



Dear Customer,

We are excited to share this great investment opportunity with you, but first let us introduce ourselves.

EthoSolar

We are a family run business who also own and operate a farm in the Wasaga Beach area. Our journey in photovoltaic energy (solar energy) began with a desire to generate more passive income on our farm. The more we learned the more passionate we became about sharing this opportunity with farmers and landowners all across Ontario. Imagine if every farmer could have a source of passive income that requires no extra work, but generates income every time the sun shines.

The **vision** of EthoSolar is to provide the average land owner with the opportunity to create passive income through solar energy generation.

We want to do this by empowering the land owner through comprehensive education and great customer service.



Ontario Green Energy Act and FIT/Micro-FIT Program

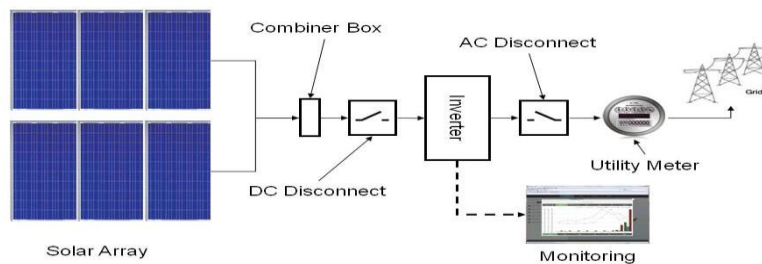
On February 23, 2009, the Ontario Government through the Ontario Power Authority (OPA) introduced the Green Energy Act (GEA). A primary part of the GEA is the Feed-in Tariff (FIT) program, as well as the micro-FIT program. The FIT program is geared towards individuals or organizations producing more than 10kW/h, while the micro-FIT program caters specifically to those who only produce 10kW or less per hour, thus an individual home or business owner. In order to encourage individuals to get involved in renewable energy production, the OPA is offering the highest premium per kW/h to those participating in the micro-FIT program. The contract pricing from the OPA for a micro-FIT project is **80.2 cents per kW/h**, this price is **locked in for a 20 year term** when a contract is signed. The original OPA proposal indicates that the micro-FIT program has a production cap of 1-2% of Ontario's total electricity needs.

**Feed-In Tariff Prices for Renewable Energy Projects in Ontario
Base Date September 30, 2009**

Renewable Fuel	Size	Contract price	Contract Term (years)
Solar PV			
Any type	≤10kW	\$.802	20 MicroFIT
Rooftop	>10kW≤250kW	\$.713	20 FIT
Rooftop	>250kW≤500kW	\$.639	20 FIT
Rooftop	>500kW	\$.539	20 FIT

Photovoltaic Energy - How It Works

A grouping of solar PV (photovoltaic) panels are organized into a configuration called an array that converts sunlight into DC electricity. An inverter then takes the DC power generated by the array and converts it into an AC output suitable for connection to the local utility. The electricity runs through your utility meter. The reading from this meter determines the amount of your payment from the OPA. Individuals are able to monitor their power output through the internet.



Our Product

We have established a partnership with Canada Solar Solutions, a world leader in the solar industry. We chose to distribute Canadian Solar panels because of their substantial role in the solar technological development, their customer support, as well as their comprehensive warranties. From an economic perspective, their products have also proven to offer the best value resulting in the highest return on your investment.



Our Systems

Fixed system:

- Solar panels are mounted on a frame, which sits on concrete blocks.
- The fixed system will produce up to 9.6kW/h for an approximate average of 4-4.2 hrs. per day in optimal yearly conditions.

Roof Mount System:

- Solar panels are mounted on aluminum tracks fastened to the roof of an existing building. The roof mount system will produce up to 9.6kW/h for an approximate average of 3.8-4 hours per day. Roof mount systems are only suitable for roofs that are both south facing and structurally strong enough (usually newer buildings).

Tracker System:

- Solar panels are mounted on a **Deger** tracking device, which follows the sun to produce maximum energy production per day. The Deger dual axis trackers have the capability of approximately 40% greater efficiency than a fixed or roof mount system or an average of 5.6 - 6 hours of sun per day.

Benefits and Potential Risks of Each System

Fixed System:

Benefits:

- Almost no maintenance required (essentially you put up this system and almost never touch it again.)
- Lower price than the tracker system
- No building permit required

Drawbacks:

- There is a possibility of needing to replace the inverters after the warranty expires in 10 yrs.
- If your panels become dirty they will drop in production, but they are easy to clean.

Roof Mount System:

Benefits:

- No land required
- Larger system availability under the FIT program
- Almost no maintenance required
- Lower price than fixed system

Drawbacks:

- Snow cover potential during the winter
- Not as easy to access for cleaning panels as they get dirty
- There is a possibility of needing to replace the inverters after the warranty expires in 10 yrs.
- Site specific engineering required and a building permit

Tracker System:

Benefits:

- 40% higher efficiency than the fixed and roof mount systems in producing Electricity
- Higher return on investment
- No building permit required

Drawbacks:

- Dual Axis tracking systems are more expensive than fixed systems. Thus, you must feel confident justifying the risk with the improved performance.
- We recommend planning on \$500 per year for maintenance (in order to retain a 20 yr. warranty on the tracker system a maintenance visit is required twice per year.)
- Due to the fact that trackers have moving parts, there is always a wear factor.
- Wind and snow load damage can occur if winds exceed the manufacturer's maximum wind and snow load ratings.
- There is a possibility of needing to replace the inverters after the warranty expires in 10 yrs.
- If your panels become dirty they will drop in production

*Note: The warranty on all systems allow for approximately a 1% drop in the productivity of the panels per year.

Canadian Solar Product

Canadian Solar was founded in Canada in 2001. They have seven of their own manufacturing plants, making their own panels and frames. They are known throughout the industry for their quality and reasonable prices. Canadian Solar has become one of the fastest growing companies in the solar industry. (For more information about Canadian Solar please visit www.canadian-solar.com).

Canadian Solar panels are silicon-based mono or poly-crystalline. All of their panels have a 6 year materials and workmanship warranty as well as 25 year performance warranty. All of Canadian Solar's modules have been installed and tested amid extreme weather conditions around the world with outstanding results in terms of performance, resistance, and reliability.

Canadian Solar's Research and Development Team is constantly working on new technology to increase efficiency, resistance, and performance, as well as working on new designs for better looking products or for special applications.

For the new Ontario Grid-Tied market, Canadian Solar has designed complete, ready-to-install hardware packages for the residential and agricultural markets.

Warranties

Canadian Solar panels have a **6 year materials and workmanship warranty** as well as a **25-year performance warranty** backed by one of the most reputable brands in the industry, Canadian Solar.

The Inverters are also manufactured by Canadian Solar and have a 10 year warranty. Purchasing an extended warranty will be available on the inverters in the future.

The Mounting Frame for the fixed system also carries a 20 year warranty.

Trackers – The Trackers have a 20 year warranty provided the customer has an annual maintenance contract at \$150 per year. If there is no maintenance contract, then the tracker comes with a standard 3 year warranty.

Pricing

Pricing available upon request.

Financial Projections

Solar Projects can have a range of performance dependent on the day length, the cloudiness, the ambient temperature, the temperature of the panels, some efficiency losses and even the earth's rotation. With all of these variables the performance of any solar production system has fluctuations in efficiency. The following estimates may change dependent on the above factors.

Our systems will generate an annual **return on investment** range of:

Fixed/Roof System ROI = 13-15%

Tracking System ROI = 14 – 16%

Break-Even Analysis (payback period)

Fixed/Roof System Payback=7.75-8.5 years

Tracker System Payback=6.5-7.5 years

*This is not including the benefits of CCA.

Why Solar?

- 13% - 15% (fixed system/roof mount) 14% -16% (tracker system) return on investment for 20 years guaranteed (interest rates at the bank can't beat that!)
- Quick payback period (less than 8 years)
- Virtually no work for a consistent passive income
- Hassle free purchase and installation
- Tax Advantages - 50% CCA (25% tax write-off first year, 50% each year following on the remaining balance).
- Installing a solar PV system makes your farm eligible for a grant of up to \$5,000 through the Environmental Farm Plan. (Section 27 – 3rd Edition)
- Do your part in creating a healthier environment by generating “green” or renewable energy which helps replace coal-fired generation and reduces greenhouse gases and other pollutants.



Why You Should Put Up an EthoSolar Project

- **Our System.** We are currently offering fixed and roof mount systems that meet the Ontario Content (40%) criteria. We also offer a tracking system that will meet content rule requirements by spring of 2010. Our systems are sized at 11.04 kW DC and 9.6kW AC generation capability, which will give you approximately 10%-15% more production to sell back to the grid than other competing systems.
- **Our Price.** We promise very competitive pricing. We encourage you to shop around and compare our prices. A standard way to measure price competitiveness in the Solar Industry is to calculate price based on the DC production.
For example, \$79,900.00 for 9.6kW of PV (photovoltaic) panels is equal to \$8.32 per Watt of DC production or \$79,900.00 for 11.04kW of PV panels is equal to \$7.23 per Watt (1kW = 1000watts).

- **Farmers selling to farmers.** We are farmers dedicated to selling the product that we believe to be the best option on the market. We are committed to continuously researching new options as they come out and passing that knowledge on to you. We will never sell a system that we would not put up ourselves.
- **Sharing the harvest.** This business began out of the desire to share an excellent investment opportunity with farmers all across Ontario. We believe that the stronger the farmers, the stronger the communities.
- **Our Sales Incentive Programs.**
 - **Multiple project discounts.** If you put up more than one project we are prepared to give you discounts that increase incrementally based on the number of projects you put up.
 - **Customer Referral Program.** After installing a project, if you know of some friends or neighbours who would also be interested in putting one up, you can refer them to us and qualify for a rebate if they also decide to purchase a project.

Process of Installation

1. Register with OPA (Ontario Power Authority) online (www.powerauthority.on.ca)
2. Sign a Contract with EthoSolar and give a 30% down payment
3. Apply for a building permit, if necessary
4. Site layout and inspection
5. Concrete blocks set
6. Panels and frame delivered (additional 50% of payment due)
7. Electrical connection
8. ESA (Electrical Standards Authority) inspection complete (Final 20% of payment due)
9. Confirmation with OPA according to conditional contract
10. Receive your first cheque from OPA

Frequently Asked Questions

Can the Micro-FIT contracts change once I have signed one with the OPA?

No, once the contract is signed, the rate is locked in for 20 years regardless of changes to the program or any changes within the government.

Do I use the electricity that I generate for myself first, and then sell the excess to the grid?

This is called a Grid-Tie system, no storage and no batteries, just direct connection to the grid through your breaker panel or central hydro pole. All of the electricity that you produce goes back into the production meter and then into the grid at \$0.802. It is most economical to sell what you produce at \$0.802 and buy back what you need at the going rate.

How much maintenance will I have to do?

On the fixed/roof mount system, there is very little maintenance required. If you have high bird traffic or lots of dust from nearby work it would be beneficial to check and possibly clean the panels every few months.

For the tracker system there is more maintenance required as with anything that has moving parts. A \$150 yearly fee plus mileage for the crew is required to have your system's maintenance done twice yearly. The tracker system requires this maintenance for the warranty to apply. With both systems it is recommended to have ongoing metering of your production to check if there is failure of any of the components even though this likelihood is low.

Did You Know?

- Most of us rely on solar electricity everyday! The satellites that enable cell phones and GPS systems to work are powered by solar panels.
- If we could harness ALL of the energy from the sun for human use, it would supply approximately 10, 000 times the current global energy demand.

Additional Resources:

1. www.powerauthority.on.ca
2. www.greenenergyact.ca
3. www.ene.gov.on.ca/en/business/green-energy
4. www.canadian-solar.ca

We would love to talk to you further about the possibilities for your farm to generate passive income through a Solar PV System.

If you have any questions please call us at **(705)252-9155**, or e-mail us at **info@ethosolar.com**.