

# THE PACIFIC

BY GROSVENOR

## 1380 – 1382 HORNBY STREET, VANCOUVER, BRITISH COLUMBIA THIRD DISCLOSURE STATEMENT AMENDMENT August 15, 2018

This third disclosure statement amendment (the “**Third Disclosure Statement Amendment**”) relates to an offering by Hornby Pacific Limited Partnership, by its general partner, Hornby Pacific GP Limited (the “**Beneficial Owner**”) and Hornby BT Holdings Limited (the “**Registered Owner**”) (the Beneficial Owner and the Registered Owner are together, the “**Developer**”) for the sale of certain residential strata lots and one commercial strata lot located in Vancouver, British Columbia, in a development known as “The Pacific by Grosvenor” (the “**Development**”). This Third Disclosure Statement Amendment amends an original disclosure statement dated November 15, 2017, as amended by disclosure statement amendments dated November 23, 2017 and April 27, 2018 (collectively, the “**Original Disclosure Statement**”).

### DEVELOPER

Name: Hornby Pacific Limited Partnership and  
Hornby BT Holdings Limited  
Business Address: Suite 2000 – 1040 West Georgia Street  
Vancouver, British Columbia V6E 4H1  
Address for Service: Suite 1800 – 510 West Georgia Street  
Vancouver, British Columbia V6B 0M3

### MARKETING OF THE DEVELOPMENT

The Development will be marketed by the following real estate brokerage firm, acting on behalf of the Developer:

Name: Rennie Marketing Systems  
Business Address: 51 East Pender Street  
Vancouver, British Columbia V6A 1S9

The Developer reserves the right to market the Strata Lots (as defined in the Original Disclosure Statement) itself or to engage other third party real estate brokerage firms. Any employees, directors or officers of the Developer who market the Strata Lots on behalf of the Developer are not licensed under the *Real Estate Services Act* (British Columbia) and are not acting on behalf of the purchaser.

**This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.2 for information on the purchase agreement. That information has been drawn to the attention of \_\_\_\_\_**

**\_\_\_\_\_ [insert purchaser's name], who has confirmed that fact by initialling in the space provided here: \_\_\_\_\_**

### DISCLAIMER

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

The Original Disclosure Statement is hereby amended as follows:

1. by deleting the *Real Estate Development Marketing Act* (British Columbia) requirements for Policy Statement 6, being the two pages which immediately follow the second cover page of the Original Disclosure Statement;
2. by deleting “a director and” from Subsection 1.5(a)(ii) and replacing it with “an”;
3. by deleting “a director and” from Subsection 1.5(a)(iii) and replacing it with “an”;
4. by inserting a new Section 4.3(b)(lii) immediately after Section 4.3(b)(li) as follows:

“Mortgage CA6915544 and Assignment of Rents CA69115545 (together, the “**BNS Second Security**”). The Developer will be responsible for discharging these encumbrances from title to each Strata Lot within a reasonable period of time after the transfer thereof to a purchaser. For greater certainty, these encumbrances may be modified from time to time and form part of the Construction Security.”;

5. by deleting Section 6.2 in its entirety and replacing it with the following:

“The Developer has received a satisfactory financing commitment from The Bank of Nova Scotia, as co-lender, administrative agent and lead arranger, and HSBC Bank Canada, as co-lender (together, the “**Lender**”), for financing the construction of the Development (the “**Construction Financing**”). Title to the Lands and, once created, the Strata Lots and the Common Property will be subject to the BNS Security, the BNS Second Security and any other security required by the Lender in connection with the Construction Financing (collectively, the “**Construction Security**”). The Construction Financing, in combination with the availability of the Developer’s own funds and deposits released to the Developer in accordance with the terms set out in the Deposit Protection Contract (as defined in Section 7.1 below) will be sufficient to finance the construction of the Development and constitutes a satisfactory financing commitment pursuant to Policy Statement 6 issued by the Superintendent.

Upon completion of the purchase and sale of any particular Strata Lot, the Developer will cause the Lender to provide a partial discharge of the Construction Security in respect of the Strata Lot within a reasonable period of time after completion of the purchase and sale thereof. The Construction Security may remain as a charge against the Common Property and unsold Strata Lots until such time as all sums secured by the Construction Financing have been paid in full. Notwithstanding the Developer’s receipt of a satisfactory financing commitment, the Developer reserves the right to register additional security and financial charges against title to the Lands, provided that such security and financial charges are discharged from title to the Lands in connection with the completion of the sale of a Strata Lot to a purchaser.”;

6. by deleting the last paragraph of Section 7.1 and replacing it with the following:

“Notwithstanding the foregoing, the *Real Estate Development Marketing Act* (British Columbia) permits the Developer to enter into a deposit protection contract with an approved insurer which allows deposits to be released to the Developer and used by the

Developer for purposes related to the Development, including the construction and marketing thereof. The Beneficial Owner has entered into a deposit protection contract (the “**Deposit Protection Contract**”) with:

Aviva Insurance Company of Canada  
 #1100, 1125 Howe Street  
 Vancouver, British Columbia V6Z 2Y6

(the “**Deposit Insurer**”).

Under the terms of the Deposit Protection Contract, upon the satisfaction of certain conditions required by the Deposit Insurer, the Deposit Insurer may from time to time, issue a schedule or schedules (each, a “**Deposit Schedule**”) to the Deposit Protection Contract indicating that the Deposit Insurer is providing deposit protection insurance in respect of those certain purchaser deposit(s) (or portions thereof) listed in such Deposit Schedule. Upon the Deposit Insurer issuing a Deposit Schedule which includes the deposit (or portion thereof) paid by a given purchaser for a Strata Lot and held by the deposit holder, the Deposit Protection Contract (together with such Deposit Schedule) will constitute a “deposit protection contract” for the purposes of the *Real Estate Development Marketing Act* (British Columbia) with respect to such deposit (or portion thereof, as applicable) for the benefit of such purchaser, and such deposit (or portion thereof, as applicable) can then be released by the deposit holder to the Developer and used by the Developer for purposes related to the Development, including, without limitation, the construction and marketing of the Development in accordance with *Real Estate Development Marketing Act* (British Columbia). Each deposit (or portion thereof, as applicable) listed in a Deposit Schedule and released to the Developer is covered by the Deposit Protection Contract.

The date on which the insurance coverage in respect of each given deposit (or portion thereof, as applicable) takes effect will be the date on which a Deposit Schedule which lists such deposit (or portion thereof, as applicable) has been executed by the Deposit Insurer and the Beneficial Owner and delivered to the deposit holder. The deposit protection insurance for a given deposit under the Deposit Protection Contract will remain in effect until one of the following occurs: (i) Subsections 7.1(a), (b) and (c) of this Disclosure Statement have been satisfied; (ii) all of the events described in Subsection 18(4) of the *Real Estate Development Marketing Act* (British Columbia) have occurred; (iii) the Beneficial Owner pays the purchaser the amount insured by the Deposit Protection Contract with respect to such deposit; (iv) the Deposit Insurer pays the deposit and interest thereon, if any, due under any claim arising from any default by Beneficial Owner; (v) the purchaser has acknowledged in writing that it is not entitled to payment of the deposit and applicable interest thereon, if any, and that the Deposit Insurer is no longer liable under the Deposit Protection Contract; or (vi) a court of competent jurisdiction makes a final determination that the purchaser is not entitled to the return of its deposit and applicable interest thereon, if any.

The insured coverage will be in the amount of each purchaser’s deposits released from trust.”;

7. by deleting the following from Section 7.2(b):

“Pursuant to Section 7.2 of Schedule A to the Purchase Agreement:

- (a) If an amendment to the Disclosure Statement that sets out particulars of a satisfactory financing commitment is not received by the Purchaser within 12 months after the Disclosure Statement was filed, then the Purchaser may at his or her option cancel the Purchase Agreement at any time after the end of that 12 month period until the required amendment to the Disclosure Statement is received by the Purchaser.
- (b) All deposits paid by the Purchaser, including interest earned if applicable, will be returned promptly to the Purchaser upon notice of cancellation from the Purchaser pursuant to this Section 7.2 of Schedule A to the Purchase Agreement.”,

and replacing it with “[Intentionally Deleted]”;

8. by deleting the following from the second page of the Form of Purchase Agreement for Residential Strata Lots attached as Exhibit H to the Original Disclosure Statement:

“THIRD DEPOSIT (the “**Third Deposit**”) in amount equal to ten (10%) per cent of the Purchase Price payable on the later of: (i) seven (7) days after the Vendor delivers to the Purchaser the Disclosure Statement amendment(s) confirming that the Vendor has obtained its building permit and a satisfactory financing statement for the Development; or (ii) one hundred eighty (180) days after the Purchaser makes this offer.”,

and replacing it with the following:

“THIRD DEPOSIT (the “**Third Deposit**”) in an amount equal to ten (10%) per cent of the Purchase Price payable on that date that is one hundred eighty (180) days after the Purchaser makes this offer.”;

9. by deleting the following phrase from the first paragraph of the fifth page of the Form of Purchase Agreement for Residential Strata Lots attached as Exhibit H to the Original Disclosure Statement:

“Disclosure Statement for the Development dated November 15, 2017, as amended by the First Disclosure Statement Amendment dated November 23, 2017 and the Second Disclosure Statement Amendment dated April 27, 2018 and including all further amendments thereto, if any”,

and replacing it with the following:

“Disclosure Statement for the Development dated November 15, 2017, as amended by the First Disclosure Statement Amendment dated November 23, 2017, the Second Disclosure Statement Amendment dated April 27, 2018 and the Third Disclosure Statement Amendment dated August 15, 2018 and including all further amendments thereto, if any”;

10. by deleting Section 2.5 of Schedule A of the Form of Purchase Agreement for Residential Strata Lots attached as Exhibit H to the Original Disclosure Statement in its entirety and replacing it with the following:

“The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract (as defined in the *Real Estate Development Marketing Act* (British Columbia)) with an approved insurer pursuant to which deposits paid by purchasers of lands which are proposed to be subdivided or strata titled may be released to the developer. As disclosed in Section 7.1 of the Disclosure Statement, the Vendor has entered into a deposit protection contract with Aviva Insurance Company of Canada. The Deposit will be released to the Vendor in accordance with such deposit protection contract and used by the Vendor for purposes related to the Development, including construction and marketing thereof. Upon such release of the Deposit, the provisions of this Agreement will be deemed to have been amended accordingly.”;

11. by deleting Section 7.2 of Schedule A of the Form of Purchase Agreement for Residential Strata Lots attached as Exhibit H to the Original Disclosure Statement in its entirety and replacing it with “[Intentionally Deleted]”;

12. by deleting the following from the second page of the Form of Purchase Agreement for Commercial Strata Lot attached as Exhibit I to the Original Disclosure Statement:

“THIRD DEPOSIT (the “**Third Deposit**”) in amount equal to ten (10%) per cent of the Purchase Price payable on the later of: (i) seven (7) days after the Vendor delivers to the Purchaser the Disclosure Statement amendment(s) confirming that the Vendor has obtained its building permit and a satisfactory financing statement for the Development; or (ii) one hundred eighty (180) days after the Purchaser makes this offer.”;

and replacing it with the following:

“THIRD DEPOSIT (the “**Third Deposit**”) in an amount equal to ten (10%) per cent of the Purchase Price payable on that date that is one hundred eighty (180) days after the Purchaser makes this offer.”;

13. by deleting the following phrase from the first paragraph of the fourth page of the Form of Purchase Agreement for Commercial Strata Lot attached as Exhibit I to the Original Disclosure Statement:

“Disclosure Statement for the Development dated November 15, 2017, as amended by the First Disclosure Statement Amendment dated November 23, 2017 and the Second Disclosure Statement Amendment dated April 27, 2018 and including all further amendments thereto, if any”,

and replacing it with the following:

“Disclosure Statement for the Development dated November 15, 2017, as amended by the First Disclosure Statement Amendment dated November 23, 2017, the Second Disclosure Statement Amendment dated April 27, 2018 and the Third Disclosure

Statement Amendment dated August 15, 2018 and including all further amendments thereto, if any”;

14. by deleting Section 2.5 of Schedule A of the Form of Purchase Agreement for Commercial Strata Lot attached as Exhibit I to the Original Disclosure Statement in its entirety and replacing it with the following:

“The Purchaser understands that under Section 19 of the *Real Estate Development Marketing Act* (British Columbia), developers may enter into a deposit protection contract (as defined in the *Real Estate Development Marketing Act* (British Columbia)) with an approved insurer pursuant to which deposits paid by purchasers of lands which are proposed to be subdivided or strata titled may be released to the developer. As disclosed in Section 7.1 of the Disclosure Statement, the Vendor has entered into a deposit protection contract with Aviva Insurance Company of Canada. The Deposit will be released to the Vendor in accordance with such deposit protection contract and used by the Vendor for purposes related to the Development, including construction and marketing thereof. Upon such release of the Deposit, the provisions of this Agreement will be deemed to have been amended accordingly.”; and

15. by deleting Section 7.2 of Schedule A of the Form of Purchase Agreement for Commercial Strata Lot attached as Exhibit I to the Original Disclosure Statement in its entirety and replacing it with “[Intentionally Deleted]”.

**DEEMED RELIANCE**

**Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material fact. The Developer, its directors and any person who has signed or authorized the filing of this Disclosure Statement are liable to compensate the purchaser for any misrepresentation, subject to any defences available under Section 22 of the *Real Estate Development Marketing Act*.**

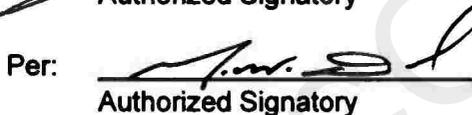
**DECLARATION**

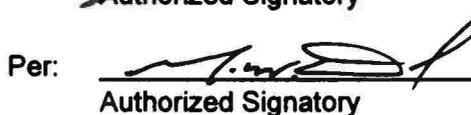
**The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of the 15<sup>th</sup> day of August, 2018.**

**HORNBY PACIFIC LIMITED PARTNERSHIP, HORNBY BT HOLDINGS LIMITED  
by its general partner, HORNBY PACIFIC  
GP LIMITED**

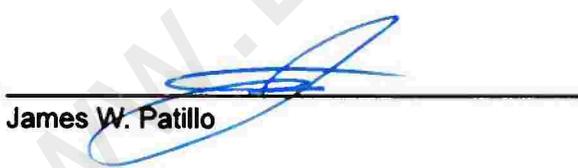
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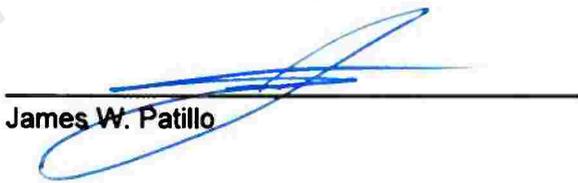
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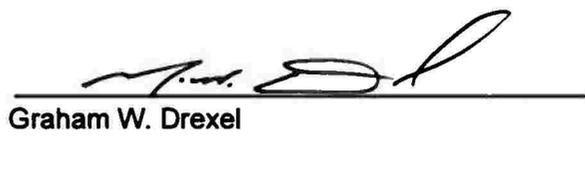
**SIGNED BY ALL THE DIRECTORS OF HORNBY PACIFIC GP LIMITED IN THEIR  
PERSONAL CAPACITY, BEING:**

  
James W. Patillo

  
Graham W. Drexel

**SIGNED BY ALL THE DIRECTORS OF HORNBY BT HOLDINGS LIMITED IN THEIR  
PERSONAL CAPACITY, BEING:**

  
James W. Patillo

  
Graham W. Drexel