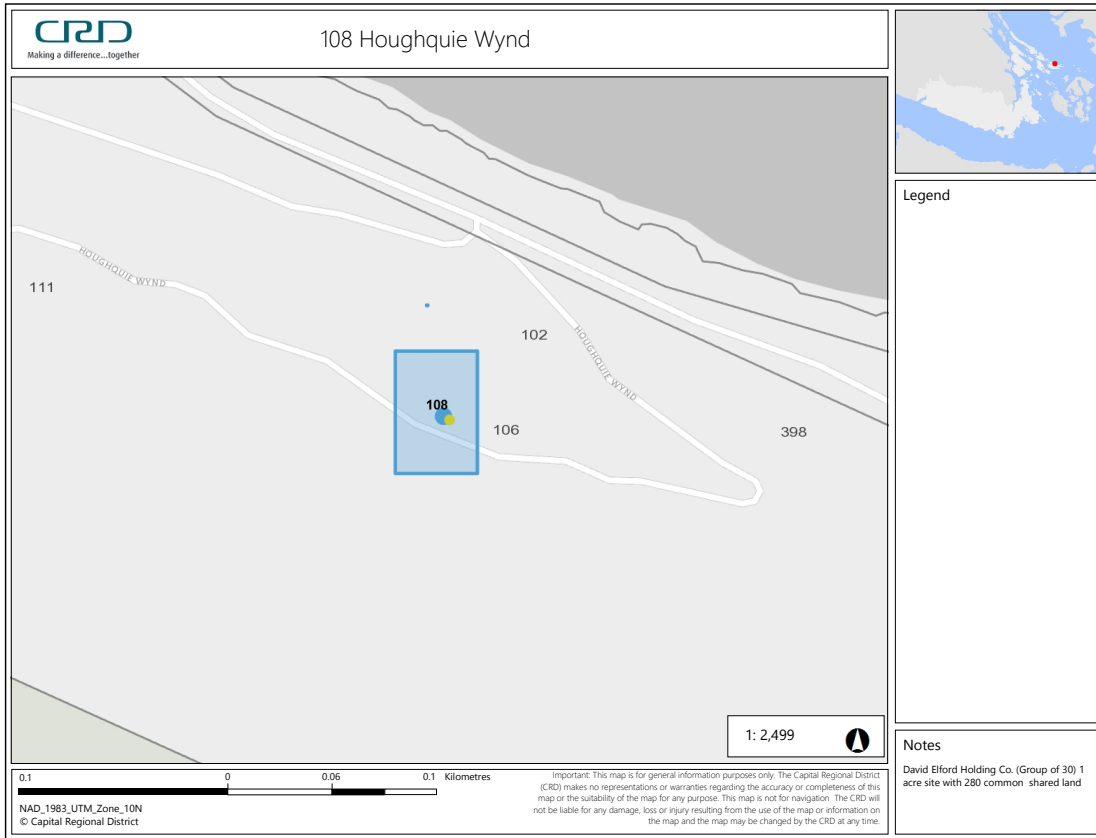


108 Houghquie Wynd Road



This is great opportunity to be part of large land holdings. This one acre site looks out to a view of the Georgia Strait and across to Golden Ears Park on the mainland in the distance is a share purchase of 1 of 30 shares and 300 acres. Option to choose another site.



Driveway next to property



View from site



The Company Provides:

A water system with regularly tested water from two wells, with a trained water tech, piped along the roads electricity wired along the roads regular road maintenance management of the forest for health, fire, safety through the company-owned forest management company and use of all the common areas, including two separate beaches, meadow, shorehouse.

PROPERTY DISCLOSURE STATEMENT LAND ONLY



Date of disclosure: May 7, 2018

The following is a statement made by the seller concerning the Land located at:

ADDRESS: 108 Houghquie Wynd Saturna Island BC V0N2Y0 (the "Land")

<p>THE SELLER IS RESPONSIBLE for the accuracy of the answers on this property disclosure statement and where uncertain should reply "do not know." This property disclosure statement constitutes a representation under any Contract of Purchase and Sale if so agreed, in writing, by the seller and the buyer.</p>	<p>THE SELLER SHOULD INITIAL THE APPROPRIATE REPLIES.</p>			
1. LAND	YES	NO	DO NOT KNOW	DOES NOT APPLY
A. Are you aware of any encroachments, unregistered easements or unregistered rights-of-way?		✓	X	X
B. Are you aware of any existing tenancies, written or oral?		✓	X	X
B. Are you aware of any past or present underground oil storage tank(s) on the Land?		✓	X	X
C. Is there a survey certificate available?		✓	X	X
D. Are you aware of any current or pending local improvement levies/charges?		✓	X	X
E. Have you received any other notice or claim affecting the Land from any person or public body?		✓	X	X
F. Is the Land managed forest lands?		✓	X	X
G. Is the Land in the Agricultural Land Reserve?		✓	X	X
H. Are you aware of any past or present fuel or chemical storage anywhere on the Land?		✓	X	X
I. Are you aware of any fill materials anywhere on the Land?		✓	X	X
J. Are you aware of any waste sites, past or present, excluding manure storage anywhere on the Land?		✓	X	X
K. Are you aware of any uncapped or unclosed water wells on the Land?		✓	X	X
L. Are you aware of any water licences affecting the Land?		✓	X	X
M. Has the Land been logged in the last five years?		✓	X	X
(i) If yes, was a timber mark/licence in place?		✓	X	X
(ii) If yes, were taxes or fees paid?		✓	X	X
N. Is there a plot plan available showing the location of wells, septic systems, crops etc.		✓	X	X
2. SERVICES				
A. Indicate the water system(s) the Land uses: Municipal <input type="checkbox"/> Community <input type="checkbox"/> Private <input type="checkbox"/> Well <input type="checkbox"/> Not Connected <input checked="" type="checkbox"/> Other _____				
B. Are you aware of any problems with the water system?		✓	X	
C. Are records available regarding the quantity and quality of the water available?		✓		
D. Indicate the sanitary sewer system the Land is connected to: Municipal <input type="checkbox"/> Community <input type="checkbox"/> Septic <input type="checkbox"/> Lagoon <input type="checkbox"/> Not Connected <input checked="" type="checkbox"/> Other _____				
E. Are you aware of any problems with the sanitary sewer system?		✓		
F. Are there any current service contracts (i.e., septic removal or maintenance)?		✓		
G. If the system is septic or lagoon and installed after May 31, 2005, are maintenance records available?		✓		

AS
AP

INITIALS

May 7, 2018

DATE OF DISCLOSURE

ADDRESS: 108 Houghquie Wynd

Saturna Island BC

V0N2Y0

3. BUILDING: (Not Applicable)	YES	NO	DO NOT KNOW	DOES NOT APPLY
4. GENERAL:				
A. Are you aware if the Land has been used as a marijuana grow operation or to manufacture illegal drugs?		✓		
B. Are you aware of any material latent defect as defined in the Real Estate Council of British Columbia Rule 5-13(1)(a)(i) or Rule 5-13(1)(a)(ii) in respect of the Premises?		✓		
C. Are you aware if the property, of any portion of the property, is designated or proposed for designation as a "heritage site" or of "heritage value" under the Heritage Conservation Act or under municipal legislation?		✓		

For the purposes of Clause 4.B. of this form, Council Rule 5-13(1)(a)(i) and (ii) is set out below.

5-13 Disclosure of latent defects

(1) For the purposes of this section:

Material latent defect means a material defect that cannot be discerned through a reasonable inspection of the property, including any of the following:

- (a) a defect that renders the real estate
 - (i) dangerous or potentially dangerous to the occupants
 - (ii) unfit for habitation

5. ADDITIONAL COMMENTS AND/OR EXPLANATIONS: (Use additional pages if necessary.)

THERE IS A PRIVATE, MANAGED WATER SYSTEM WITH ACCESS AT THE ROAD

The seller states that the information provided is true, based on the seller's current actual knowledge as of the date on page 1. Any important changes to this information made known to the seller will be disclosed by the seller to the buyer prior to closing. The seller acknowledges receipt of a copy of this disclosure statement and agrees that a copy may be given to a prospective buyer.

PLEASE READ THE INFORMATION PAGE BEFORE SIGNING.

Alice Smart
SELLER(S)

[Signature]
SELLER(S)

The buyer acknowledges that the buyer has received, read and understood a signed copy of this property disclosure statement from the seller or the seller's brokerage on the _____ day of _____ yr. _____. The prudent buyer will use this property disclosure statement as the starting point for the buyer's own inquiries.

The buyer is urged to carefully inspect the Land and, if desired, to have the Land inspected by a licensed inspection service of the buyer's choice.

BUYER(S)

BUYER(S)

The seller and the buyer understand that neither the listing nor selling agencies or their representatives warrant or guarantee the information provided about the Land.

*PREC represents Personal Real Estate Corporation
Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

Fees to the Shareholder

Fee Structure -- Expenses are as follows:

1. **Monthly "Strata" Fee** - is currently **\$100**. This is voted on at each yearly AGM in early February.
2. **Water Usage Fee** - is \$0.02 per gallon. For all homes that are metered it is calculated once per year. So for a site with a home the fee would be about \$300-\$350 per year depending on the usage.
3. **2018 BC Assessment for the LAND ONLY (300 acres)** - is \$2,702,000.00. The 2017 land assessment was \$2,352,000.00. The taxes for the land are divided equally between all 30 shares and that amount for 2017 was \$422.37 per share.
5. **The TOTAL 2017 tax for land was \$422.56**

SUMMARY of Fixed Costs per year 2017 -

Strata Fee - \$1,200.00

Land Tax - \$422.37

Beach Front Area and Shore House Common Area



The David Elford Holding Company (DEHC)aka The Group of 30 !

Information Highlights:

This is a Co-operative Land Holding Company of 300 acres. Established in July 1974 by 30 friends and friends of friends. The company consists of 30 shares, each entitled to a one acre site, leaving 270 acres of land held in common by all.

Many of the original members are still part of the Group. Most are professionals, some still work, and many are now retired. Their children and grandchildren are now enjoying the property.

At the core, this is more than a company. A number of the friendships are long and deep and there is a genuine care for the well being of each other, of the Company and of the land.

Some key points about the “Group of 30” are listed below.

- 30 one acre sites on 300 acres. 270 acres of common land.
- 2 excellent wells pump water up to 4 large holding tanks. That water is gravity fed to each site through an established underground water system. (all of this water is for in-house use only. Individuals collect rainwater for any outside use, such as gardens, washing cars, etc. No power washing is ever allowed.)
- Use of a common acreage on the ocean. It is called The Meadow with a Shorehouse (plumbed and wired). This area is for friends and family to camp in. An annual Thanksgiving dinner is held here each year for all members and family.
- Upper boundary of the land is bordered by Parks Canada.
- The ocean border of the property has over 2 km. of accessible ocean waterfront on the Strait of Georgia for recreational use. To our knowledge, there is no other property on the Gulf Islands that offers this.
- DEHC is solvent (approx. \$50,000 contingency fund plus a large credit line to be used for unexpected capital costs).
- Current monthly fee is \$100 and is set at each AGM. If there IS a large capital cost, the credit line would be used and the only cost to the shareholder would be a carefully considered rise in this monthly fee. An example of a previous need for this would be the rebuilding of the Shorehouse. The Meadow is a vital part of the Group so the decision was made to build and the cost was handled by the credit line. The fees went up to \$150 /month maximum. That loan is now paid off and the fees are now \$100 per month. This easily covers maintenance costs for the roads and water system and continues to build the contingency fund.
- Other than the Shorehouse, there are no commonly held buildings. This means there are no extra costs to the shareholders (unlike a typical strata).
- Like any company or strata, there are policies and procedures and bylaws.
- However, this is a rather easy going group of people who have created and wish to maintain a kind of sanctuary away from the hustle and bustle of their lives. Enjoy your look around!
- Buyer will purchase 1 of the 30 allotted shares. There is no property Transfer tax to pay upon purchase.

Beach View from the Shore House



David Elford Holding Company Limited **Share Sale Policies and Procedures** **with Instructions to Vendors and Purchasers**

[Note: The sale of shares is governed by the provisions in Part 5 of the Articles of the Company. In addition, many different Policies and Rules were adopted by the Company at Annual General Meetings of 20 January 1986, 3 February 1991 and subsequent Board meetings of 10 April, 24 April and 8 May 1991, and the Annual General Meeting of 7 February 1999 and at other times. In the event of any conflict between these Policies and Procedures and the Articles of the Company, these Policies and Procedures shall prevail. In the interests of clarity and simplification, these Policies and Procedures were consolidated, edited and renumbered on 22 August 2006 by former Secretary Bill Schermbrucker and Membership Committee Chair, Lyne Gareau, and vetted by Charles Reif, pending approval by the Board. Updated 1 October 2009 by Schermbrucker and Reif with amendments accepted at 7 Feb 2009 AGM. New amendments were made and approved at the AGM Feb 11th 2017.]

1. Share Transfer Procedure

1.1: Share Vendor Notification of Intention to Sell: Any shareholder wishing to sell a share in the Company shall notify the Board of Directors in writing, stating the following:

- 1.1.i.** the proposed asking price for the share alone;
- 1.1.ii.** a description of any attached site and improvements;
- 1.1.iii.** the proposed asking price for the improvements;
- 1.1.iv.** the identification of any member or non-member who may have expressed an interest in purchasing the share or site improvements in whole or in part.

1.2: Company Option to Purchase: At the next board meeting, the Company has the first option to purchase the share, failing which Members have the next option.

1.3: Notification of the Membership and the Wait List: If the Board does not exercise the Company option to purchase, it shall notify Members and the Wait List of the opportunity to purchase the share (see #7 below)

1.4: Share Price Determination: Within thirty days of receiving the Vendor's Notice of Share Sale, the Board shall:

- 1.4.i.** determine whether the Share Sale Speculation Control applies and if so calculate the price at which the Company could acquire the share (see #2 below);
- 1.4.ii.** decide on the maximum price at which the Company will re-sell the share, i.e. the fair market value based on the share valuation policy adopted in AGM Resolution 4a of 20 January 1986 (see endnote), and notify the Vendor accordingly;
- 1.4.iii.** ensure that the Vendor is advised of the procedures for resolving any dispute concerning the fair market value of the share;
- 1.4.iv.** ascertain whether or not the Company has an interest in purchasing the share and, if so, prepare a resolution for a Special General Meeting to decide the matter.

2. Share Speculation Control: Should a share be offered for re-sale within 5 years of the date of purchase, the Company shall have the option to re-purchase the share at the price at which the member purchased the share plus 0.5% (half of one percent) of that price multiplied by the number of full months that the member has held the share up to the date of completed resale.

2.1: Company to Act as Vendor: In any case where this rule applies to a share sale procedure, the Company will participate as if it were the Vendor of that share to ensure that it is sold at fair market value for the benefit of all share-holders.

3. Number of shares per member: The number of shares that can be held by a single individual or group of individuals is limited to two (2).

4. Members' Notice Period: Once the Vendor's Notice of Share Sale is registered at a Board Meeting, the Members' Option Period (option to purchase a share and any improvements) is 45 days after notice is distributed in the Board Minutes. The Company's President is appointed attorney of the Shareholder for all purposes of the share sale procedure.

5. Collateral Agreements to Sell Improvements: Whereas the Company has the first right of refusal, and existing shareholders have the second right of refusal to purchase a share for sale, no Vendor of a share shall enter into a collateral agreement to sell any interest in the improvements to a site attached to the share without the prior approval of the Board.

6. List of Prospective Purchasers: Prospective Purchasers include all Members in good standing, and people currently on the Wait List. The Wait List shall be maintained by the Membership Committee. To be placed on the Wait List, a non-member must:

- a) deposit \$50 with the Secretary
- b) visit the land and be shown around by a designated member
- c) attend at least one Board Meeting
- d) provide to the Board a brief (one or two pages) written biography (who the applicant is, their work and interests, and their objectives with respect to the land)

Order on the Wait List confers priority. The Board by motion accepts applicants to the Wait List. If two or more parties are tied in fulfillment of all requirements, the Board will vote to break the tie.

7. Notifying Members & the Wait List: The following will be published in the Board Minutes that are sent to all Members, and will also be sent to all parties on the Wait List:

- a) a copy of the Vendor's Notice/letter to the Board, and a copy of the Board's motion confirming that the company has no interest in purchasing the share.
- b) the price of the share plus the price of improvements (as two figures which together establish the "Asking Price").
- c) Terms of payment specified by the Vendor (if any).
- d) the time frame to complete the procedures.
- e) In addition, a copy of this summary document will be sent to all parties on the Wait List.

8. Bidding Procedures

8.1. All communications between the Prospective Purchasers and the Membership Committee shall be in writing, and the Committee shall maintain a dated record of all transactions, for submission to the Board.

8.2. The first step is that all members and all parties on the Wait List will submit their sealed bids within 45 days after the Vendor's Notice is published in the Board Minutes. The sealed bids will contain one price (for the share and any improvements together).

8.3. After the close of the 45-day period the Membership Committee will open bids, first Members' bids, then (if necessary) bids from the Wait List, and proceed as follows:

- a) If only one Member meets the asking price, they are the "Purchaser".
- b) If two or more Members meet the asking price, the "Purchaser" will be chosen by lot.
- c) If no Member meets the asking price, Wait List bids will be opened in the order of precedence on the Wait List. The first bid that meets the asking price will be the "Purchaser".

8.4. If no prospective Purchaser meets the "Asking Price" and/or the terms of payment, the Membership Committee will review all bids, and determine as follows:

- a) The highest bidder shall be deemed "Potential Purchaser," subject to the Vendor's acceptance of their bid.
- b) If two or more Members have the same highest bid, then lots are drawn
- c) If a Member and a party on the Wait List have the same highest bid, then the Member takes precedence.
- d) If two parties on the Wait List have the same highest bid, then the bidder nearest the top of the list has precedence.

8.5. The Membership Committee shall retain all bids until a sale is confirmed, or for 6 months, whichever is less.

8.6. The Vendor may negotiate only with the current "Potential Purchaser".

8.7. The absolute time limit for confirmation of sale of a share and improvements (if any) to a Member or party on the Wait List (including any negotiations over price or terms of payment) shall be 60 days from the date of publication of the Vendor's Notice. Should a sale not be confirmed by the end of that period, the negotiations shall be declared terminated by the Board, unless a request for a reasonable finite extension is made by both parties and approved by the Board.

8.8. Upon termination of negotiations in this manner, the Board shall either:

- a) if there was a matching bid amongst the bidders (including any unopened Wait List bids), ask the Membership Committee to establish an alternate “Potential Purchaser” by the procedure noted above (8.4) with 15 days to confirm a sale,
- or b) resolve that no Purchaser was found.

9. Procedures for Buyers beyond the Members and Wait List

When no Purchaser is found among the Members, or parties on the Wait List, the Vendor (under Company Article 5.11) may then sell to anyone, provided that the Company approves. However, due to our structure as a Cooperative Corporation, the following procedural policies have been adopted, and all Vendors who seek a Purchaser outside the Company or its Wait List are required to follow these procedures, and will have signed the Vendor’s Agreement to that effect:

- a. The Company shall not advertise shares for sale, and a Vendor of a share in the Company shall not name the Company or allow it to be named in any advertisement or promotion of that share.
- b. Members who propose to use a Real Estate Agent (or any other person) to assist in finding a buyer will provide that agent or person, on their first meeting, with a copy of the Purchaser Acknowledgment letter, which every Purchaser of a share will be required to sign. The text of the Purchaser Acknowledgment letter is intended to confirm that the prospective Purchaser understands the nature of the Company. (The letter must be shown to a realtor or any other person who will promote a sale to assure that they know what they are promoting).
- c. all share sales are final.
- d. all share sales are unconditional (sale not 'subject to'), unless approved by the company board.
- e. all share sales are to be paid in full at the time of purchase.
- f. the share and the improvements, if there are improvements, shall be two separate transactions. The improvements are sold by the member and the company is not involved in that transaction. The share is sold through the company: the buyer makes a check to the company to the amount of the share. The company then makes out a check to the seller for the value of the share minus any outstanding debts.

Endnote:

Policy Re. Valuation of Shares Adopted at the AGM of 20 January 1986.

1. The total value of all outstanding shares shall not exceed the total value of all Company assets as determined by the Board, and all shares, excluding improvements, are of equal value.
2. The method for establishing the current maximum share value shall be decided by the Membership. The Board may adjust the value by resolution as and where necessary.
3. A shareholder shall not offer a share for sale for an amount greater than the current maximum share value as established by the Board without prior approval of the Board.
4. A shareholder is entitled to sell a share at “fair market value.” If a shareholder proposes that the current fair market value is greater than the maximum share value as established by the Board, the Board shall consider evidence to that effect submitted by the shareholder and the Board may adjust the current maximum share value upward.
5. There is no minimum value at which a share may be sold except that a share shall not be sold for less than the total of all outstanding charges against the share.

