

Subscription Agreement O.U.R. Ecovillage Cooperative A British Columbia Cooperative

To: O.U.R. Ecovillage Cooperative (the “Association”)

From: _____ [name] (the “Purchaser”)

1. Representation and Warranties

- 1.1 The Purchaser represents and warrants to the Association that the Purchaser is purchasing the securities hereunder as principal for its own account and not for the benefit of any other person.
- 1.2 If the Purchaser is an individual, he or she has the legal capacity and competence to execute this Agreement, and to take all actions required pursuant to it.
- 1.3 If the Purchase is a corporation:
 - (a) it has the legal capacity and competence to execute this Agreement, and to take all actions required pursuant to it;
 - (b) all necessary approvals have been given to authorize it to execute this Agreement, and to take all actions required pursuant to it;
 - (c) the entering into of this Agreement and the transactions contemplated will not result in the violation of any of the terms and provisions of any law applicable to or the constating documents of the Purchaser or of any agreement, written or oral, to which the Purchase may be a party or by which it is bound.
- 1.4 The Purchaser acknowledges that because this subscription is being made pursuant to exemptions from the registration and prospectus requirements of applicable securities laws:
 - (a) The Purchaser is restricted from using certain civil remedies available under applicable securities laws;
 - (b) The Purchaser will not receive a prospectus that might otherwise be required to be provided to the Purchaser under applicable securities laws if the exemptions were not used;
 - (c) The offering of the securities need not be carried out through an investment advisor; and
 - (d) The Association is relieve from certain obligations that would otherwise apply under applicable securities laws if the exemptions were not being used.

- 1.5 The Purchaser acknowledges that the securities being purchase will be subject to resale or transfer restrictions which will prevent the Purchaser from reselling the securities except in very limited circumstances.
- 1.6 The Purchaser acknowledges that the Association is under no obligation to qualify the resale of the securities under a prospectus or assist the Purchaser in complying with the resale or transfer restrictions of applicable securities laws. The Purchaser further acknowledges that it is the Purchaser's obligation to comply with the resale or transfer restrictions in all applicable jurisdictions and the Association offers no advice on those restrictions.
- 1.7 The Purchaser acknowledges that no securities commission has evaluated or endorsed the merits of the securities purchased and that the person selling these securities has not duty to ell the Purchaser whether these securities are a suitable investment. The Purchaser further acknowledges that it is investing in the Association entirely at its own risk and it may lose all of its investment.
- 1.8 The Purchaser represents to the Association that the Purchaser is (tick one or more of the following boxes after reviewing the definitions in Schedule A):
- (a) a director, officer, employee, founder or control person of the Association;
 - (b) a spouse, parent, grandparent, brother, sister or child of a director, officer, founder or control person of the Association (please print their name) _____;
 - (c) a parent, grandparent, brother, sister or child of the spouse of a director, officer, founder or control person of the Association (please print their name) _____;
 - (d) a close personal friend of a director, officer, founder or control person of the Association (complete 1.9 below);
 - (e) a close business associate of a director, executive officer, found or control person of the Association (complete 1.9 below);
 - (f) a current security holder;
 - (g) a family member of the selling security holder;
 - (h) an accredited investor (complete 1.10 below);
 - (i) a person of which a majority of the voting securities are beneficially owned by or a majority of the directors are persons described in subparagraphs (a) to (g) (complete 1.9 or 1.10 if applicable);
 - (j) a trust or estate of which all of the beneficiaries or a majority of the trustees are persons or companies described in subparagraphs (a) to (g) (complete 1.9 or 1.10 if applicable);
 - (k) a person that is not the public.
- 1.9 If you are a close personal friend or close business associate of a director, officer founder or control person of the Association, please name the individual, indicate how long you have known him or her and describe the nature of your relationship, including how you are in a position to assess their capabilities and trustworthiness:

1.10 If you are an accredited investor, please indicate the applicable paragraph from the definitions in Schedule A to this agreement and describe how you qualify based on the definition:

Paragraph: _____

Description of qualifications: _____

2. Subscription of Shares

2.1 The Purchaser subscribes for and agrees to take up _____ [number and class of share] shares of the Association (the "Subscriber's Shares") at the price of \$ _____ per share.

2.2 Within thirty days of receiving written notification of successful membership application to the Association, the Purchaser agrees to pay:

(a) \$ _____ [number of shares multiplied by price of share] in full payment for the Subscriber's Share(s).

3. Contact Information

3.1 The Purchaser consents to the Association sending by fax or e-mail any notice, statement, report or other record required or permitted by the Cooperative Association Act or the Rules of the Association to be sent to the Purchaser and hereby provides the fax number and/or e-mail address set out below for that purpose.

4. Record of Purchase of Securities

4.1 The Association agrees to issue the Subscriber's Shares, enter the name and address shown below in the securities register of the Association and issue the appropriate share certificate.

Date

Signature

Print Name

Witness

Print Name

Direction as to Registration:

Full Name:

Address:

Postal Code:

Fax Number:

E-mail address:

Date

Signature of Association

Position

Schedule A: Definitions

“accredited investor” means

- (a) A Canadian financial institution or a Schedule III bank;
- (b) The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) A subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (d) A person registered under the securities legislation of a jurisdiction of Canada as an advise or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (e) An individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (f) 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;
- (g) A municipality, public board or commission in Canada and a metropolitan community, school board, the Comite de gestion de la taxe scolaire de l’ile de Montreal or an intermunicipal management board in Quebec;
- (h) Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) 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;
- (j) 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;
- (k) An individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- (l) An individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- (m) A person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- (n) An investment fund that distributes or has distributed its securities only to
 - i A person that is or as an accredited investor at the time of the distribution,
 - ii A person that acquires or acquired securities under minimum amount investment or additional investment in investment funds provisions,
 - iii A person described in i or ii that acquires or acquired securities under an investment fund reinvestment;

- (o) An investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator, or, in Quebec, the securities regulatory authority, has issued a receipt;
- (p) 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, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (q) A person acting on behalf of a fully managed account managed by that person, if that person
 - i Is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
 - ii In Ontario, is purchasing a security that is not a security of an investment fund;
- (r) A registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (s) An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (t) A person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
- (u) An investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- (v) A person that is recognized or designated by the securities regulatory authority, or except in Ontario and Quebec, the regulator as
 - i An accredited investor, or
 - ii An exempt purchaser in Alberta or British Columbia.

“close business associate” means an individual who has had sufficient prior business deals with the director, officer, founder or control person to be in a position to assess their capabilities and trustworthiness. An individual is not a close business associate solely because the individual is a client, customer or former client or former customer. The relationship between the individual and director, officer, founder or control person must be direct (e.g. the exemption is not available for a close business associate of a close business associate of a director of the Association).

“close personal friend” means an individual who knows the director, officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness. The term close personal friend can include a family member not already listed in the exemption if the family member satisfied the above criteria. The relationship between the individual and the director, officer, founder or control person must be direct (e.g. the exemption is not available to a close personal friend of a close personal friend). An individual is not a close personal

friend solely because the individual is a relative, a member of the same organization, association or religious group, or a client, customer or former client or former customer.

“control person” means

- (a) A person who holds a sufficient number of the voting rights attached to all outstanding voting securities of the Association to affect materially the control of the Association, or
- (b) Each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment of understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of the Association to affect materially the control of the issuer;

And, if a person or combination of persons holds more than 20 percent of the voting rights attached to all outstanding voting securities of the Association, the person or combination of persons is deemed in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the Association.

“officer” means for the Association an individual who is:

- (a) A chair, vice-chair or president;
- (b) A vice-president in charge of a principal business unit, division or function including sales, finance or production;
- (c) An officer of the Association or any of its subsidiaries and who performs a policy-making function in respect of the Association;
- (d) Performing a policy-making function in respect of the Association.

“founder” in respect of the Association means a person who

- (a) Acting alone, in conjunction or in concert with one or more persons, directly or indirectly takes the initiative in founding, organizing or substantially reorganizing the business of the Association; and
- (b) At the time of the trade, is actively involved in the business of the Association.