to resell the Shares except in accordance with applicable securities legislation, rules and regulatory policies, including MI 45-103, and the Purchaser (and any others for whom it is contracting) is solely responsible (and the Issuer is not in any way responsible) for the Purchaser's compliance with applicable resale restrictions;
- 8.2 it has been independently advised as to and is aware of the fact the Shares will be subject to resale restrictions;
- 8.3 this Agreement is made unconditionally as a result of the Purchaser's desire to participate in the future development of the Issuer;
- 8.4 it is purchasing as principal and it knows that it is purchasing the Shares pursuant to an exemption under MI 45-103 and, as a consequence, is restricted from using most of the civil remedies available under applicable securities legislation, may not receive information that would otherwise be required to be provided to it under applicable securities legislation, and the Issuer is relieved from certain obligations that would otherwise apply under applicable securities legislation;
- 8.5 the Purchaser is a resident in the Province of Alberta, Saskatchewan or Manitoba and the trade is made by the Issuer in securities of its own issue, that:
 - 8.5.1 the Purchaser is purchasing as principal; and
 - 8.5.2 at the same time or before signing this Agreement:
 - 8.5.2.1 the Purchaser has received the Offering Memorandum which is in compliance with MI 45-103; and
 - 8.5.2.2 the Purchaser has signed the Risk Acknowledgment Form 45-103F3 attached hereto as Schedule "C", in duplicate; and
 - 8.5.3 either:
 - 8.5.3.1 the Purchaser is an Eligible Investor and has signed the Declaration attached hereto as Schedule "B" to this Agreement; or
 - 8.5.3.2 the aggregate acquisition cost to the Purchaser does not exceed \$10,000; and

- 8.5.4 in the case of an issuer that is a mutual fund, it is one referred to in section 1.3 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.
- 8.6 no person has made to the Purchaser any written or oral representations:
- 8.6.1 that any person will resell or repurchase any of the Shares;
- 8.6.2 that any person will refund the purchase price of any of the Shares;
- 8.6.3 as to the future price or value of any of the Shares; or
- 8.6.4 that any of the Shares will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the Shares for trading on a stock exchange;
- 8.7 the Purchaser has no knowledge of a "material fact" or "material change" (as those terms are defined by applicable securities legislation) in respect of the affairs of the Issuer that has not been generally disclosed to the public, other than knowledge relating directly to its subscription for the Shares;
- 8.8 it 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;
- 8.9 it undertakes and agrees that it 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, and further that it will not resell the Shares, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- 8.10 the Purchaser's decision to execute this Agreement and purchase the Shares hereunder has not been based upon any oral or written representation, other than as contained in the Offering Memorandum, and the within subscription is made unconditionally as a result of the Purchaser's desire to participate in the future development of the Issuer through the purchase of the Shares;
- 8.11 if an individual, the Purchaser has attained the age of majority and is legally competent to execute this Agreement and to take all actions required pursuant hereto;
- 8.12 the information set forth on the initial page of this Agreement relating to the Purchaser is true and correct;
- 8.13 if required by applicable securities legislation, regulatory policy, order, MI 45-103 or by any securities commission or other regulatory authority, the undersigned will execute, deliver, file and otherwise assist the Issuer in filing, such reports, questionnaires, undertakings and other documents with respect to the issue of the Shares;
- 8.14 this Agreement has been duly and validly authorized, executed and delivered by the Purchaser and constitutes a legal, valid, binding and enforceable obligation of the Purchaser;
- 8.15 the entering into of this Agreement and the transactions contemplated hereby will not result in a violation of any of the terms and provisions of any law applicable to it, or any of its constating documents, or of any agreement to which the Purchaser is a party or by which it is bound;
- 8.16 in the case of a subscription by the undersigned for Shares acting as agent for a disclosed principal, the undersigned is duly authorized to execute and deliver this Agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes the legal, valid and binding agreement of, such principal;
- 8.17 the Purchaser acknowledges that the net subscription proceeds (gross proceeds less expenses, including legal fees, which have not been paid by the Issuer) will be immediately releasable to the Issuer on Closing or later closing dates, as the case may be, provided they occur after midnight on the second business day after the Purchaser signs the Agreement;
- 8.18 the Purchaser presently deals and will, at all relevant times, continue to deal at arm's length with the Issuer for the purposes of the *Income Tax Act* (Canada) and has had the opportunity to consult its own independent advisor as to the income tax consequences to it of purchasing the Shares;

- 8.19 if a corporation, partnership, unincorporated association or other entity, it has the legal capacity to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders or otherwise have been given and obtained;
- 8.20 it has knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and it is able to bear the economic risk of loss if its investment;
- 8.21 it will not resell the Shares except in accordance with the provisions of applicable securities legislation and stock exchange rules, if applicable, in the future;
- 8.22 none of the funds the Purchaser is using to purchase the Shares are, to the knowledge of the Purchaser, proceeds obtained or derived, directly or indirectly, as a result of illegal activities; and
- 8.23 the Purchaser acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its subscription for these Shares and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Purchaser for purposes of giving representations, warranties and covenants under this Agreement.
9. The Purchaser agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this Agreement and as of the Closing and will survive the completion of the sale of the Shares.
10. The foregoing representations, warranties and covenants are made by the Purchaser with the intent that they be relied upon in determining its suitability as a purchaser of Shares. The Purchaser undertakes to notify the Issuer immediately at the address of the Issuer set forth above of any change in any representation, warranty or other information relating to the undersigned set forth herein which takes place prior to the Closing.
11. The Issuer and its counsel shall be entitled to rely on the representations and warranties of the Purchaser contained in section 8 above and the Purchaser shall indemnify and hold harmless the Issuer from any loss or damage that the Issuer may suffer as a result of any breach of any such representation and warranty or any other misrepresentation of the Purchaser.

Acknowledgements of Purchaser

12. **THE PURCHASER FURTHER ACKNOWLEDGES THAT AN INVESTMENT IN THE SHARES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE AND IS SUBJECT TO A NUMBER OF RISK FACTORS. THE PURCHASER COVENANTS AND AGREES TO COMPLY WITH MI 45-103, ANY OTHER APPLICABLE SECURITIES LEGISLATION, RULES, REGULATIONS, ORDERS OR POLICIES CONCERNING THE PURCHASE, HOLDING OF, AND RESALE OF THE SHARES OF THE ISSUER. THE SHARES ARE SUBJECT TO RESALE RESTRICTIONS AND WILL BEAR A LEGEND TO THAT EFFECT.**

Representations and Warranties of the Issuer

13. The Issuer hereby represents and warrants to the Purchaser that it has been duly incorporated and is a valid and subsisting cooperative under the laws of the Province of Alberta and has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

Covenants of the Issuer

14. The Issuer hereby covenants with the Purchaser that it will take all corporate action required to issue to the Purchaser the Shares.

Cancellation of Agreement

15. The Purchaser shall have the right to cancel this Agreement within two (2) business days of signing this Agreement by delivering to the Issuer, by not later than midnight on the 2nd business day after the Purchaser signs this Agreement, a written notice indicating the cancellation of this Agreement and the Issuer shall return to the Purchaser the Subscription Price paid by the Purchaser, without interest, deduction or penalty.

Resale Restrictions

16. The Purchaser acknowledges that any resale of the Shares will be subject to resale restrictions contained in the applicable securities legislation, including but not limited to MI 45-103, applicable to the Purchaser. The Purchaser

acknowledges that the Issuer is not a reporting issuer in any jurisdiction and accordingly, unless qualified by the Issuer for resale, the Purchaser will be required to hold the Shares indefinitely and may not trade except in very limited circumstances.

Closing

17. The sale of the Shares will be completed at the offices of the Issuer's solicitors, Parlee McLaws LLP, in Edmonton, Alberta on Closing, or at such other place or time as the Issuer decides.

Regulatory Approval

18. The completion of the Offering by the Issuer will not take place unless all regulatory provisions relating thereto have been observed.

General

19. This Agreement shall be binding upon and enure to the benefit of the Purchaser and the Purchaser's executors, personal representatives, successors and assigns and the Issuer and its successors and assigns.

20. The representations and warranties of the Issuer contained herein shall survive the Closing.

21. The Issuer shall be entitled to rely on delivery of a facsimile copy of this Agreement, and acceptance by the Issuer of such facsimile copy shall be legally effective to create a valid and binding agreement between the Purchaser and the Issuer in accordance with the terms hereof.

22. Each party shall from time to time do such further acts and execute and deliver such further documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

23. The headings of the section of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction hereof.

24. The terms of this Agreement express and constitute the entire agreement between the parties hereto as to the subject matter hereof, and no implied term of any kind shall arise by reason of anything contained in this Agreement.

25. Time is of the essence of this Agreement.

26. All costs and expenses incurred by the Purchaser (including any fees and disbursements of any special counsel retained by the Purchaser) relating to the sale of the Shares to the Purchaser shall be borne by the Purchaser.

27. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto each irrevocably and exclusively attorn to the jurisdiction of the courts of the Province of Alberta.

28. In this Agreement, words importing the singular include the plural and vice versa and words importing persons include firms or corporations.

Schedule "B"

(For Alberta, Saskatchewan and Manitoba Residents Only)

MUST SIGN IF PURCHASER'S AGGREGATE ACQUISITION COST EXCEEDS \$10,000

DECLARATION

The undersigned, _____, of the _____ of _____, in the Province of Alberta, Saskatchewan, or Manitoba, DECLARES:

1. That the undersigned is making the purchase in the Shares as proposed in this Agreement with full knowledge that such a transaction should be considered speculative and is subject to numerous risk factors.
2. The undersigned is an eligible investor as the following is applicable to the undersigned:

(Note: Purchaser must check off and initial beside each applicable category below)

- (a) ___ my net assets, either alone or with my spouse's, exceeds \$400,000; or
- (b) ___ my net income before taxes exceeded \$75,000 in each of the two most recent years and I reasonably expect to exceed that income level in the current year; or
- (c) ___ my net income before taxes combined with that of my spouse has exceeded \$125,000 in each of the two most recent years and I reasonably expect to exceed that income level in the current year; or
- (d) ___ the undersigned is a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors; or
- (e) ___ the undersigned is a general partnership in which all of the partners are eligible investors; or
- (f) ___ the undersigned is a limited partnership in which the majority of the general partners are eligible investors; or
- (g) ___ the undersigned is a trust or estate in which all of the beneficiaries or a majority of the trustees are eligible investors; or
- (h) ___ the undersigned is a person or company that has obtained advice regarding the suitability of the investment and if the person or company is in a jurisdiction of Canada that advice has been obtained from an investment dealer, securities dealer or their equivalent, registered under the securities legislation of the jurisdiction and the name of such investment dealer, securities dealer or their equivalent registered under the securities legislation of the jurisdiction is (1) _____ of (2) _____

((1) Name of and (2) trade name/company name if any, of the undersigned's Registered Adviser/Dealer).

3. The undersigned is an eligible investor as the undersigned is an accredited investor by virtue of the undersigned being:
 - (a) ___ a Canadian financial institution, or an authorized foreign bank listed in Schedule III of the *Bank Act* (Canada); or

- (b) ___ the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) ___ an association under the *Cooperative Credit Associations Act* (Canada) located in Canada; or
- (d) ___ a subsidiary of any person or company referred to paragraphs 2(a) to (c), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
- (e) ___ a person or company registered under the securities legislation, or under the securities legislation of another jurisdiction of Canada, as an advisor or dealer, other than a limited market dealer registered under the *Securities Act* (Ontario); or
- (f) ___ an individual registered or formerly registered under the securities legislation, or under the securities legislation of another jurisdiction of Canada, as a representative of a person or company referred to in paragraph 2(e); or
- (g) ___ the government of Canada or a province, or any crown corporation or agency of the government of Canada or a province; or
- (h) ___ a municipality, public board or commission in Canada; or
- (i) ___ any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
- (j) ___ a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority; or
- (k) ___ a registered charity under the *Income Tax Act* (Canada); or
- (l) ___ an individual who, either directly or indirectly, alone or jointly with a spouse, beneficially owns, directly or indirectly, financial assets (i.e., cash and securities) having an aggregate realizable value, that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
- (m) ___ an individual whose net income before taxes exceeded \$200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent years and who, in either case, reasonably expects to exceed that net income level in the current year; or
- (n) ___ a corporation, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or
- (o) ___ a mutual fund or non-redeemable investment fund that, in the local jurisdiction, distributes its securities under a prospectus for which the regulator has issued a receipt; or
- (p) ___ a mutual fund or non-redeemable investment fund that, in the local jurisdiction, distributes its securities only to persons or companies that are accredited investors; or
- (q) ___ an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs 2(a) through (e) and paragraph 2(j) in form and function; or
- (r) ___ a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are accredited investors.

4. The undersigned makes this Declaration knowing that failure to meet any one of the requirements set out above will invalidate the undersigned's subscription for the Shares of the Issuer as contained with this Agreement.

AND the undersigned makes this declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

SIGNED, SEALED AND DELIVERED
In the presence of:

WITNESS

NAME (please print)

)
)
)
)
)

SIGNATURE OF INDIVIDUAL PURCHASER

NAME (please print)

-OR-

CORPORATE PURCHASER NAME (please print)

Per _____
Signature of Officer/Director

Schedule "C"

FORM 45-103F3

Risk Acknowledgement

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future. [Insert name of Cooperative] will pay \$ _____ of this to _____ as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

Warning

You have 2 business days to cancel your purchase

To do so, send a notice to [Insert name of Cooperative] stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to [Insert name of Cooperative] at its business address. Keep a copy of the notice for your records.

[Insert name of Cooperative]
[Insert mailing address of Cooperative]
Fax: ● Email: ●

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- The issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

ISSUER'S COPY

- The securities do not have to be sold by an investment dealer registered with a securities commission.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice.

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Saskatchewan, to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed.

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer.

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You will not receive ongoing information about this issuer.

For more information on the *exempt market*, call the Alberta Securities Commission at (780) 427-5201 (www.albertasecurities.com) or the British Columbia Securities Commission at (604) 899-6500 (www.bsc.bc.ca) or the Saskatchewan Financial Services Commission at (306) 787-5645 (www.sfsc.gov.sk.ca) or the Manitoba Securities Commission at (204) 945-2548 (www.msc.gov.mb.ca).

The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

ISSUER'S COPY

Schedule "C"

FORM 45-103F3

Risk Acknowledgement

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. [Insert name of Cooperative] will pay \$_____ of this to _____ as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

Warning

You have 2 business days to cancel your purchase

To do so, send a notice to [Insert name of Cooperative] stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to [Insert name of Cooperative] at its business address. Keep a copy of the notice for your records.

[Insert name of Cooperative]
[Insert mailing address of Cooperative]
Fax: ● Email: ●

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- The issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

PURCHASER'S COPY – RETAIN FOR YOUR RECORDS

- The securities do not have to be sold by an investment dealer registered with a securities commission.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice.

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Newfoundland and Labrador, Northwest Territories, Nunavut, Prince Edward Island and Saskatchewan, to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed.

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

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The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy

PURCHASER'S COPY – RETAIN FOR YOUR RECORDS