



UNIVERSITY
DISTRICT

THIRD AMENDMENT TO DISCLOSURE STATEMENT

UNIVERSITY DISTRICT SOUTH

10418, 10428, 10448 and 10468 University Drive, Surrey, British Columbia

DEVELOPER: BLUESKY PROPERTIES (UD LANDS) INC.; and
BLUESKY PROPERTIES (UD SOUTH) INC.

ADDRESS FOR SERVICE IN BRITISH COLUMBIA: 1101 – 838 West Hastings Street
Vancouver, B.C. V6C 0A6

BUSINESS ADDRESS OF DEVELOPER: 1201 – 838 West Hastings Street
Vancouver, B.C. V6C 0A6

REAL ESTATE BROKERAGE: The Developer will market the South Tower using its own employees, and such employees may or may not be licensed under the *Real Estate Services Act* and will not be acting on behalf of purchasers.

DATE OF DISCLOSURE STATEMENT: January 14, 2019

DATE OF FIRST AMENDMENT: June 19, 2019

DATE OF SECOND AMENDMENT: October 7, 2019

DATE OF THIS THIRD AMENDMENT: September 25, 2020

This Disclosure Statement relates to a development property that is not yet completed. Please refer to Section 7.1 for information on the purchase agreement. That information has been drawn to the attention of:

[print name of Purchaser(s)] who has/have confirmed that fact by initialing 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 Disclosure Statement dated January 14, 2019, as amended by the First Amendment to Disclosure Statement dated June 19, 2019, and the Second Amendment to Disclosure Statement dated October 7, 2019 (collectively, the “**Disclosure Statement**”), is hereby amended as follows:

1. Section 1.6 is amended by adding the following subsections immediately following subsection (h):

“(i) Lease Back Program

Pursuant to Section 7.2.5 herein, the Developer elected to offer a purchase incentive program, referred to herein as the “**Lease Back Program**”, to the purchasers of certain eligible Strata Lots in the Development (each an “**Eligible Strata Lot**”) as determined in its sole discretion. Under the terms of the Lease Back Program, upon the completion of the purchase and sale of an Eligible Strata Lot, the Developer intends to enter into a separate tenancy agreement with each purchaser thereof, whereby the Developer, as tenant, will rent the Eligible Strata Lot from the purchaser in accordance with the terms and conditions of the Lease Back Program, and the applicable tenancy agreements. The Developer has entered into a form of addendum (the “**Lease Back Addendum**”) to the Agreement of Purchase and Sale with certain purchasers of Eligible Strata Lots (each an “**Eligible Purchaser**”) who wish to participate in the Lease Back Program. Eligible Purchasers who have signed a Lease Back Addendum will be contacted by the Developer and offered an option to either: (i) proceed under the terms of the Lease Back Program upon the completion of the purchase and sale of the Eligible Strata Lot; or (ii) convert his/her/its purchase incentive to participate instead in the new Rental Revenue and Property Management Program upon the sale completing, by effectively cancelling the Lease Back Addendum and entering into the required forms of agreement with the Developer under such new incentive program, the terms of which are more particularly described below and in Section 7.2.5 herein. The Developer does not intend to offer the Lease Back Program as a purchase incentive to the purchasers of the unsold Eligible Strata Lots in the Development, as of the date of this Third Amendment, as determined in its sole discretion.

(j) Rental Revenue and Property Management Program

The Developer may, at its option, offer a different purchase incentive program to the purchasers of the remaining unsold Eligible Strata Lots in the Development. Under the “**Rental Revenue and Property Management Program**” (the “**RRPM Program**”), upon the completion of the purchase and sale of each Eligible Strata Lot in the RRPM Program, the Developer and applicable purchaser will together engage a licensed third-party property management company (the “**Program PM**”) selected by the Developer in its sole discretion to, without limitation: (a) lease out the Eligible Strata Lot to a tenant on the purchaser’s behalf; (b) provide property management services to the purchaser as landlord, in accordance with the *Residential Tenancy Act* (British Columbia); and (c) collect and pay all rental revenues to the purchaser for a period of up to 24 months from the completion date of the sale, the costs for which residential property management services will be paid for by the Developer (the “**Developer’s PM Payment Obligation**”) in accordance with the terms of the RRPM Program. If the Developer elects in its sole discretion to proceed with the RRPM Program, the Developer intends to enter into a form of management agreement with the purchaser and the Program PM, which sets out the foregoing and other terms and conditions of the RRPM Program, to be determined by the Developer in its sole discretion, as more particularly described in Section 7.2.5.”.

2. Section 4.3 is amended as follows:

- (a) by deleting the second reference to subsection “(ii)” in Section 4.3(a) and replacing it with “(iii)”;
- (b) by deleting the reference to “Easement CA7760670” in the first line of Section 4.3(a)(vi) and replacing it with “Easement CA7760700”;
- (c) by adding the following to the end of Section 4.3(a) as the last subsections thereof:
 - “(vii) Hereto is annexed Easement CA7885741 over Lot 95 Plan 15002 and Lot 96 Plan 15002 Except Plan LMP6507. This legal notation relates to the registration of an easement against title to an adjacent property in favour of the registered owner of the Lands, for purposes which include allowing the Developer to swing the boom of its construction crane over the adjacent property to complete the construction of the Project, as set out and more particularly described in Easement CA7885741.
 - (viii) This title may be affected by a permit under Part 26 of the *Local Government Act*, See CA8103237. This legal notation is a notification that the Developer obtained a Development Variance Permit, as issued by the City on March 9, 2020 pursuant to section 498 of the *Local Government Act*.”; and
- (d) by adding the following to the end of Section 4.3(b) as the last subsections thereof:
 - “(xlix) Easement CA7885739 appurtenant to Lot 96 Plan 15002 Except Plan LMP6507 and Lot 95 Plan 15002 (together, “**Lots 95 and 96**”) in favour of the owner of Lots 95 and 96 and its respective servants, agents, licensees, contractors and subcontractors. This encumbrance is an easement whereby the registered owner of the Lands grants the owner of Lots 95 and 96 the right to swing the boom of its construction crane over the Airspace (as defined in Easement CA7885739) of the Lands to enable the owner of Lots 95 and 96 to develop and construct improvements on Lots 95 and 96, as more particularly described in Easement CA7885739.
 - (l) Priority Agreement CA7885740. This priority agreement grants Easement CA7885739 priority over the Aviva Mortgage.
 - (li) Mortgage CA8092116 and Assignment of Rents CA8092117 (together, the HSBC Mortgage) in favour of HSBC Bank Canada. These encumbrances will be discharged on a per Strata Lot basis by HSBC following the conveyance of each Strata Lot to the purchaser(s) thereof.
 - (lii) Priority Agreements CA8104072 and CA8104073. These priority agreements grant the HSBC Mortgage priority over the Aviva Mortgage.
 - (liii) Modification CA8299814 in favour of Aviva is a modification of Mortgage CA7262088 in favour of Aviva, and forms part of the Aviva Mortgage. This encumbrance will be discharged on a per Strata Lot basis by Aviva following the conveyance of each Strata Lot to the purchaser(s) thereof.”.

3. Section 5.1 is amended by deleting the first two paragraphs in their entirety and replacing them with the following:

“Construction of the South Tower commenced on or about January 20, 2020.

The estimated date range for completion of construction of the South Tower is sometime between September 15, 2023 and December 15, 2023.”.

4. Section 7.2.5 is amended as follows:

- (a) by deleting “purchaser” in the first paragraph and replacing it with “purchasers”; and
(b) by inserting the following between the second and third paragraphs:

“Notwithstanding the foregoing, the Developer does not intend to offer its Lease Back Program as a purchase incentive to the purchasers of the remaining unsold Eligible Strata Lots, as of the date of this Third Amendment. The Developer may, in its sole discretion, offer a different incentive program, referred to herein as the “**Rental Revenue and Property Management Program**” (defined in Section 1.6(i) as the “**RRPM Program**”), to the purchasers of the remaining Eligible Strata Lots (each an “**Eligible Purchaser**”), as selected in the Developer’s sole discretion.

The Developer may also, at its option, offer Eligible Purchasers who have signed a Lease Back Addendum with the Developer under the Lease Back Program, the option to participate instead in the RRPM Program upon the completion date of the purchase and sale of the Eligible Strata Lot, provided such Eligible Purchaser first enters into certain agreements with the Developer under the RRPM Program including, without limitation, the Program Management Agreement and the RRPM Addendum (collectively, the “**RRPM Program Agreements**”), each as defined and more particularly described below, upon which the Eligible Purchaser’s participation in the Lease Back Program will be cancelled. For clarity, Eligible Purchasers under the Lease Back Program who elect to instead participate in the RRPM Program upon closing may be required to sign a Termination of Lease Back Addendum, in addition to the foregoing RRPM Program Agreements, or such other agreement as the Developer may require to terminate the obligations between the Eligible Purchaser and the Developer under the Lease Back Program.

Under the RRPM Program, it is intended that the Developer and the Eligible Purchaser will, at the cost of the Developer, together engage a licensed third-party property management company (defined in Section 1.6(i) as the “**Program PM**”) selected by the Developer in its sole discretion, to rent and manage the rental property on behalf of the Eligible Purchaser, with certain incentives to be offered by the Developer as more particularly described herein. It is intended that upon the completion of the purchase and sale of the Eligible Strata Lot in the RRPM Program, the Program PM will be jointly engaged by the Eligible Purchaser and the Developer but paid for exclusively by the Developer. The Program PM will secure a residential tenancy lease of the Eligible Strata Lot with a qualified tenant, and thereafter provide ongoing management services in connection with such tenancy on behalf of the Eligible Purchaser who, as owner of the property, will become the landlord to the tenant upon execution of the residential tenancy lease. The Program PM’s responsibilities will include, but not be limited to, collecting rent payments when due from the tenant and electronically delivering such rent payments to the Eligible Purchaser following receipt by the Program PM. The property management services to be offered under the RRPM Program will be for a fixed term (the “**Term**”) of up to 24 months commencing on the day following the Completion Date of the sale, as

defined and described in Section 7.2.2 and determined in accordance with the Agreement of Purchase and Sale entered into between the Developer and the purchaser.

Eligible Purchasers who wish to enter into the RRPM Program will be required to enter into a separate form of property management agreement (the “**Program Management Agreement**”) with the Developer and the Program PM which agreement will, without limitation: (a) set out the terms and conditions of the property management services to be provided by the Program PM to the tenant, as agent and representative of the Eligible Purchaser, as landlord; (b) state the agreed upon rental price (the “**Target Rent**”) which the Program PM will seek in securing a tenancy lease of the Eligible Strata Lot for the duration of the Term; and (c) provide that the Developer agrees to pay to the Eligible Purchaser within 30 days of the expiry of the Term, the difference (the “**Vendor’s Rental Revenue Contribution**”) between the Target Rent and the rent actually collected by the Program PM and paid to the purchaser for the tenancy of the Eligible Strata Lot during the Term, and other associated terms and conditions related thereto. For clarity, under the RRPM Program the Eligible Purchasers will be responsible to pay for: (i) all amounts required to be paid by residential landlords pursuant to the *Residential Tenancy Act* (British Columbia); (ii) property taxes; (iii) strata maintenance fees and any special levies; (iv) any move-in/move-out fees; and (v) any similar expenses to the foregoing that are associated with ownership of the Eligible Strata Lot.

For further clarity, if an Eligible Purchaser who has entered into a Program Management Agreement receives written permission from the Vendor to assign his/her/its rights and interest in and to the Agreement of Purchase and Sale for the Eligible Strata Lot, prior to the Completion Date in accordance with Section 7.2.3 hereof (and section 7.1 of the Agreement of Purchase and Sale), then the benefit of the Vendor’s Rental Revenue Contribution to be received by such Eligible Purchaser will flow to and be received by the permitted assignee of the Agreement of Purchase and Sale, provided such assignee first enters into a written assignment agreement with the Developer under which the assignee agrees to be bound by the terms and conditions of the applicable Program Management Agreement being assigned to the assignee. If an Eligible Strata Lot in the RRPM Program is sold, or the title is otherwise conveyed by the purchaser after the Completion Date of the sale, but prior to the expiry of the Term, then the Program Management Agreement will terminate on the effective date of the transfer of the Eligible Strata Lot, following which the Vendor will pay to the Eligible Purchaser the Vendor’s Rental Revenue Contribution on a pro-rata basis in accordance with the Eligible Purchaser’s duration of ownership of the Eligible Strata Lot for a portion of the Term. Once the Eligible Strata Lot is transferred, the obligations between the Developer and the Eligible Purchaser will cease and the Eligible Strata Lot will continue to be subject to the rights of any existing tenancy pursuant to the *Residential Tenancy Act* (British Columbia).

Purchasers of Eligible Strata Lots who wish to participate in the RRPM Program must first enter into the RRPM Program Agreements including, without limitation, the Developer’s form of Rental Revenue and Property Management Program Addendum to Agreement of Purchase and Sale (the “**RRPM Addendum**”), and then the Program Management Agreement, and will not be eligible for or entitled to receive any other discounts or incentives otherwise offered or promoted by the Developer. Eligible Purchasers under the Lease Back Program who elect to switch into the RRPM Program upon closing will be required to sign a Termination of Lease Back Addendum in addition to the RRPM Program Agreements prior to entering into a Tenancy Agreement with the Developer, or such other agreement as the Developer may require to terminate the obligations between the Eligible Purchaser and the Developer under the Lease Back Program.”.

5. Section 7.3 is amended by deleting the heading and first paragraph and replacing them with the following:

“Developer’s Commitments

Under the terms of the Lease Back Addendums that have been signed by certain Eligible Purchasers, the Developer has made a commitment to, without limitation, make certain monthly payments, as tenant, to each Eligible Purchaser who rents its Eligible Strata Lot to the Developer pursuant to a residential tenancy agreement to be entered into between the parties on the completion date of the sale of the applicable Eligible Strata Lot. The Developer does not intend to post any security to meet its commitments under the Lease Back Program. The Developer also reserves the right in its sole discretion not to proceed with the RRPM Program. If the Developer in its sole discretion elects to offer the RRPM Program to the purchasers of certain Eligible Strata Lots, as selected in its sole discretion, the Developer will not provide security in connection with the Vendor’s Rental Revenue Contribution obligation, or any other Developer obligations under the RRPM Program, as more particularly described in Sections 1.6(i) and 7.2.5. **If the Developer does not have sufficient assets to meet the Developer’s obligations under the Lease Back Program and/or to meet the Developer’s PM Payment Obligation or the Vendor’s Rental Revenue Contribution obligation under the RRPM Program, then the Eligible Purchasers participating in such program(s), as applicable, will not receive from the Developer the benefits associated with such Developer obligations.**

The Developer has not made any other commitments to be met after completion of the sale of the Strata Lots, other than those commitments which may arise under the existing and proposed encumbrances that are summarized in Sections 4.3 and 4.4. Notwithstanding the foregoing, pursuant to Section 7.4, the Developer may enter into leases and agreements with related third parties on behalf of and to be assumed by the Strata Corporation whereby such related parties are obligated to provide services to the Strata Corporation and the owners of the Strata Lots. The Developer has not posted any security to meet its obligations of such related parties and accordingly, **the Strata Corporation and purchasers of the Strata Lots are subject to the standard commercial risks associated with contracting with others on an unsecured basis, such as the insolvency of the related parties.”**

6. The Second Amendment to Disclosure Statement is amended as follows:

- (a) by deleting paragraph 22 in its entirety and replacing it with the following:

“22. Exhibit “L”, titled Form of Agreement of Purchase and Sale, is removed in its entirety and replaced with the **Exhibit “L-1”** attached to this Second Amendment to Disclosure Statement. All references in the Disclosure Statement to Exhibit “L” are to be read as **Exhibit “L-1”**.”;

- (b) by deleting paragraph 23 in its entirety and replacing it with the following:

“23. Exhibit “P”, titled Form of Addendum entitled Addendum/Amendment to Agreement of Purchase and Sale – Bosa Volt Charging Station, is removed in its entirety and replaced with the **Exhibit “P-1”** attached to this Second Amendment to Disclosure Statement. All references in the Disclosure Statement to Exhibit “P” are to be read as **Exhibit “P-1”**.”;

- (c) in the cover page of Exhibit “L-2” by deleting “L-2” and replacing it with “L-1”; and

- (d) in the title page of Exhibit “P-2” by deleting “P-2” and replacing it with “P-1”.

7. Exhibit “L-1”, titled Form of Agreement of Purchase and Sale, is removed in its entirety and replaced with the **Exhibit “L-2”** attached to this Third Amendment to Disclosure Statement. All references in the Disclosure Statement to Exhibit “L-1” are to be read as **Exhibit “L-2”**.

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DEEMED RELIANCE

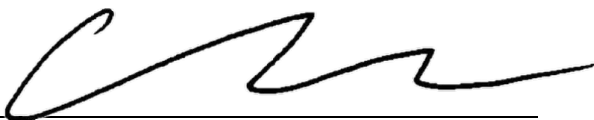
Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material 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*.

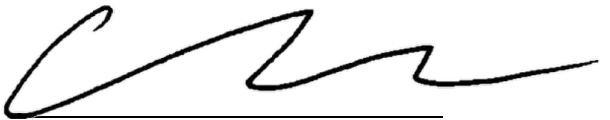
DECLARATION


The foregoing statements disclose without misrepresentation, all material facts relating to the South Tower referred to in the Disclosure Statement as required by the *Real Estate Development Marketing Act* of British Columbia as of September 25, 2020.

SIGNED this 25th day of September, 2020.


BLUESKY PROPERTIES (UD LANDS) INC.


Per: 
Authorized Signatory
Dale Bosa, Director



Dale Bosa, Director


Colin Bosa, Director

BLUESKY PROPERTIES (UD SOUTH) INC.

Per: 
Authorized Signatory
Dale Bosa, Director


Dale Bosa, Director


Colin Bosa, Director