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**OFFER TO PURCHASE**  
**(Residential)**

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**BELLA CASA CONDOS**  
1727 – 54 ST S.E  
Calgary, Alberta  
T2A 1B7

**THE PURCHASER MAY, WITHOUT INCURRING ANY LIABILITY FOR DOING SO, RESCIND THIS AGREEMENT WITHIN 10 DAYS OF ITS EXECUTION BY THE PARTIES TO IT UNLESS ALL OF THE DOCUMENTS REQUIRED TO BE DELIVERED TO THE PURCHASER UNDER SECTION 12 OF THE CONDOMINIUM PROPERTY ACT (THE "ACT") HAVE BEEN DELIVERED TO THE PURCHASER NOT LESS THAN 10 DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT BY THE PARTIES TO IT.**

**BELLA CASA**  
**1547406 Alberta Inc.**  
**Calgary, Alberta**  
**Unit No. \_\_\_\_\_**

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**ACKNOWLEDGEMENT OF RECEIPT OF DOCUMENTS**

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These documents are prepared and presented pursuant to sections 12 and 13 of the Condominium Property Act.

- (1) this Agreement\*;
- (2) the Condominium Plan\*;
- (3) the By-laws of the Corporation\*;
- (4) the proposed budget\*;
- (5) the Management Agreement\*;
- (6) the Restrictive Covenant\*;
- (7) a description of the building, including interior and exterior finishing of and all major improvements to common property comprising the Project, any significant utility installations, major easement areas, retaining walls and significant fixtures, all recreational facilities, equipment and amenities, any maintenance equipment for common property and the exterior finish of the building;
- (8) a plot plan, drawing or photograph of the Project showing the building, landscaping, roadways, walkways, fences, parking areas and recreational facilities (if any); and,
- (10) the Acknowledgement, Consent and Agreement.

The Purchaser acknowledges and agrees that until the Project is completed, and a Board of Directors of the Condominium Corporation are elect from the owners and occupants of the Project (excluding the Vendor's representatives) the Vendor may operate the Project in accordance with the Construction Agreement.

The information to be provided by the Purchasers in connection with this transaction is for the purposes of preparation of closing documentation and to ensure that contact information is available to both the Vendor and its advisors and consultants and industry associates. This information will be contained in the working files of the Vendor and its advisors and consultants and industry associates and will not be provided or released to anyone else without the Purchasers' permission.

The undersigned Purchasers acknowledge and consent to the collection, storage and use of the information to be provided by the Purchasers in connection with this transaction for the above described purposes.

THE UNDERSIGNED hereby expressly acknowledges receipt of the above-referenced documentation the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_



**NOTE:** The Vendor estimates the initial amount of the monthly assessments for the Residence Unit to be \$ \_\_\_\_\_, and as to the Parking Unit \$ \_\_\_\_\_, (all as is set forth in the proposed budget for 2007 provided), which are estimates only and is subject to change by the Corporation or its Board of Directors.

**The purchase price of the Unit, (collectively, the "Purchase Price") shall be paid as follows:**

- (a) \$ \_\_\_\_\_ **5% of "Purchase Price"**, as an initial deposit, in cash or cheque with this offer
  - (b) \$ \_\_\_\_\_ **10% of the "Purchase Price"**, as a further deposit, concurrently with the waiver or satisfaction of all conditions to this Agreement.
  - (c) \$ \_\_\_\_\_ by proceeds of a new mortgage on terms arranged at Purchaser's expense pursuant to clause 3.
- \$ \_\_\_\_\_ Purchase Price (a+b+c)
- \$ \_\_\_\_\_ **Add: Goods and Services Tax @ 5.0%**
- \$ \_\_\_\_\_ **Less G.S.T. rebate as applicable @ 1.8%**
- \$ \_\_\_\_\_ **Total Purchase Price (Purchase Price+ ADD GST – GST Rebate)**

**2. Deposit**

It is acknowledged that:

- (a) Subject to subclauses (b) and (c) below, all funds paid by the Purchaser to the Vendor hereunder (save for extras and modifications) shall be held in trust by the **lawyer's trust account (Stewart & Stewart)** pursuant to section 14 of the Act;
- (b) the Vendor is under no obligation to invest any deposit or account for any interest thereon to the Purchaser, provided that such funds will be invested from and after possession of the Residence Unit by the Purchaser with interest accruing to the benefit of the Purchaser – it is acknowledged that if required to be invested, the administrative cost of investment shall be \$175 and shall be the responsibility of the Purchaser; and,
- (c) the Project is registered under the CondoPro Home Warranty Program as administered by Progressive Home Warranty Solutions Inc.; and the deposits referred to in Section 1 hereof shall be held in trust by the **lawyer's trust account (Stewart & Stewart)**

**3. Mortgage Financing**

It is expressly agreed that:

- (a) if a new mortgage is contemplated in Section 1 of this Agreement, the Purchaser has 10 days from the Vendor's acceptance (the rescission period as described on page 1 of this Agreement) to be approved for such new mortgage, failing which the vendor has the option to terminate this Agreement and all monies paid by the Purchaser to the Vendor shall be refunded:
- (b) subject to Sections 5, 7, and 9 hereof, if all or any portion of sale proceeds are not available for release to the Vendor on the Closing Date, for any reason whatsoever, the Purchaser shall pay interest to the Vendor on such amounts until the full sale proceeds are releasable to the Vendor at 4% per annum above the Royal Bank of Canada prime lending rate (as such rate is declared by the Main Branch of said Bank in Calgary); provided that the foregoing shall not prejudice or inhibit any other right or privilege the Vendor may have at law or in equity on default of the Purchaser to make timely payment of monies due;
- (c) the Vendor shall have no responsibility whatsoever to the Purchaser to assist in obtaining, **maintaining or preserving** the terms of the Purchaser's mortgage, including, without limitation to the foregoing, preservation of the interest rate chargeable thereunder, in consequence of any delay in postponement in the Closing Date.

**4. Acknowledgment of Trust and Holdback**

The Purchaser expressly acknowledges and agrees that no conditions of trust or holdback shall be permitted in connection with the payment of funds in the closing and completion of the sale under this Agreement, unless otherwise expressly agreed to by the Vendor in this Agreement or otherwise in writing. Excepting the requirements under the Act, nothing in this Agreement provides for any such condition of trust or holdback.

**5. Closing Date**

- a. Unless otherwise agreed in writing, this Contract will be completed, the Purchase Price will be fully paid and vacant possession will be available by noon on the \_\_\_\_\_ day of \_\_\_\_\_, (the "Completion Day"), subject to the rights of the existing tenants, if any.
- b. When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.
- c. Items which are normally adjusted for, such as real estate taxes, amortized local improvement levies, utilities, rents, security deposits, statutory interest on security deposits, mortgage interest, homeowner association fees and monthly condominium contributions, will be assumed by the Buyer and will be adjusted as of 24:00 hours on the Completion Day.
- d. The Seller or the Seller's lawyer will deliver normal closing documents including, where applicable, a real property report pursuant to clause 4.11, to the Buyer or the Buyer's lawyer upon reasonable conditions consistent with the terms of this Contract. The Buyer or the Buyer's lawyer must have an opportunity to review the real property report, where applicable, prior to submitting the transfer documents to the Land Titles Office and a reasonable period of time before the Completion Day to confirm registration of documents at the Land Titles Office and to obtain the advance of proceeds for any New Financing and Other Value.
- e. If the Seller fails to deliver the closing documents according to clause 4.4, then payment of the Purchase Price and late interest will be postponed until the Buyer has received the closing documents and has a reasonable period of time to register them and to obtain the advance of proceeds for any New Financing and Other Value. Notwithstanding the foregoing, if the Buyer is otherwise ready, willing and able to close in accordance with this Contract and desires to take possession of the Property, then the Seller shall give the Buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the Buyer, if any, at the interest rate of such mortgage.
- f. In circumstances where the Seller has complied with clause 4.4 but the Buyer is not able to close in accordance with this Contract, then the Seller may, but is not obligated to, accept late payment of the Purchase Price and give the Buyer possession upon reasonable terms. If the Seller agrees in writing to accept late payment of the Purchase Price under this clause then, whether or not possession is granted, the Buyer will pay late interest at 4% per annum above the Royal Bank of Canada prime lending rate (as such rate is declared by the Main Branch of said Bank in Calgary) calculated daily from completion date to day the Seller is fully paid off. Payment received after noon on any day will be payment as of the next Business Day.
- g. The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.
- h. The Seller will pay the costs to prepare the closing documents; to prepare, register and discharge any Seller's caveat based on this Contract.
- i. The Buyer will pay the costs to prepare, register and discharge any Buyer's caveat based on this Contract; and to register the transfer of land.
- j. If the Property is rented and the Buyer is not assuming the tenancy, then the Seller is responsible for all costs related to ending the tenancy and to giving vacant possession to the Buyer.
- k. At least ten (10) Business Days prior to the Completion Day, the Seller will provide the Buyer, a real property report reflecting the current state of improvement on the Property, according to the Alberta Land Surveyors' Manual of Standard

Practice, with evidence of municipal compliance or non-conformance. This obligation will not apply to condominium units that do not create a lot nor to any transaction where there are no structures on the land.

1. Notwithstanding the closing provisions in this Contract, the parties instruct their lawyers to follow, if appropriate, the Law Society of Alberta Conveyancing Protocol in the closing of this transaction.

**6. Adjustments**

The Purchase Price shall be adjusted on the Closing Date as to prepaid and accrued expenses and other matters usually subject to adjustment which shall include, without limitation, the following:

- (a) any extras pursuant to paragraph 5 above, not yet paid;
- (b) the condominium fees for administrative expenses (as defined in s. 39 of the Act) which the Vendor has or will be incurring in respect of the Project as same have been assessed in respect of the Unit;
- (c) the Unit's share of insurance cost carried by the Vendor determined by the Unit factor; and,
- (d) the Unit's share of the realty taxes, school taxes and local improvement charges (the "Taxes"), including supplementary assessments which may be levied by the taxing authority.

*The Purchaser's share shall be determined in accordance with the Condominium Corporation's By-Laws as applicable, and the Purchaser agrees to readjust any and all items of adjustment after Closing if and whenever the adjustments made were inaccurate or omitted.*

**7. Possession by Purchaser**

Vacant possession of the Unit shall be given to the Purchaser as scheduled on the Occupancy Date subject to the terms of this Agreement being complied with, including, without limitation, payment of the Purchase Price.

Although the Purchaser shall be entitled to possession of the Unit on Closing, such right shall be subject to the Vendor's right to enter and occupy the Unit for the sole purpose of completing any or all of the common property or the Unit or any adjacent Unit and it is, under such circumstances, agreed that:

- (a) notwithstanding Closing, the Vendor shall comply with s. 14 of the Act, provided on and from possession the Purchaser will pay possession fees equivalent to interest as determined pursuant to clause 3(b) and 7 hereof as applicable, together with monthly contributions to operating expenses of the Project in amounts equal to the estimated condominium assessments from the Occupancy Date; and
- (b) the Purchaser will not register anything with respect to this Agreement against title to the Unit or the Parcel without first obtaining the Vendor's approval and consent; and the Purchaser shall indemnify the Vendor for all losses (including interest costs incurred for delay), costs, and expenses (including legal fees of the Vendor's lawyers on the basis of fees between a solicitor and his own client) to remove any such registration.

Due to safety and security concerns, the Purchaser shall have no right of access to the Unit until the Vendor provides possession.

Under no circumstances will possession be given to the Purchaser until and unless the Purchaser has paid its cash portion of the Purchase Price and, thereafter, the inspection/completion certificate referred to in section 5 hereof is completed, signed and delivered by the Purchaser to the Vendor, and the Purchaser complies with this section 9.

**8. Condominium Corporation**

- (a) The Purchaser is aware that a corporation (the "Corporation") has been or will be, by virtue of the Act, established to operate and maintain the common elements of the Project (as such elements are described in Appendix C, and if a unit, same will be conveyed to the Condominium Corporation). The Purchaser will observe and perform the terms and conditions of the Act, the by-laws and regulations of the Corporation and management agreements entered into by the Corporation, all of which the Vendor may amend from time to time, and in particular, the Purchaser is aware that:

- (i) the owners of all Units must pay monthly assessments imposed by the Corporation to meet common expenses including, among others, such things as management fees, insurance premiums and common utilities
  - (ii) the Vendor estimates the initial amount of the monthly assessments for the Unit to be as shown in clause 1 hereof which is an estimate only and is subject to change by the Corporation or its Board; and
  - (iii) the Vendor will have the right to arrange for management of the Project as set out in the management agreement referred to in clause 1212(e) hereof with such manager as the Vendor shall in its sole discretion select;
- (b) The Purchaser acknowledges that:
- (i) the Corporation will assure the Vendor of continued uninterrupted access to the Project to complete the Project and market the Project to the public; and, the Vendor will **not** be required to contribute to Condominium Fees in respect of incomplete and unsold Units in the Project;
  - (ii) Parking Units shall be subject to certain restrictions for use and ownership as set forth in the By-Laws, on the Condominium Plan and in the Restrictive Covenant. Specifically, the Parking Units will be subject to a Restrictive Covenant (as set forth in Clause 12 hereof) limiting use of such units to the parking of motor vehicles (and prohibiting certain types of vehicles from the Project), which may include a restriction against use by non-residents of the Project (except where used by invitees to the Commercial Units); and
  - (iii) Storage facilities and bicycle storage facilities in the Project will be designated as “exclusive use Common Property” and will be leased to occupants of the Project, on a first come first serve basis.
- (c) As shown on the plot or site plan (item 12(i)), vehicular parking facilities (including visitor stalls), in the Project are comprised of interior main floor and subsurface parking stalls which will be divided into the Parking Units and sold, and the main floor Parking Units, if any, which will be for the exclusive use in respect of the Commercial Units and, accordingly the vehicular parking facilities shall be subject to certain restrictions as set forth in the By-Laws, the Condominium Plan, and the Restrictive Covenant as referred to in clause 12(f); and
- (d) the Purchaser acknowledges and agrees that:
- (i) the Vendor shall be at liberty to have the title to the Parking Unit incorporated into the title to the Residence Unit in which event there will be no separate title to the Parking Unit, in which event, all references to Parking Unit herein shall be reference to that part of the Unit used for vehicular parking, and called the “Parking Stall”, and all collateral documents referred to herein shall be subject to amendment accordingly; and,
  - (ii) the Vendor shall be at liberty not to have the title to the Parking Unit incorporated into the title to the Residence Unit in which event there will be a separate title to the Parking Unit, in which event, all references to Parking Unit herein shall be reference to that part of the Unit used for vehicular parking, and called the “Parking Stall”, and all collateral documents referred to herein shall be subject to amendment accordingly; and,
  - (iii) the Vendor will, as required by The City of Calgary, designate in the parking facilities “visitor parking areas”, which, if separately titled, will be transferred to the Corporation as and when determined by the Vendor, in its discretion, and which will at all times be the responsibility of the Corporation to administer and maintain as “visitor parking” for the Project.

## 9. Mixed Use Project

The Purchaser acknowledges that the Project is for mixed use (residential and commercial), whereunder the main floor will be used for retail commercial purposes with the main floor parking designated for occupants and customers of the Commercial Units. It is further acknowledged that the Vendor has established, in the Bylaws of the Corporation, that such commercial use of the main-floor shall continue in a lawful manner without disturbance or interference of the Corporation, and the Purchaser agrees to accept such use in the Project. In addition, the Parking Units will be subject to a Restrictive Covenant (as set forth in Clause 12(j) hereof) limiting use of such units to the parking of motor vehicles (and prohibiting certain types of vehicles from the Project), which may include a

restriction against use of Parking Units by non-residents of the Project (except where used by invitees to the commercial units). Commercial Unit occupants will be obliged to avoid creating a nuisance to occupants of the Residence Units, and shall not have any right to access or use of any of the amenities and recreational facilities available to occupants of the Residence Units.

**10. Disclosure**

The Purchaser acknowledges that the Unit is or will be a unit in a condominium project, and the Purchaser further acknowledges that the Purchaser has examined copies of the following:

- (a) this Agreement;
- (b) the Condominium Plan\*;
- (c) the By-laws of the Corporation\*;
- (d) the proposed budget\*;
- (e) the Management Agreement\*;
- (f) the Restrictive Covenant\*;
- (g) a description of the building, including interior finishing of and all major improvements to common property comprising the Project, any significant utility installations, major easement areas, retaining walls and significant features, all recreational facilities, equipment and amenities, any maintenance equipment for common property and the exterior finish of the building;
- (h) a plot plan, drawing or photograph of the Project and the parkade showing the building, landscaping, roadways, walkways, fences, parking areas and recreational facilities (if any); and,
- (i) the Acknowledgement, Consent and Agreement.

\* *All unsigned agreements or unregistered documents are as proposed.*

**11. CondoPro Home Warranty Programs**

Notwithstanding anything to the contrary contained in this Agreement, the provisions of Appendix C, annexed hereto and forming a part hereof, shall apply.

**12. Goods and Services Tax**

The parties agree that the Purchase Price includes Goods and Services Tax (“GST”) payable (as calculated by the Vendor), and the Purchaser agrees to assign all GST rebates applicable to the purchase of the Unit (whether received before or after Closing) to the Vendor; provided that if the Purchaser shall not be occupying the Unit or shall in any manner be disqualified from receiving a rebate for GST payable, the Purchaser shall be responsible for such GST in addition to the Purchase Price and shall pay same to the Vendor on demand. Interest from demand, at the rate specified in Section 3(b) hereof, shall be payable in addition to such GST on failure by the Purchaser to pay such GST within 30 days of the demand and shall accrue thereon until paid in full (including interest so accrued)

**13. Sale or Assignment**

The Purchaser shall **not** sell the Unit or assign this Agreement before closing and completion of this transaction. Should the Purchaser so sell the Unit or assign this Agreement, such act shall constitute a default of the Purchaser under this Agreement. The Purchaser shall **not** sell the Unit or assign this Agreement after closing and completion of this transaction until such times as the Vendor has completed sale of all the units in the building. Should the Purchaser so sell the Unit or assign this Agreement, such act shall constitute a default of the Purchaser under this Agreement.

**14. Further Assurances**

The parties hereto agree to execute such further documents, conveyances and assurances as may be necessary in order to give full force and effect to the true intended meaning of this Agreement.

**15. Notices**

All notices required herein shall be in writing and shall be delivered or mailed to the Purchaser at the address of the Unit, if the Purchaser has taken possession, or at the Purchaser's address below if the Purchaser has not taken possession, and any mailed notices shall be deemed to be served upon the fourth day following their deposit, postage prepaid, at a post office or postal box in Alberta.

**16. Time**

This offer shall be open for acceptance by the Vendor in writing until 5:00 o'clock, p.m., on the fifth (5th) business day following the date hereof. Time shall be of the essence.

**17. Discharge of Existing Mortgages**

Title to the Unit on closing (or within a reasonable time thereafter) will be clear of any mortgages and financial charges occasioned by the Vendor, but may be subject to registrations for utility rights of way and for other municipal purposes which will be required by municipal authority in connection with development approval of the Project. All costs of discharging any such existing mortgages or other financial charges are to be borne by the Vendor.

**18. Transfer Preparation**

The transfer shall be prepared at the expense of the Vendor, and executed and delivered promptly as aforesaid to the solicitor for the Purchaser for registration at the Purchaser's expense. The Purchaser shall pay all expenses of the new mortgage, if required.

**19. Vendor Representations and Warranties**

The Vendor represents and warrants to the Purchaser that:

- (a) it is not now a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and,
- (b) it is not the agent or trustee for anyone with an interest in this property who is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

**20. Enurement**

This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators and permitted assigns of the parties hereto.

**21. Force Majeure**

The Vendor shall not be or be deemed to be in default hereunder for any delay due to strikes, acts of God, or other force majeure or cause whatsoever beyond the Vendor's reasonable control.

**22. Entire Agreement**

This Agreement as the entire agreement between the parties and they acknowledge and conclusively agree that there are no representations, conditions, warranties, guarantees, promises, undertakings or obligations, expressed or implied, collateral or otherwise, upon which either has relied in entering into this Agreement unless as expressly set forth herein, all else being hereby negated and nullified. Particularly, but without limitation to the foregoing there is no representation, warranty, collateral agreement, zoning, municipal permit or license, or condition affecting the Unit or the Project other than as expressed herein in writing. It is expressly agreed that all rights and obligations under this Agreement shall continue after conveyance and shall not merge in the transfer of the Unit. ***No further representation, condition, warranty, guarantee, promise, undertaking or obligation, shall bind the Vendor unless expressed in writing and signed by the Vendor.***

Any additional terms of this Agreement shall be annexed hereto in Appendix "A".

IF THIS OFFER IS NOT ACCEPTED, THE DEPOSIT SHALL BE FORTHWITH REFUNDED TO THE PURCHASER, WITHOUT DEDUCTION OR INTEREST, PROVIDED HOWEVER, if this Offer is accepted and the Purchaser fails to comply with the terms as hereinbefore agreed, all deposits shall be subsequently forfeited as a genuine and honest pre-estimate of the Vendor's damages and this Agreement shall be terminated at the Vendor's option.

DATED at \_\_\_\_\_, \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

SIGNED in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Purchaser's Signature)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Co-Purchaser's Signature)

\_\_\_\_\_  
(Purchaser's Name)

\_\_\_\_\_  
(Purchaser's Description for title)

\_\_\_\_\_  
(Purchaser's Address)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(City, Province, Postal Code)

\_\_\_\_\_  
(Fax Number)

**ACCEPTANCE**

The Vendor hereby accepts the foregoing Offer. The Vendor agrees to duly complete the sale on the terms and conditions of the Offer. Should the Vendor fail to do so after all conditions having been waived or satisfied herein, the Purchaser may (at the Purchaser's option) cancel the Agreement and withdraw the deposit, or take whatever remedies the Purchaser may have at law.

DATED at Calgary, Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

**1547406 ALBERTA INC.**

\_\_\_\_\_  
Per: \_\_\_\_\_ (C/S)

**APPENDIX "A"**

**Additional Provisions or Terms to the Offer to Purchase**  
(pursuant to paragraph 25)

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**Appendix "B"**

**Conditions to the Offer to Purchase**

**8.1 The Buyer's Conditions are:**

**(a) Financing Condition:**

The Buyer will apply and be approved for New Financing as follows:

- interest rate not to exceed \_\_\_\_\_ percent a year calculated semi-annually not in advance
- a term of not less than \_\_\_\_\_ years

Monthly payment of principal and interest not to exceed \$ \_\_\_\_\_ (including mortgage insurance fee, if applicable) for an amortization of 30 years.

The Buyer will pay for all costs associated with the New Financing

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**(b) Property Inspection Condition**

As per attached Property Inspection Schedule, this Contract is subject to the Buyer's approval of a property inspection.

\_\_\_ Yes \_\_\_ No

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**(c) Condominium Documents Condition**

This Contract is subject to the Buyer's Condition regarding Condominium Documents, as per attached Condominium Property Schedule. \_\_\_ Yes \_\_\_ No

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**(d) Sale of Buyer's Home Condition**

This Contract is subject to the sale of the Buyer's home, as per attached Sale of Buyer's Home Schedule. \_\_\_ Yes \_\_\_ No

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**(e) Additional Buyer's Conditions:** \_\_\_\_\_

\_\_\_\_\_

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**8.2 The Seller's Conditions are:** \_\_\_\_\_

\_\_\_\_\_

Before 9 p.m. on \_\_\_\_\_ (the "Condition Day").

**8.3** Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

**8.4** The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day.

**8.5** Subject to clause 8.2, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

**APPENDIX "C"**

**CondoPro Home Warranty Program as administered by:  
PROGRESSIVE HOME WARRANTY SOLUTIONS INC.**

**ADDENDUM RE "WARRANTY"**

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1. The Builder hereby covenants with the Purchaser that it is a member in good standing of the CondoPro Home Warranty Program, and that it will comply with the terms and conditions of the contract and the Warranty contained in the Limited Warranty Certificate.
  2. The Builder hereby confirms to the Purchaser(s) that payments made by the Purchaser(s) to the Builder are protected under the "Deposit Policy" which is printed on Appendix 1 of this Agreement, notwithstanding that the payments made shall be held in trust by the **Vendor OR Vendor's brokers account**.
  3. The Builder confirms to the Purchaser(s) that the Residential Unit to be constructed under this Agreement will be protected under the CondoPro Home Warranty Program, subject to the terms, conditions, limits and exclusions as set out in Schedule A to this Addendum.
  4. The Builder agrees to provide the Limited Warranty set forth in detail in the Limited Warranty appearing on Schedule A of this Agreement as the minimum requirement on the part of the Builder. The Builder may provide warranty coverage in addition to the minimum required in the said Limited Warranty and in such event, the additional warranty coverage shall be contained in an addendum in writing signed by the Builder and attached to this Agreement. Additional coverage is provided solely by the Builder and CondoPro does not warrant the Residential Unit beyond the terms, conditions, limits and exclusions contained in the Limited Warranty appearing on Schedule A.

THE BUILDER

THE PURCHASER(S)

\_\_\_\_\_  
Builder Initials

\_\_\_\_\_  
Purchaser(s) Initials

**APPENDIX 1 - DEPOSIT RECEIPT WARRANTY**

Where the Builder named in the Agreement has become legally bound to refund the Deposit paid by the Purchaser, PROGRESSIVE HOME WARRANTY SOLUTIONS INC. (the "Progressive"), subject to the limits and conditions set out below, agrees with the Purchaser named in the Agreement to which this Deposit Receipt Warranty is attached as Appendix 1, that if the payments or deposits become legally refundable and cannot be collected from the Builder, to pay the Purchaser their actual loss.

LIMITS AND CONDITIONS

The Deposit Receipt Warranty of the Progressive, as contained herein, expires;

When the Home has been completed and is ready for occupancy;

If the Purchaser has been or is in default under any of their obligations pursuant to the Agreement with the Builder;

If no claim has been made within one (1) year from the date the monies becomes refundable.

The liability of the Progressive for actual loss is limited to the amount of the loss **NOT TO EXCEED THE SUM OF TWENTY - FIVE THOUSAND DOLLARS (\$25,000.00);**

Only monies paid by the Purchaser as a Deposit shall be covered hereunder. This Deposit Receipt Warranty does not covet work, materials or any other payments made by or on behalf of the Purchaser, such matters shall not be considered deposits;

The Warranty Provider will refund the Purchaser's Deposit where a Deposit is paid to the Builder and the Deposit becomes legally refundable to the Purchaser, but cannot be collected collected from the Builder as a result of the bankruptcy, insolvency or fraud of the Builder.

The Purchaser shall comply with and not be in default in any and all of their obligations under the Agreement with the Builder and shall be bound by and comply with all the terms, covenants and conditions as set out in the Limited Warranty attached to the Agreement as Appendix;

The Builder must be a Registered Builder with the Progressive at the time the Deposit is made to the Builder by the Purchaser, it being the obligation of the Purchaser to determine that the Builder is in fact a Registered Builder with the Progressive;

It is the duty of the Purchaser to ensure that a copy of the New Home Deposit Receipt (in the form provided by the Progressive) is either mailed or delivered to the Progressive within seven (7) days from the date the New Home Deposit Receipt is signed by the Builder and the Purchaser;

The Purchaser will, at the request of the Progressive, transfer over to and assign to the Progressive all their right title and interest to any agreement, encumbrance or charge held under the Agreement with the Builder, if the Progressive does in fact refund the Deposit.

IN WITNESS WHEREOF the Purchaser has signed this Agreement as of the date on Page 1.

SIGNED in the presence of:

Witness \_\_\_\_\_ Purchaser \_\_\_\_\_

Witness \_\_\_\_\_ Purchaser \_\_\_\_\_

**SCHEDULE A**

**Deposit Security Certificate**

**Definitions**

- a) "Completion Certificate" means the Completion Certificate in the form provided by PHW which is to be dated, completed and executed by the Member and Purchaser on the Completion Date;
- b) "Completion Date" means the date of possession of the Residential Unit stated in the Completion Certificate;
- c) "Contract" means the written agreement made between the Member and the Purchaser for construction and/or sale to the Purchaser of a Residential Unit;
- d) "Deposit" means money paid by a Purchaser to the Member as an Initial Deposit or Additional Deposit for the purchase and/or construction of a Residential Unit under a Contract. No form of consideration other than Canadian dollars actually paid under a Contract is covered under this Deposit Security Certificate;
- e) "Deposit Coverage" means the indemnity of the Purchaser by the Warranty Provider under the terms, provisions, conditions, limitations and exclusions of a Deposit Security Certificate;
- f) "Insurer" means the insurance company who guarantees the fulfillment of the obligations of the Warranty Provider to the Purchaser under this Deposit Security Certificate;
- g) "Member" means the builder or contractor named as the Member in the Declaration Page attached to this Deposit Security Certificate who has entered into a Contract with the Purchaser;
- h) "PHW" means the corporation which administers the Deposit Coverage on behalf of the Warranty Provider;
- i) "Residential Unit" means:
  - 1. a detached or semi-detached single-family dwelling or duplex; or,
  - 2. a single-family manufactured or modular dwelling set on a Permanent Foundation;
 newly constructed by the Member and not occupied prior to the Completion Date, but does not include any swimming pool, site grading or surface drainage, landscaping, shrubbery, flowers, trees, garage floor, patio, deck, driveway, sidewalk, retaining wall, fence, septic tank or field, water well, or detached garage, carport or outbuildings or a condominium unit;
- j) "Permanent Foundation" means a full basement foundation or pilings that has been engineered and was constructed by the Member or the Purchaser.
- k) "Purchaser" means the person(s) named as the Certificate Holder in the Declaration Page attached to this Deposit Security Certificate who has entered into a Contract with the Member;
- l) "Warranty Provider" means the company that provides the benefits described in this Deposit Security Certificate. The obligations of the Warranty Provider under this Deposit Security Certificate are backed by an insurance policy issued by the Insurer.

**Deposit Coverage**

- 1. Where a Deposit is paid to the Member by the Purchaser under a Contract and the Deposit becomes legally refundable to the Purchaser and cannot be collected from the Member as a result of the bankruptcy, insolvency or fraud of the Member, the Warranty Provider agrees to refund to the Purchaser that portion of the Deposit not recovered from the Member, less the value of any work completed under the Contract, subject to the terms, provisions, conditions, limitations and exclusions hereinafter set forth.

**Conditions**

- 2. The Member must be a registered member in good standing of the CondoPro Warranty Program when the Deposit is paid to the Member. Each Deposit paid to the Member by the Purchaser shall be evidenced by a Deposit Security Application signed by the Member and the Purchaser.
- 3. It is the duty and responsibility of the Purchaser to ensure that a copy of the Deposit Security Application is signed by the Member and the Purchaser and is either delivered, mailed or faxed to PHW within seven (7) days of the date the Deposit Security Application is signed to the address or facsimile number of PHW set forth below.

Progressive Home Warranty Solutions Inc.  
 102, 10446 - 122 Street  
 Edmonton, AB  
 T5N 1M3  
 Facsimile No. 1-780-488-6027

- 4. This Deposit Security Certificate is not valid and Deposit Coverage shall not be in effect unless or until PHW has received a Deposit Security Application from the Purchaser, signed by the Member *and* the Purchaser, *and* a Deposit Security Certificate has been issued, signed by an authorized representative of PHW and sent to the Purchaser.

5. The Member is not an authorized representative or agent of PHW or the Warranty Provider.
6. In the event that all or any portion of a Deposit is refunded by the Warranty Provider, the Purchaser shall forthwith upon the request of PHW, assign and transfer to the Warranty Provider any security position, judgment, agreement for sale, caveat or equity which the Purchaser may hold against the Member under or in connection with the Contract, to the extent of the amount refunded, and shall cooperate with PHW and the Warranty Provider in any investigation or action commenced against the Member in respect to a Deposit.

**Limitations and Exclusions**

7. The maximum liability of the Warranty Provider under all Deposit Security Certificates issued in respect to a Contract, is the lesser of:
  - a) twenty five thousand dollars (\$25,000.00), and
  - b) the aggregate amount of the Initial Deposit and any Additional Deposits paid by the Purchaser to the Member under a Contract.
8. Deposit Coverage shall be void if:
  - a) the Purchaser is in default of any term, condition or provision of the Contract or this Deposit Security Certificate; or
  - b) the Purchaser conspires with the Member in connection with payment under the Deposit Coverage.

Neither this Deposit Security Certificate nor the Deposit Coverage is assignable by the Purchaser, and any purported transfer or assignment shall be void.

**Conciliation and Dispute Settlement**

If any dispute arises with respect to any matter concerning Deposit Coverage, the dispute or matters in issue shall be submitted to PHW for final determination. The decision of PHW shall be final and binding on the Purchaser and the Member.

11. In the event that the decision made by PHW is further disputed by any party, it shall be settled by mediation, in accordance with the mediation rules of the CondoPro Warranty Program.

**Termination**

12. This Deposit Security Certificate shall terminate and be of no further force or effect on the earlier of:
  - a) the Completion Date; or
  - b) the date the Warranty Provider has refunded all or any portion of a Deposit to the Purchaser under this Deposit Security Certificate.

**Limited Warranty Certificate – Condominium Unit Owner – SBM 30-10**

**1.0 Definitions**

The following words and phrases when used in this Limited Warranty Certificate shall have the following meanings unless the context otherwise requires:

- 1.1 Act** means the applicable legislation for registering condominium plans in the jurisdiction where the Condominium is situated;
- 1.2 Building Code** means the provincial building code applicable to construction of the Condominium and in force at the time the building permit was issued for the construction of the Condominium;
- 1.3 Common Property** means that portion of a building or buildings that is not comprised in a Residential Unit shown in the condominium plan registered under the Act, but does not include any curbs, gutters, roads, parking areas, driveways, basements, garages or garage floors, parkades or parkade floors, carports or carport floors, patios, decks, swimming pools, sidewalks, retaining walls, fences, landscaped areas, trees, shrubbery, waste removal facilities, site lighting, utilities, site grading or surface drainage, septic tanks or fields, water wells or outbuildings;
- 1.4 Completion Certificate** means the Completion Certificate in the form provided by PHW which is to be dated, completed and executed by the Member and Purchaser on the Completion Date;
- 1.5 Completion Date** means the date of possession of the Residential Unit stated in the Completion Certificate;
- 1.6 Condominium** means all the Residential Units and Common Property shown within a condominium plan registered under the Act;
- 1.7 Condominium Corporation** means the corporation resulting from registration of the condominium plan under the Act;
- 1.8 Contract** means the written agreement made between the Member and the Purchaser for construction and/or sale to the Purchaser of a Residential Unit;
- 1.9 Defect** means any workmanship and materials in a Residential Unit which fail to comply with the Building Code and/or the construction standards established by PHW, including any hidden defects that even with reasonably careful inspection during construction would not be revealed until after the Residential Unit is completed and put in use for some time;
- 1.10 Insurer** means the insurance company who guarantees the fulfillment of the obligations of the Warranty Provider to the Purchaser under this Limited Warranty Certificate;
- 1.11 Limited Warranty Certificate** means this certificate;
- 1.12 Member** means the builder or contractor named as the Member in the Declaration Page attached to this Limited Warranty Certificate who has entered into a Contract with the Purchaser;
- 1.13 PHW** means Progressive Home Warranty Solutions Inc., the warranty administrator acting on behalf of the Member and Warranty Provider to fulfill their obligations under this Limited Warranty Certificate;
- 1.14 Purchaser** means a person(s) named as the Certificate Holder in the Declaration Page attached to this Limited Warranty Certificate who has entered into a Contract with the Member and at the Completion Date is the registered legal owner of the Residential Unit or any subsequent legal owner of the Residential Unit. All rights of the Purchaser contained in this Limited Warranty Certificate also extend to any mortgagee(s) of the Residential Unit;
- 1.15 Residential Unit** means a residential unit shown in a condominium plan, registered under the Act, newly constructed by the Member and not occupied prior to the Completion Date; but does not include any Common Property or curbs, gutters, roads, parking areas, driveways, basements, garages or garage floors, parkades or parkade floors, carports or carport floors, patios, decks, swimming pools, sidewalks, retaining walls, fences, landscaped areas, trees, shrubbery, waste removal facilities, site lighting, utilities, site grading or surface drainage, septic tanks or fields, water wells or outbuildings;
- 1.16 Structural Defect** means any defect in the following load bearing components of a Residential Unit, including but not limited to soil movement, which impairs the structural integrity of the Residential Unit: piles, footings, foundation walls, grade beams, teleposts, bearing walls, floor joists, girders, posts and beams, and roof trusses;
- 1.17 Seasonal Deficiencies** means work to be completed by the Member under the Contract following the Completion Date when weather permits;
- 1.18 Warranty** means the warranty obligations of the Member and the Warranty Provider set forth in this Limited Warranty Certificate;
- 1.19 Warranty Provider** means the company that provides the benefits outlined in this Limited Warranty Certificate. The obligations of the Warranty Provider under this Limited Warranty Certificate are backed by an insurance policy issued by the Insurer.

**2.0 Warranty of the Member**

- 2.1** The Member warrants to the Purchaser that the Residential Unit was constructed in compliance with the Building Code and the construction standards established by PHW.
- 2.2** Subject to the terms, conditions, exclusions and limitations contained in this Limited Warranty Certificate, and providing the Purchaser has complied with the obligations set forth in Section 4 hereof, the Member agrees to:
  - 2.2.1** Complete Seasonal Deficiencies and other deficiencies stated on the Completion Certificate in a timely manner; and
  - 2.2.2** Repair Defects and Structural Defects in the Residential Unit which are reported to the Member in writing within one (1) year following the Completion Date.
- 2.3** The Member shall assign to the Purchaser all manufacturers' warranties on products supplied by the Member and incorporated into the Residential Unit.

**3.0 Warranty of the Warranty Provider**

Subject to the terms, conditions, exclusions and limitations set forth in this Limited Warranty Certificate, and providing the Purchaser has complied with the obligations set forth in Section 4 of this Limited Warranty Certificate, the Warranty Provider agrees to provide the following benefits:

**3.1 Defects and Structural Defects**

3.1.1 The Warranty Provider agrees to repair Defects and Structural Defects in the Residential Unit that have been reported in writing to the Member but that have not been repaired by the Member within the first year following the Completion Date providing written notice thereof is given to PHW within thirty (30) days following the first anniversary of the Completion Date, subject to a deductible payable by the Purchaser of two hundred and fifty dollars (\$250.00).

3.1.2 The Warranty Provider agrees to repair Structural Defects in the Residential Unit that become apparent within nine (9) years following the first anniversary of the Completion Date which are reported in writing to PHW immediately and within thirty (30) days following the tenth anniversary of the Completion Date, subject to a deductible payable by the Purchaser of five hundred dollars (\$500.00).

3.1.3 PHW may determine the reasonable costs for repair or replacement of a Defect or Structural Defect, and the Warranty Provider, rather than repairing or replacing the Defect or Structural Defect, may, in its sole discretion, pay monetary compensation to the Purchaser in satisfaction of its warranty obligations in respect to that Defect or Structural Defect. Any such payment shall reduce the limit of liability of the Warranty Provider under Section 8 by the amount paid, and the Warranty Provider shall have no further liability for that Defect or Structural Defect or any consequential damages arising therefrom.

**3.2 Additional Living Expenses**

3.2.1 In the event the Residential Unit becomes uninhabitable due to a Defect or Structural Defect, the Warranty Provider agrees to pay to the Purchaser reasonable additional living and moving expenses incurred by the Purchaser of up to one hundred dollars (\$100.00) per day, providing those expenses are pre-approved in writing by PHW.

3.2.2 The Warranty Provider's liability under Section 3.2 is limited to and shall not exceed the sum of five thousand dollars (\$5,000.00) in the aggregate.

**3.3 Extended Coverage**

3.3.1 **Mechanical Systems:** The Warranty Provider agrees to repair Defects in the electrical, plumbing and heating systems incorporated into the Residential Unit where such Defects become apparent and are reported to PHW in writing within one (1) year following the first anniversary date of the Completion Date, subject to a deductible payable by the Purchaser of five hundred dollars (\$500.00).

3.3.2 **Foundation Water Penetration:** The Warranty Provider agrees to repair the foundation of the Residential Unit or Condominium building if water penetrates the foundation and causes material damage, where such water penetration becomes apparent and is reported to PHW within four (4) years following the first anniversary date of the Completion Date, subject to a deductible payable by the Purchaser of five hundred dollars (\$500.00).

3.3.3 The Warranty Provider's liability under Section 3.3.1 and 3.3.2 is limited to and shall not exceed a maximum limit of five thousand dollars (\$5,000.00) per Extended Coverage.

**3.4 Decisions of PHW**

The decisions of PHW regarding correction of any Defect or Structural Defect and the engagement and payment of sub-trades and all other matters necessarily incidental thereto shall be final and binding on the Purchaser and the Condominium Corporation and every Residential Unit owner in the Condominium.

**4.0 Purchaser's Obligations**

The Purchaser shall:

4.1 Have paid the full purchase price for the Residential Unit including all adjustments and extras to the Member; and any holdbacks for defects, deficiencies, Seasonal Deficiencies or builder's liens must be identified as such and held in legal trust.

4.2 Within one (1) year from the Completion Date, if any Defect or Structural Defect in the Residential Unit is discovered, immediately advise the Member in writing of the details of any Defect or Structural Defect. If the Member fails to respond or remedy the Defect or Structural Defect, the Purchaser must give PHW written notice setting forth the details of the Defect or Structural Defect within thirty (30) days following the first anniversary of the Completion Date.

4.3 Within one (1) year from the first anniversary of the Completion Date, if any Defect in the Mechanical Systems is discovered, immediately advise PHW in writing of the details of the Defect.

4.4 Within four (4) years from the first anniversary of Completion Date, if any foundation water penetration is discovered, immediately advise PHW in writing of the details of the water penetration.

4.5 Within nine (9) years of the first anniversary of the Completion Date, if any other Structural Defect in the Residential Unit is discovered, immediately advise PHW in writing of the details of the Structural Defect.

4.6 Maintain the Residential Unit in a proper and prudent manner.

4.7 Refer all unresolved disputes regarding the Warranty to PHW for investigation and final resolution.

**5.0 Dispute Resolution**

5.1 If a dispute arises between the Member and the Purchaser regarding the Member's obligations under the Warranty, either the Member or the Purchaser may submit the matters in issue to PHW for final resolution.

5.2 PHW shall review the matters in issue and conduct such inspections of the Residential Unit as it deems necessary, with the cost of such inspections to be borne by the Purchaser and/or Member as determined by PHW.

- 5.3 In order to inspect reported Defects or Structural Defects, access to the Residential Unit shall be given to PHW and its employees, agents and consultants during normal business hours upon request.
- 5.4 Within thirty (30) days following inspection of the Residential Unit by PHW and/or its consultants, PHW shall issue a written report on the matters in issue and provide the Member and Purchaser with a copy of the report. The recommendations and conclusions of PHW set forth in the report shall be final and binding on the Member and the Purchaser.
- 5.5 If the report of PHW calls for repairs, the Purchaser shall give the Member and PHW and their respective employees, agents and subcontractors access to the Residential Unit during normal business hours to undertake the repairs.

**6.0 Mediation**

- 6.1 In the event that the dispute resolution made by PHW is further disputed, it shall be settled by mediation. The mediator shall regard this Limited Warranty Certificate from the standpoint of practical business as well as the law and is empowered to contribute to a mediation of the dispute and gain a mutual interpretation of the obligations of this Limited Warranty Certificate.
- 6.2 Each party shall agree on a mediator. In the event the parties cannot agree on a mediator, the mediator shall be selected by The Canadian Foundation of Dispute Resolution. All costs of the mediation and expenses and fees of the mediator shall be borne equally by the parties but final award of the costs shall be in the discretion of the mediator.
- 6.3 If the process of mediation does not resolve the dispute within four (4) months, the parties shall be free to pursue other alternative remedies as the law so permits.
- 6.4 Commencement of court proceedings or other legal action by the Purchaser in respect to this Warranty must be commenced within one (1) year of the date each coverage expires as stated on the attached Declaration Page.

**7.0 Exclusions**

- 7.1 The following are not Defects or Structural Defects in the Residential Unit within the meaning of this Limited Warranty Certificate, and are not covered by the Warranty:
  - 7.1.1 Materials, design or workmanship provided by the Purchaser or the Condominium Corporation;
  - 7.1.2 Normal cracks in plaster, paint, drywall, masonry, stucco and concrete;
  - 7.1.3 Shrinkage or warping of materials;
  - 7.1.4 Defects arising from improper maintenance or misuse of the Residential Unit, or resulting from inadequate heat or ventilation, or normal wear and tear;
  - 7.1.5 Normal soil movement or subsidence along utility lines or backfill of compaction around the Condominium;
  - 7.1.6 Damage other than Structural Defects caused by soil movement or subsidence;
  - 7.1.7 Defects or Structural Defects apparent on the Completion Date and acknowledged or accepted by the Purchaser;
  - 7.1.8 Seasonal Deficiencies and unfinished work;
  - 7.1.9 Defects or Structural Defects in or resulting from alterations, deletions or additions undertaken by the Purchaser or the Condominium Corporation or any of their respective employees, agents or contractors;
  - 7.1.10 Any loss or damage directly or indirectly arising from or related to environmentally harmful substances or hazards, deleterious substances or toxic conditions or materials on, in or about the Residential Unit regardless of the party responsible;
  - 7.1.11 Damages arising from failure of the Purchaser to take timely action to prevent or minimize loss or damage or to provide notice of any Defect or Structural Defect;
  - 7.1.12 Contamination of the Residential Unit by bacteria, fungus or mould regardless of the party responsible;
  - 7.1.13 Damage resulting from an act of nature such as but not limited to fire, explosion, smoke, windstorm, hail, lightning, falling trees, flood and earthquake;
  - 7.1.14 Damage caused by insects, rodents or other animals except where construction is in contravention of the Building Code or the construction standards established by PHW; and
  - 7.1.15 Damage caused by municipal services or other utilities.
- 7.2 This Warranty does not cover:
  - 7.2.1 Property damage from any cause other than Defects or Structural Defects as defined in this Limited Warranty Certificate; or
  - 7.2.2 Bodily injury (including death), personal injury, emotional anguish, inconvenience or economic loss from any cause.

**8.0 Limitations**

- 8.1 No repairs or remedial work will be undertaken by the Warranty Provider unless:
  - 8.1.1 Written notice of the Defect or Structural Defect has been given to the Member and PHW within the time limits specified in this Limited Warranty Certificate;
  - 8.1.2 PHW has investigated or caused to be investigated the Defect or Structural Defect and the written report of PHW requires that Defect or Structural Defect be repaired; and
  - 8.1.3 The Purchaser has paid or has agreed in writing to pay the applicable deductible referred to in Section 3 to PHW.

**The conditions set forth in Sections 8.1.1, 8.1.2 and 8.1.3 hereof are conditions precedent which must be satisfied before any corrective action or remedial work is undertaken or performed by the Warranty Provider.**
- 8.2 The Warranty contained in this Limited Warranty Certificate is the only warranty binding upon the Member and the Warranty Provider.

- 8.3 The limit of liability of the Warranty Provider for all claims arising under this Limited Warranty Certificate shall be limited to and shall not exceed sixty thousand dollars (\$60,000.00) in the aggregate.
- 8.4 PHW is a warranty administrator contracted by the Member and Warranty Provider to assist in the fulfillment of the benefits provided under this Limited Warranty Certificate, and shall not under any circumstances be liable for performance of any obligation of the Member or the Warranty Provider under this Limited Warranty Certificate.
- 8.5 This Limited Warranty Certificate does not protect or indemnify or otherwise secure the Purchaser against any deposit or other money paid to the Member under a Contract.
- 8.6 Any repairs or investigations undertaken or costs incurred by the Purchaser shall be at the sole expense of the Purchaser, and shall not be reimbursed by the Warranty Provider.

**9.0 Termination of Warranty**

The Warranty shall terminate and be of no further force or effect if:

- 9.1 The Residential Unit is not used as a single-family residence or is not properly maintained;
- 9.2 All or any portion of the deposit paid under a Contract has been refunded to the Purchaser;
- 9.3 The Purchaser fails to provide the Member and/or PHW with the written notices required of the Purchaser within the time period specified in this Limited Warranty Certificate;
- 9.4 The Purchaser fails to comply with any other obligations specified in the Limited Warranty Certificate;
- 9.5 The Member did not obtain a valid permit for the construction of the Condominium prior to the Completion Date;
- 9.6 The Purchaser undertakes or performs any repairs or modifications to the Residential Unit that cause or contribute to a Defect or Structural Defect or are undertaken to repair a Defect or Structural Defect without the prior written consent of PHW; or
- 9.7 The Purchaser commences court proceedings or other legal action in respect to this Limited Warranty Certificate without first pursuing the recourse made available under this Limited Warranty Certificate.

**10.0 Subrogation**

In the event PHW or the Warranty Provider repairs any Defect or Structural Defect, PHW and the Warranty Provider shall be subrogated to all of the Purchaser's rights of recovery therefore against the Member or any third party, and upon the request and at the expense of PHW, the Purchaser agrees to execute and deliver to PHW any and all documents and take any and all action as may be necessary to secure such rights, and shall do nothing to prejudice such rights of subrogation.

**11.0 Notices**

Any notice required or permitted to be given to PHW or the Member by the Purchaser must be in writing and given within the time limits prescribed in this Limited Warranty Certificate. Any notice given to the Member is not effective notice to PHW.

**12.0 Transfers of Limited Warranty**

- 12.1 Any unused portion of this Warranty shall extend to subsequent transferees of the Residential Unit, subject to the Purchaser's obligations set forth in this Limited Warranty Certificate.
- 12.2 Whether disclosed or not, prior actions or obligations of the Purchaser shall be binding upon any subsequent legal owner of the Residential Unit and in particular any previous acts, omissions, defaults or agreements of any kind made by the Purchaser with the Member or PHW (on behalf of the Warranty Provider) shall be binding upon any subsequent legal owner of the Residential Unit.
- 12.3 The Purchaser shall promptly deliver this Limited Warranty Certificate to any subsequent legal owner of the Residential Unit and shall advise such subsequent owner of any matter that may affect or limit the coverage contained in this Limited Warranty Certificate.
- 12.4 All of the Purchaser's obligations contained in this Limited Warranty Certificate shall be binding on any subsequent legal owner of the Residential Unit.

**13.0 Governing Law**

This Limited Warranty Certificate shall be governed by the laws of the jurisdiction wherein the Condominium is situated.

**14.0 Interpretation**

In interpreting the provisions of this Limited Warranty Certificate, a reference to a Section number shall include all subsections of that Section where the context so requires.