

## ESCROW AGREEMENT

THIS AGREEMENT made this 30<sup>th</sup> day of September, 2015,

BETWEEN:

**ZooShare Biogas Co-operative Inc.**

**( the Co-operative )**

**- and -**

**Iler Campbell LLP, Barristers & Solicitors**

**(the Escrow Agent)**

### **Background**

1. The Co-operative intends to sell Series 3 Community Bonds (Series 3 Bonds) pursuant to an offering statement under the *Co-operative Corporations Act*, to finance the Co-operative's biogas installation at the Toronto Zoo (the **Project**),
2. The Co-operative has applied for a receipt from the Financial Services Commission of Ontario for its offering statement.

IN CONSIDERATION OF the mutual agreements set out below, the parties agree as follows:

### **1. ESCROW ACCOUNT**

#### **1.1 Payments to the Escrow Account from Prospective Members**

An escrow account is hereby established with the Escrow Agent. The Escrow Account shall consist of all funds received from purchasers of Series 3 Bonds of the Co-operative, to be held in trust by the Escrow Agent and disbursed as set out below (the **Escrow Account**).

#### **1.2 Purchaser Information**

The Co-operative shall deliver to the Escrow Agent with each deposit of funds from purchasers, a statement showing the names, addresses and respective amounts submitted in relation to each purchase application.

#### **1.3 Investment**

The Escrow Agent shall invest all funds held in the Escrow Account pursuant to written instructions received from the Co-operative. The Escrow Agent shall take such steps as are reasonably prudent to ensure that the funds in the Escrow Account shall be invested in such a manner so as to be available for distribution as set out in this Agreement.

### **2. RELEASE OF ESCROW ACCOUNT**

#### **2.1 Release to the Co-operative**

Funds in the Escrow Account, together with all earnings thereon, shall be delivered to the Co-operative by the fifth business day after receipt by the Escrow Agent from the Co-operative of a written certificate signed by any proper officer or director of the Co-operative stating that:

- (a) the Co-operative has received a receipt for its offering statement from the Financial Services Commission of Ontario;
- (b) the Co-operative has delivered a copy of the receipted offering statement to each prospective member for whom the Escrow Agent holds funds;
- (c) the Co-operative has not within ten days after delivery of the receipted offering statement received a notice from a prospective member that he/she wishes to be repaid his/her funds; and
- (d) The Independent Electricity System Operator (**IESO**) has confirmed in writing that the Project as achieved commercial operation pursuant to the Feed-in-Tariff Contract between the IESO and the Co-operative.

## **2.2 Release to Purchasers in the event of failure of Offering**

In the event that the monies are not released by the Escrow Agent pursuant to paragraph 2.1 within 36 months of the date of this agreement, the Escrow Agent shall as soon as reasonably possible thereafter pay the amount received from each Purchaser, together with accrued interest, to such Purchaser.

## **3. CONCERNING THE ESCROW AGENT**

### **3.1 Duties**

The Escrow Agent undertakes to perform all duties which are expressly set forth herein.

### **3.2 Indemnification**

The Escrow Agent may rely upon and shall be protected in acting or refraining from acting upon any written notice, certification, instructions or request furnished to it and believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the foregoing, the Escrow Agent shall have no obligation or responsibility to determine the accuracy or truth of any statement contained in any certificate submitted to the Escrow Agent by the Co-operative.

The Escrow Agent shall not be liable for any action taken by it in good faith and without negligence, and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

The Co-operative hereby agrees to indemnify the Escrow Agent for, and to hold the Escrow Agent harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Escrow Agent, arising out of or in connection with the Escrow Agent's entering into this Agreement and carrying out the Escrow Agent's duties hereunder, including costs and expenses of successfully defending the Escrow Agent against any claim of liability with respect thereto.

### **3.3 Other Matters**

The Escrow Agent reserves the right to resign as Escrow Agent at any time, provided ten business days' prior written notice is given to the Co-operative, and any person for whom

funds are held pursuant to this agreement. In the event of any litigation or dispute by the parties hereunder affecting its duties as Escrow Agent, the Escrow Agent shall take no action provided for under this Agreement until agreed to by the Co-operative, or until receipt of an order of a court having proper jurisdiction.

**4. TERMINATION**

This Escrow Agreement and the Escrow Account shall be terminated upon the delivery by the Escrow Agent of all monies in the Escrow Account pursuant to paragraphs 2.1 or 2.2.

**5. NOTICE**

All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile, or hand delivered, addressed as follows:

If to the Co-operative:

ZooShare Biogas Co-operative Inc.  
401 Richmond Street West, Suite 405  
Toronto M5V 3A8

If to Escrow Agent:

Iler Campbell LLP  
Barristers and Solicitors  
Seventh Floor, 150 John Street  
Toronto, Ontario M5V 3E3

Attention: Brian Iler

or such other address as the addressee may indicate by written notice.

Each notice, demand, request, or communication which shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, date stamp, or certificate of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

**6. BENEFIT AND ASSIGNMENT**

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder.

**7. ENTIRE AGREEMENT**

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters.

8. AMENDMENT

No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, or discharge is sought.

9. HEADINGS

The headings of the paragraphs contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

10. GOVERNING LAW

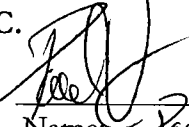
This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the Province of Ontario.

11. TIME OF THE ESSENCE

In this Agreement, time shall be of the Essence.

IN WITNESS the parties sign below.

**ZOOSHARE BIOGAS CO-OPERATIVE  
INC.**

Per:  \_\_\_\_\_

Name: Paul Ungerman

Title: Board Chair

Per:  \_\_\_\_\_

Name: Daniel Bida

Title: Executive Director

We have authority to bind the Corporation

**ILER CAMPBELL LLP**

Per:  \_\_\_\_\_

Name: Brice Iler

Partner