

PACIFIC SHORES OWNER ENTERPRISES LTD.

Background Regarding Disbursement of Sale Proceeds

In July 2017 the members of Pacific Shores Owner Enterprises Ltd. (“**PSOE**”), by a 96% majority, decided to market for sale the ownership of the 61 PSOE strata lots at Pacific Shores Resort. This decision was made because the present program has become unsustainable. In November 2017 PSOE obtained an order in the Supreme Court of British Columbia under the *Partition of Property Act* granting it authority to sell the strata lots. After marketing the strata lots for some 8 months, PSOE received and accepted an offer to purchase from an affiliate of Transtide Investments Ltd., the owner of many of the adjacent strata lots at the Pacific Shores Resort, including the commercial centre and the 200 Block.

The sale of the strata lots has now been approved by the Supreme Court of British Columbia and the transaction is expected to complete shortly. The court order provides the mechanism to disburse the sale proceeds to the PSOE members. In general terms, net of sale and administrative costs, each weekly interest is expected to generate approximately \$900-\$1,000 per interest to be dispersed to each owner or other party having an interest after adjusting for any outstanding membership fees owed to PSOE. Most owners of a weekly interest will be entitled to full payment if you have paid all of your membership fees and you complete the two certificates attached and return them to the address listed below **WITHIN THIRTY (30) DAYS**.

There will be two components to this payment: the first payment of approximately 75% of your entitlement will be payable to you if you sign and return the first certificate. The second payment of approximately 25% of your entitlement will be payable to you if you sign and return within thirty days the second certificate confirming you are a resident of Canada. If you do not complete this certificate **AND RETURN IT WITHIN THIRTY (30) DAYS**, it is expected that the related 25% amount will be remitted to the Canada Revenue Agency in accordance with section 116 of the *Income Tax Act*.

Some owners will not be entitled to direct payment due to the registration of charges on their title, including judgments, mortgages and other encumbrances. In those instances, owners are invited to come to a solution with the encumbrance holder and to provide us with a written direction to pay within 30 days of the mailing of this notice. If such direction is not received, PSOE will pay the amount for that interest into court. It would then be up to the interest owner and the charge holder to resolve matters between themselves and to apply to court for the funds.

CERTIFICATE #1 - APPLICATION FOR PAYMENT OF WEEKLY INTEREST PROCEEDS

I, _____, am the owner or the legal representative of the owner of one or more weekly interests at Pacific Shores Resort embraced by the Pacific Shores Owner Enterprises Ltd. program. For and in consideration of the payment of the sum of approximately \$675-750 for each interest owned by me, representing approximately 75% of the net sale proceeds from the sale of each of my weekly interests in respect of the sale of the PSOE strata lots, less any outstanding fees owed by me to Pacific Shores Owners Enterprises Ltd., I hereby waive any further interest in my weekly interest and accept the aforesaid sum in full satisfaction of ending any claim I may have in respect of my fee simple interest in a strata lot, any interest in any weekly interval sublease of the strata lot and any further right to participate in the division of the sale price of PSOE strata lots. For the said consideration, I, on behalf of my heirs, executors and assigns, release Pacific Shores Owner Enterprises Ltd., its directors, officers, consultants, shareholders, employees, agents and contractors from and of any and all claims arising from my ownership of the weekly interest at Pacific Shores Resort. I confirm I have had the opportunity to seek independent legal advice before signing below.

Date: _____

Signature of Owner

Print Name of Owner

CERTIFICATE #2 – TAX RESIDENCY REPRESENTATION

I, _____, hereby confirm that I am a registered and beneficial owner and now seller of one or more weekly interests in resort strata lots of Pacific Shores Resort administered by Pacific Shores Owner Enterprises Ltd. I confirm that I am domiciled in Canada and am a Canadian resident within the meaning of the *Income Tax Act* of Canada, and have filed a Canadian Income Tax Return for each year that I owned the weekly interest. I certify and declare that since _____ and until the date of this representation, I have continually resided at: _____
_____. I further consent to the release of the aforementioned information to the purchaser’s solicitor.

Date: _____, 2019

Signature of Owner

Print Name of Owner

ADDRESS TO RETURN CERTIFICATES:

You may return your Certificates by email or regular mail to one of the following addresses:

1. By email to:

Attention: Dro Admin

DROAdmin@tradingplaces.com

2. In Canada to:

Attention: Dro Admin

Trading Places International

P O Box 128, Nanoose Bay STN Main, Nanoose Bay BC V9P 9J9

3. In the US to:

Attention: Dro Admin

VRI Americas

Trading Places International

25510 Commercentre Drive, Suite 100

Lake Forest, CA 92630