

ACKNOWLEDGMENT

TO: SUN Co-operative Inc. (the "**Borrower**")

RE: Loan to Borrower

WHEREAS _____ (the "**Holder**") desires to lend money to the Borrower and the Borrower requires, as a term of such Loan (as hereinafter defined), that the Borrower sign this Acknowledgment to acknowledge the Holder has been apprised of the risks and has had an opportunity to ask the Borrower such questions and to make such investigations as the Holder has deemed necessary and appropriate in connection with such Loan;

NOW THEREFORE IN CONSIDERATION of the foregoing and the covenants hereinafter contained and the Promissory Note given by the Borrower to the Holder (the receipt and adequacy of each of which are hereby acknowledged) and for other good and valuable consideration, the Holder hereby acknowledges and agrees with the Borrower as follows:

1. Loan

- (a) The Holder shall loan to the Borrower the sum of _____ Dollars (\$_____) (the "**Loan**") in lawful money of Canada plus interest (if agreed to) on terms as set out in the Promissory Note attached hereto as Schedule "A".
- (b) The proceeds of the Loan shall be used by the Borrower in its sole discretion to further the goals and objectives of the Borrower.

2. Acknowledgment of Risk

The Holder explicitly acknowledges that the Loan involves certain risks which could adversely affect the Holder and could jeopardize repayment of the Loan in whole or in part (the "**Risks**"), including but not limited to the following:

- (a) The Loan being offered is speculative and involves a high degree of risk. The Holder may lose their investment.
- (b) The Borrower is a start-up venture. The Borrower currently does not have any significant assets or other financial resources. The commencement of construction of the renewable power installations is dependent upon the Borrower raising sufficient financing and a number of other preconditions, some of which are entirely beyond the control of the Borrower;
- (c) The renewable power equipment the Borrower desires to install is expected to be of relatively low maintenance, however should issues arise there would be a loss of energy production and as such the potential that the Holder may lose their investment.
- (d) The viability of the renewable power industry in Ontario and Canada is dependent upon tax policies, government programs, and environmental and other rules and regulations which provide an incentive to generate electricity from renewable energy sources. The further development of the renewable power industry in Canada will require the maintenance of a range of federal, provincial and/or municipal government programs, policies, and/or regulations which are not currently in place.

- (e) The Government of Ontario can suspend its renewable energy procurement programs at any time. It is assumed, but cannot be guaranteed, that any contract for a project under these programs signed prior to a suspension will be honoured and the Borrower will complete the installation and connection under the terms of the applicable program prior to suspension.
- (f) The Borrower may also be subject to other unknown Risks that could potentially affect its solvency and ability to repay the Loan. Some of these Risks could include, but not be limited to, failure to comply with governing statutes and increased competition. While the Borrower does not view these Risks as of an immediate concern, potential adverse changes in these areas may limit the Borrower's solvency and/or its ability to repay the Loan.

The Holder acknowledges and agrees with the Borrower that notwithstanding the foregoing Risks, the Holder is prepared to make the Loan.

3. Acceptance

- (a) The Holder hereby acknowledges by signing this Acknowledgment that the Holder understands its terms and has had a reasonable opportunity to obtain independent legal advice with respect to it.
- (b) The Holder further acknowledges that the Holder executed this Acknowledgment prior to the Holder advancing any funds to the Borrower.

4. Consent

The Holder agrees to sign such documentation as the Borrower may require pursuant to a Community Participation Project Declaration to the collection, use and disclosure by the Ontario Power Authority of the Holder's personal information, to the Ontario Power Authority receiving contact details for the Holder and Holder agrees to cooperate with the Ontario Power Authority should they be contacted for the purposes of verifying such information. The Holder further agrees to provide such further and other information as Borrower may reasonably require in connection with the Community Participation Project Declaration and the development of the project.

SIGNED, SEALED AND DELIVERED

in the presence of:

)	
)	
)	
)	
)	
_____)	_____
Witness)	<i>Holder Name (Print)</i>
)	
)	
_____)	_____
Witness)	Holder Signature
)	
)	

SCHEDULE "A"

Promissory Note

1. Promise to Pay

FOR VALUE RECEIVED, the undersigned, SUN Co-operative Inc. (the "**Borrower**"), hereby promises to pay, in the manner set out in Section 2 of this note, to or to the order of _____ (the "**Holder**"), the principal sum of _____ Dollars (\$) _____) in lawful money of Canada (the "**Principal Sum**") and interest thereon as hereinafter set forth.

2. Principal Repayments

The Principal Sum and any interest thereon shall become due and be payable to the Holder on October 31, 2017.

3. Interest Rate and Payments

- (a) The Principal Sum hereof outstanding from time to time shall bear interest at the rate of ____ percent (_%) per annum calculated annually, not in advance.
- (b) Interest begins accruing the date at which both the loan monies are received, and all required signatures are on the promissory note. Interest shall accrue and be payable before and after maturity and before and after default and before and after judgment with interest on overdue interest at the same rate as aforesaid.

4. Waiver of Notice

The Borrower hereby waives presentment for payment, notice of non-payment, protest and notice of protest and does hereby agree and consent to all extensions and renewals hereof, without notice.

5. Repayment Right

The Borrower shall have the right to prepay the Principal Sum, or any portion thereof, without notice, bonus or penalty.

6. General

This Note shall be binding upon the Borrower and its successors and assigns. This Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the Borrower hereby attorns to and acknowledges the exclusive jurisdiction of the Courts of Ontario with respect to the subject matter hereof. The Borrower shall not assign this Note without the prior written consent of the Holder.

7. Default

Upon default in payment of any indebtedness or liability of the Borrower, including principal or interest due hereunder or upon default by the Borrower in the performance of any other obligation to the Holder, or if the Borrower shall become insolvent or bankrupt or make a proposal in bankruptcy or takes or commences any steps or proceedings under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) or if the Borrower shall cease carrying on its business or if the Borrower shall dispose of or encumber any of its assets other than the ordinary course of the Borrower's business or a receiver or receiver and manager shall be appointed or if any executions shall be filed against or a distress or an analogous process shall be levied upon the Borrower or any of the assets of the Borrower, the entire unpaid principal indebtedness owing by the Borrower to the Holder evidenced hereby and all interest accrued thereon to the date of payment shall become forthwith due and payable upon demand by the Holder.

IN WITNESS WHEREOF the Borrower has executed this Note.

SUN CO-OPERATIVE INC.
(Two authorized signatures required.)

Per: _____

Date: _____

Per: _____

Date: _____