



Canmore Community
Housing Corporation

**Board of Directors Meeting Agenda
Classroom –Civic Centre
October 17, 2019
3:00 p.m. – 5:00 p.m.**

- 1. Approval of Agenda**
- 2. Approval of Minutes**
 - a. Approval of the October 3, 2019 Board Meeting Minutes
- 3. Business Arising from Minutes**
- 4. Reports:**
 - a. Managers report
 - b. MHCH
- 5. New Business**
- 6. Motion Resolution Action List**
All actions completed
- 7. Meeting Adjournment**

*A majority of the Directors in office shall constitute a quorum. In the case of an equality of votes, the Chair shall be entitled to a second or casting vote.
(Articles of Association s45)*



Canmore Community Housing Corporation

For Information

DATE OF MEETING: October 17, 2019 **Agenda Item: 4a**
SUBJECT: Managing Director's Report
RECOMMENDATION: For information

EXECUTIVE SUMMARY

The Administration Report summarizes activities relative to CCHC's operations.

1.0 OPERATIONS UPDATE

September 2019						
	Own Program		Rent Program			
			Waitlist		Mountain Haven	
Wait List:	139	+4 over last month	60	-8 from last month		
Applications YTD:	29	+5 over last month -36 from STLY	94	+6 over last month '-14 from STLY		
<i>↑ Above numbers updated as of September 30, 2019 ↑</i>						
Applications Year End 2018:	76		108	The Hector	103	McArthur Place
Inquiries YTD:	122	+13 over last month -130 from STLY	254	+26 over last month -75 from STLY		
Inquiries Year End 2018:	280	total	362	total		
Current Occupancy:	100%		100%	The Hector	100%	McArthur Place
Total PAH Units:	97		60		48	15
Turnover YTD:	35% 34 Units		12% 7		21% 10	33% 5
<i>↑ Above numbers updated as of September 30, 2019 ↑</i>						
Turnover 2018:	37% 24 sales (24/65)		15% 9 units (9/60)		35% 17 units (17/48)	13% 2 Units (2/15)

2.0 Town of Canmore

Lisa DeSoto will provide a verbal update as to what, if any, market or affordable housing initiatives the Town is aware of that CCHC should also be made aware of.

Prepared by: Dougal Forteath, Managing Director

Prepared on: October 11, 2019



Canmore Community Housing Corporation

DATE OF MEETING:

October 17, 2019

Agenda Item: 4b

SUBJECT: Mountain Haven Cooperative Homes

RECOMMENDATION: CCHC's Board direct that:

- Existing MHCH equity owners be advised that they will be provided an eighteen (18) month window from the date the new condominium corporation is registered at Land Titles Office to list and dispose of their unit to a PAH eligible purchaser; after which they will be provided written notification that they are in default of their restrictive covenant obligations and will be provided a further sixty (60) days to correct such default. In the absence of correcting the default CCHC will take such action that is necessary to correct the default; and
- CCHC will renew existing tenancies of the MHCH units it owns up to a 1- year term, so long as the tenant continues to be PAH eligible, but no 1-year term tenancy shall extend beyond June 30, 2021

EXECUTIVE SUMMARY:

- CCHC acquired 17 MHCH units November 1, 2018; since then CCHC has rented fifteen (15) of the aforementioned properties at PAH rates, the other two (2) units have been sold to the individuals who were on a lease to own arrangement with MHCH prior to November 1, 2018. These purchasers are currently awaiting the conversion process to be completed at which time they will close on the acquisition of their unit;
- Once the transition of MHCH to a condominium corporation has been completed, CCHC will decide whether to continue renting the 15 properties under the PAH rental program or dispose of them under the PAH homeownership model; revenues generated from the sale of these units will be returned to the PAH reserve fund;
- Specific to the 15 MHCH rental units the Board has directed that no rental tenancy will extend beyond June 30th, 2020;
- Most recently, it has become apparent that there may be as many as 8-10 existing MHCH homeowners who may want to list their properties through CCHC's resale process as soon, or shortly thereafter, the condominium conversion is complete;
- Should multiple current MHCH equity owners wish to dispose of their MHCH property immediately or shortly after the condominium conversion is complete, CCHC may find itself in a difficult position as the Option Agreement that will be registered on Title provides CCHC with sixty (60) days from the time the owner notifies CCHC they wish to sell their unit to either find a qualified buyer or acquire the unit itself;

DISCUSSION:

27 MHCH Equity owners

- Although the current ground lease with MHCH requires that all units be owner occupied, CCHC is aware that some number of current owners have been renting their units; CCHC has not enforced the

owner occupied requirement as to have done so would have put these owners in financial peril as they couldn't dispose of their units due to a combination of : the income restrictions put on purchasers due to the provincial funding agreement; the fact that, for CMHC, mortgage loan insurance does not apply to cooperative properties, and Genworth would not further expose itself financially to MHCH; the financial situation that MHCH itself had found itself in;

- The process of converting MHCH to a condo corporation is well underway, the new structure will have the current twenty-seven (27) owners under a new leasehold tenure which is supported by both a Restrictive Covenant (RC) and an Option Agreement (OA) (attached);
- The OA outlines the process of sale and identifies the price restriction for the unit; Section 6 of the OA allows the Optionee (Section 2 - CCHC or our nominee which would be the PAH qualified buyer) the ability to acquire the property within 60 days of the Notice that the Optionor (lessee/owner) wishes to dispose of their property; OR per Section 12 if the Optionee (CCHC) fails to find a qualified buyer (CCHC's Nominee) within 60 days of the Notice of intent to sell, the Optionee (CCHC) must discharge the OA and the RC , thereby losing the subject unit from the PAH portfolio
- CCHC does have a revolving \$1.5m line of credit with the Town of Canmore, however if multiple MHCH were for sale at one time there is no guarantee that these funds would be enough to acquire all the units that were for sale at MHCH at any given time, and therefore the risk of losing the PAH requirements on some of these units is real;
- Therefore, in an effort to best protect the affordability of all units at MHCH post conversion to a condominium corporation, CCHC administration is recommending that the Board advise MHCH that:
 - In instances where the registered owner is not residing in their unit, they will be provided an eighteen (18) month window from the date the new condominium corporation is registered at Land Titles Office to list and dispose of their unit to a PAH eligible purchaser; after which they will be provided written notification that they are in default of their restrictive covenant obligations and will be provided a further sixty (60) days to correct such default. In the absence of correcting the default CCHC will take such action that is necessary to correct the default.

15 CCHC rental units

Currently

- CCHC had hoped to begin disposing of some/all of the 15 MHCH rental properties it owns shortly after the conversion of MHCH to a condominium corporation had occurred; as such tenants of these units have been advised that their CCHC rental agreements will not extend beyond June 30th, 2020;
- It is not to CCHC's or MHCH's benefit to have a large influx of units listed at the same time, given that CCHC administration is recommending the existing MHCH owners be provided an extended window to dispose of their units, it is also recommended that the Board direct CCHC to advise its current tenants at MHCH that:
 - CCHC will renew existing tenancies up to a 1- year term, so long as the tenant continues to be PAH eligible, but no 1-year term tenancy shall extend beyond June 30, 2021

FINANCIAL IMPACTS: The financial impacts are that CCHC would likely need to wait an additional 12-18 months, from the date MHCH converts from a cooperative to a condominium corporation, to dispose of the 15 rental units it owns at MHCH. This in turn would affect when the PAH reserve would receive the net funds generated through the sale of these properties.

ATTACHMENTS: **Option Agreement**

Prepared by: Dougal Forteath, Managing Director
Prepared on: October 11, 2019

Option Agreement

Dated •, 201__

Between

(Insert Purchaser name) (the "**Optionor**"), a resident of
Canmore, Alberta

and

Canmore Community Housing Corporation (the
"**Optionee**"), a statutory corporation operating in Canmore,
Alberta

Recitals

- A.** The Optionee wishes to develop perpetually affordable housing in Canmore, Alberta.
- B.** In order to provide some perpetually affordable housing, the Optionee has completed the Phase 1 of Hawks Bend being the construction of the first phase of the residential condominium project which has now been constructed and contains the Unit.
- C.** The Optionor has agreed to enter into this option agreement to allow the Optionee or its Nominee the opportunity from time to time to purchase the Optionor's leasehold estate in the Unit.
- D.** The Optionor is the registered owner of a leasehold estate in the Unit, subject to the encumbrances, liens, estates or interests notified by memorandum endorsed on the certificate of title thereto.

The parties, intending to be legally bound, agree as follows:

1. **Definitions.** The following terms used in this option agreement shall have the meanings set out below.
 - (a) "CPI" means the all-items national Consumers Price Index of Canada as published from time to time by Statistics Canada.
 - (b) "First Transfer Date" means the date that the Optionor named herein subsequently transfers the leasehold estate in the Unit to a third party.
 - (c) "Index Factor" means:
 - (i) One hundred and ten percent (110%) of the aggregate annual percentage increase in the CPI between the original Purchase Date and a subsequent date, the annual increase to be compounded annually on the 1st day of January in each year from and after the Original Purchase Date. The determination of the Index Factor shall

be made by the Optionee and such determination shall be binding on the parties hereto.

- (d) "Mortgage" has the meaning set out in section 5.
- (e) "Mortgage Indebtedness" means the aggregate amount of principal, interest, costs and other charges owing from time to time under a Mortgage.
- (f) "Mortgagee" has the meaning set out in section 5.
- (g) "Nominee" means a person or persons who the Optionee authorizes to receive the benefit of the option to purchase the Unit pursuant to section 7.
- (h) "Notice" has the meaning set out in section 5.
- (i) "Optionor" means _____ (insert purchasers name) and includes their heirs, executors, administrators and permitted assignees.
- (j) "Optionee" means Canmore Community Housing Corporation and its successors and assigns.
- (k) "Original Purchase Date" means the date that the Optionor originally purchased the leasehold estate in the Unit from Canmore Community Housing Corporation. This date is _____.
- (l) "Permitted Transferee" means:
 - (i) a spouse (or common law equivalent), including a same sex spouse, of a registered owner;
 - (ii) in the case where there is more than one registered owner of a Unit, any such owner; and
 - (iii) a lending or financial institution having a registered financial interest in the Unit.
- (m) "Price" means the lesser of:
 - (i) subject to section 2 of this option agreement, \$• , increased (but not decreased) by the Index Factor as of the date of a Transfer; or
 - (ii) the fair market value of the Unit on the date of a Transfer, as agreed to by the Optionor and Optionee or (failing agreement) as determined at the expense of the Optionor by a member of the Appraisal Institute of Canada (or similar organization) designated by the Optionee; provided that if such fair market value so determined is less than the Mortgage Indebtedness under Optionor's then-existing Mortgage, then for the purposes of this clause the "fair market value" shall be deemed to be the amount of the Mortgage

Indebtedness. For the purposes hereof, "fair market value" means the value of the leasehold estate in the Unit free of the Restrictive Covenant.

- (n) "Restrictive Covenant" means the restrictive covenant registered against title to the Unit as Instrument No. _____:
 - (o) "Transfer" means, as the context requires:
 - (i) the sale, assignment or transfer of, or,
 - (ii) to sell, assign or transfer,either or both of the legal and beneficial ownership of the leasehold estate in the Unit, or any part thereof, to a party other than a Permitted Transferee.
 - (p) "Unit" means the condominium unit described in Schedule 1 hereto.
2. Option to Purchase. The Optionor hereby grants the Optionee a continuing and repeating option to purchase the leasehold estate in the Unit. Upon exercise of the option as set out in section 6 or section 9, the Optionor shall be bound to sell, and the Optionee or its Nominee shall be bound to buy, the leasehold estate in the Unit for the Price, subject to the adjustments and payable upon the terms as hereinafter provided. The purchase and sale shall be completed on the remaining terms set out in this option agreement.
3. Adjustment to Price if CPI Changes and for Partial Years. If the CPI is at any time no longer available for the purposes of calculating the Inflation Rate, a similar index shall be substituted by the Optionee on its own initiative or on the request of the Optionor. The Optionee shall substitute an index that in its opinion most properly reflects the increase or decrease over time of the cost of living in Canada. The Optionee's decision shall be binding on the Optionor and the Optionee. If a new index is used, the Price shall be calculated as at the time that the CPI was last available. Thereafter, the definition of Index Rate shall be amended so that the reference therein to CPI becomes a reference to the substitute index. A new separate compounding point shall be made on the date the substitute index replaces the CPI. If, for the purpose of calculating Price, compounding is required for part of a calendar year, the CPI shall be deemed to increase on a straight line basis for such year and the factor to be used shall be proportionate to the relevant portion of the calendar year compared to the whole calendar year.
4. Increase in Price Because of Improvements. The Optionor may request the Optionee to agree that if the Optionor completes substantial improvements to the Unit, beyond normal maintenance, in a workmanlike manner the dollar amount contained in section 1(m)(i) will be increased, as at the date of completion, by an agreed amount. The Optionee shall have no obligation to agree but if it does, an appropriate amending agreement to this option agreement, conditional on the

completion of construction to the satisfaction of the Optionee, shall be entered into and registered by caveat against title to the Unit. For clarity, if the Optionee does not agree to an increase in the Price, the Price shall not be increased whether or not the Optionee completes the improvements.

5. **Obligation to Notify of Intended Transfer.** The Optionor may (subject to the Optionee's option rights) Transfer the leasehold estate in the Unit to a purchaser approved by the Optionee subject to the purchaser confirming in writing to the Optionee that upon taking title to the leasehold estate in the Unit, the purchaser will be bound by and the purchaser's leasehold title will be subject to, this Option Agreement and the Optionee's continuing option hereunder, and the Restrictive Covenant. Thereafter, any Optionor desiring to Transfer the leasehold estate in the Unit shall, as a condition precedent to a Transfer, by written notice (the "Notice") advise the Optionee of that intent, stipulating a closing date for the Transfer which shall be not less than 75 days nor more than 120 days from the date the Notice is delivered to the Optionee. In addition, the Optionor shall be deemed to desire to Transfer the leasehold estate in the Unit if the mortgagee (the "Mortgagee") holding a first mortgage (the "Mortgage") of the leasehold estate in the Unit insured by Canada Mortgage and Housing Corporation, or other mortgage insurer, issues a foreclosure Statement of Claim relating to its Mortgage, and shall be deemed to have given Notice of such desire on the date the Optionee receives actual notice of issuance of the Statement of Claim.
6. **Right to View.** During the 30 day period following the Optionee's receipt of the Notice, the Optionee and its nominees may, from time to time on reasonable notice to the Optionor, inspect the Unit (and in that regard, the Optionor acknowledges that the Optionee intends to have a list of Canmore residents eligible to purchase the leasehold estate in the Unit and that various of those residents may from time to time wish to inspect the Unit with a view to purchasing it). In addition, the Optionee and its nominees and eligible residents may inspect the unit, on reasonable notice to the Optionor, within five (5) days before the closing date of any disposition. At any time within 60 days after the receipt of the Notice, the Optionee may, by notice in writing to the Optionor, exercise its option to purchase. Such exercise shall create a binding agreement of purchase and sale.
7. **Optionee to Charge Fee.** The Optionor acknowledges that the Optionee will likely charge a fee to each acquiring Canmore resident subsequent to the initial purchaser from the Optionee, which fee shall be determined by the Optionee but shall not exceed 2.5% of the Price. The fee is consideration for interim suspension by the Optionee of its purchase right in order to permit the sale, and to reimburse the Optionee for its direct and indirect costs and expenses and administration charges for identifying and qualifying prospective buyers and maintaining a list of those buyers and co-ordinating with them relating to prospective or actual purchases. The fee will be in addition to the determined Unit price.

8. Exercise of Option on Default. The option to purchase may also be exercised by the Optionee giving written notice of exercise to the then current Optionor:
 - (a) within 90 days of the Optionee becoming aware that a Transfer was made for consideration, direct and indirect, exceeding the Price or was made without the option to purchase being waived or deemed to have been waived; or
 - (b) within 90 days following delivery of written notice from the Optionee to the Optionor advising that the Optionor is in breach of its obligations under this option agreement or under the Restrictive Covenant, which in general restricts the residency of persons occupying the Unit and restricts renting the Unit (unless such breach is cured within 30 days of the Optionor receiving a written notice from the Optionee requiring such cure).
 - (c) Should the Optionee exercise its option pursuant to section 6 or section 8 (a) or (b) the purchase amount will require that all Mortgage Indebtedness, including costs which CMHC or other insurer of the Mortgage would recognize as eligible expenses will be paid out of or credited on the Price.
9. Closing Terms. The purchase and sale of the leasehold estate in the Unit pursuant to section 6 or section 8 shall be concluded upon the following terms.
 - (a) After exercise of the option to purchase, the Optionee may assign its interest in the resulting agreement of purchase and sale to the Nominee or other third party and, upon the Nominee or third party assuming the Optionee's obligations under that resulting agreement, that agreement shall continue between the Optionor and the Nominee or third party.
 - (b) The Price shall be as determined by applying of the definition of Price in this option agreement.
 - (c) If the option to purchase was exercised pursuant to section 6 or section 8, the closing, adjustment and possession date shall be 30 days after the Optionee exercises the option to purchase;
 - (d) There are no conditions precedent to the completion of the purchase and sale of the leasehold estate in the Unit after the exercise of the option to purchase.
 - (e) Additional terms are set out in Schedule 2 hereto.

The Optionor and the Optionee agree that the terms in this section 9 and in Schedule 2 reflect usual conveyancing practice in Canmore for the purchase and sale of a leasehold estate in a residential condominium unit. If either the Optionor or the Optionee in the future determines the terms in Schedule 2 no longer reflect common conveyancing practice, and the Optionee and the Optionor are not able to agree to a replacement Schedule 2, either the Optionee or the Optionor may apply

to a Justice of the Court of Queen's Bench requesting that Justice to appoint a senior real estate lawyer practicing in Alberta who shall, as expert, have the power to substitute a new Schedule 2. Prior to finalizing any replacement Schedule 2 the expert shall provide a draft to the Optionor and the Optionee and receive and consider suggestions made by the Optionor and the Optionee. For certainty, the power of the expert shall be limited to reflecting normal conveyancing terms and practice as would be expected at the time between a purchaser and vendor of a leasehold estate in a residential condominium unit in Canmore and may not in any event override, change or vary any specific term set out in this option agreement, other than those in Schedule 2.

10. **Foreclosure by Mortgagee.** Upon receipt of the Notice (or deemed notice) in the case of issue of a Statement of Claim as provided by section 5, the provisions of this option agreement shall be followed as if the Notice had been delivered by the Optionor. However:

- (a) if the Optionee then exercises its option to purchase the Unit, which amount shall include costs incurred by the lender which CMHC or other insurer of the Mortgage would recognize as eligible charges, the resulting agreement of purchase and sale shall be and is subject to the condition that if the Optionor brings the Mortgage into good standing and the Mortgagee discontinues its foreclosure action, the agreement of purchase and sale (even if assigned) shall be automatically terminated with no further act and any deposit immediately returned;
- (b) the Optionee is authorized, at its sole option, to pay on behalf of the Optionor such sums or take such acts as are necessary to bring the Mortgage into good standing, and keep it in good standing;
- (c) the Optionor shall immediately reimburse the Optionee for any amounts paid or costs incurred pursuant to section 10(b), together with interest calculated at the rate applicable under the Mortgage, payable and compounded monthly (which amounts, together with the Optionee's costs of enforcing this option agreement as provided herein, may be set off against the Price payable by the Optionee upon the next closing of a purchase and sale of the Unit, provided always that such set off amounts shall not result in the Price being reduced below the Mortgage Indebtedness outstanding under and secured by the Mortgage); and
- (d) if the Optionee:
 - (i) does not exercise its option to purchase the leasehold estate in the Unit after receipt of a Notice from the Mortgagee; or
 - (ii) exercises its option to purchase but thereafter fails to close the purchase of the leasehold estate in the Unit and pay out the Mortgage; or

- (iii) does not elect to bring the Mortgage into good standing prior to the Mortgagee obtaining an Order Confirming Sale and Vesting Title or a Final Order for Foreclosure in respect of its foreclosure action,

this option agreement and, any other caveat relating to perpetually affordable housing, shall automatically and without further act terminate and cease to have any further force or effect and, without objection of the Optionee, shall be discharged from title to the leasehold estate in the Unit as part of the Order Confirming Sale and Vesting Title or Final Order for Foreclosure.

The Mortgagee is irrevocably and unconditionally authorized to rely on this section.

11. **Indemnity and Set Off.** The Optionor shall immediately reimburse the Optionee for any and all costs incurred by the Optionee pursuant to a bona fide enforcement of the terms of this option agreement including, without restriction, all legal costs on a solicitor and his own client full indemnity basis (the "Enforcement Costs"). All such Enforcement Costs, together with those amounts due by the Optionor pursuant to section 10(c) (subject to the restrictions noted therein), may be set off against the Price payable by the Optionee upon the completion of the next purchase and sale of the Unit pursuant to the exercise of the Optionee's option to purchase in accordance with the provisions of this option agreement.
12. **Right of Discharge.** If at any time the Optionee fails to find a qualified purchaser within 60 days of Notice (as defined in section 5) by the Optionor, then the Optionee at its sole cost will discharge this caveat and any other caveat relating to perpetually affordable housing on the unit in order to allow the Optionor to sell his unit without restrictions as identified under this agreement. Notification of a qualified buyer must be given in writing to the Optionor within this period and the buyer can include the Optionee itself. The closing date must be in accordance with section 9 of this agreement.
13. **Notices.** If any Notice, other notice, demand or communication (collectively, a "Communication") is contemplated or required to be given to the Optionee or the Optionor under this option agreement, the Communication shall be in writing and delivered personally as follows:
 - (a) If to the Optionee:
Canmore Community Housing Corporation
#203, 600A – 9th Street
Canmore, AB. T1W 2T2
 - (b) If to the Optionor:

Insert purchaser address

Attention: •.

Either party may change its address for the giving of a Communication in the manner provided in this clause. Any Communication given as required shall be deemed to be received on the date of delivery provided that delivery occurs during business hours on a business day, failing which the Communication shall be deemed to be delivered or received on the next following business day.

14. Severability. If any provision of this option agreement is found to be void, invalid or unenforceable according to law, the balance of this option agreement shall remain valid and fully enforceable.
15. Limited Recourse. The initial Optionor or any person or entity deriving title from or under the Optionor shall not be responsible for any breach of the covenants contained in this option agreement except for breaches committed or continued during the time the initial Optionor or such other person or entity, as the case may be, holds leasehold title to the Unit. For clarity, a party bound by the covenants contained in this option agreement shall without further act be released personally from those covenants at such time as the party disposes of all of its interest in the Unit, except to the extent such party is then in default of any such covenants. Nothing in this section shall affect any right of the Optionee to acquire the leasehold title to the Unit by exercising the option provided for and as set out in this option agreement.
16. Restrictions on Assignment. This option agreement may be assigned by the Optionee only to a wholly owned subsidiary of it, and to no other party. However, for clarity, nothing in this section derogates from the Optionee's right to assign to any third party the agreement for purchase and sale of the Unit arising on the exercise of the Optionee's option set out in section 6 or section 9.
17. Business Days. Any matter required to be done by or on a time specified in this option agreement or the agreement of purchase and sale resulting from an exercise of the option to purchase in this option agreement shall, if required to be done on or by a Saturday, Sunday, statutory holiday or other holiday generally observed in Canmore, be required instead to be done by or on the next following day which is not a Saturday, Sunday or holiday.
18. Further Assurances. The Optionor and the Optionee shall at all times hereafter promptly execute and deliver all such documents and other assurances and do such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this agreement or any of the respective obligations intended to be created hereby.

19. Perpetuities. Notwithstanding anything elsewhere herein contained, the right of the Optionee to acquire an interest in the Unit from the Optionor under this option agreement shall not extend beyond the longer of:
- (c) the longest period allowed by the *Perpetuities Act*; and
 - (d) twenty- one years after the lifetime of the last survivor of the issue now living of Her Majesty, Queen Elizabeth II.
20. No Merger. If at any time before January 1, 2027, the Optionor and the Optionee are the same legal entity, this option agreement and the option granted in it shall not merge but shall continue, subject to any amendments as may be agreed to in writing by Canmore Community Housing Corporation (and its successors and assigns), the Optionor and the Optionee, unaffected and unamended by such commonality.
21. Enurement. Subject to the continuing rights of Canmore Community Housing Corporation (and its successors and assigns) under section 20, this option agreement and all rights, privileges and obligations herein contained shall extend to and enure to the benefit of and be binding upon the parties and their respective heirs, executors, successors and permitted assigns and, in the case of the Optionee, on its respective successors in interest to the leasehold estate in the Unit.

In witness whereof the parties have executed and delivered this option agreement.

Canmore Community Housing
Corporation
Per: _____
(c/s)

Per: _____

WITNESS

(Insert Purchaser Name)

WITNESS

(Insert Purchaser Name)

Schedule 1

The Unit

A leasehold estate for an initial term of 50 years in:

Condominium Plan •

Unit •

And • Undivided One Ten Thousandth Shares in the Common Property
Excepting Thereout All Mines and Minerals

Schedule 2

Additional Sale Terms

1. No deposit shall be required from the Optionee or the assignee of the Optionee's entire interest in the option agreement. However, a third party assignee of the agreement of purchase and sale resulting from exercise of the option shall, upon assuming the Optionee's obligations under that agreement, provide the third party's lawyer with a deposit equal to 5% of the Price. The deposit shall be held in trust and either applied to the Price at closing, forfeited as agreed liquidated damages if the third party fails to close as required, or returned to the third party if the Optionor fails to close as required.
2. Included in the purchase and sale of the leasehold estate in the Unit shall be all permanent fixtures and all major appliances in the Unit, including in any event (unless not in the Unit prior to exercise of the option), the refrigerator, stove, dishwasher, washer, dryer, garbage disposal, microwave, hood fan, and window coverings.
3. Items which are normally adjusted for, such as real estate taxes, local improvement levies, interest, utility charges and condominium fees, will be adjusted at the beginning of the date of closing.
4. Title shall be free of registered interests other than those that also bind all other units in the condominium complex (or are in the same or similar form to ones binding all other units, such as a caveat protecting an option agreement similar to this option agreement) including particularly easements, utility rights of way covenants and conditions normally found registered against residential condominium units which do not affect the saleability of those Units at the market price. However, unless otherwise agreed to by the Optionee, title shall be free from mortgages, liens or other encumbrances securing financial obligations.
5. Closing documents will be prepared and tendered in accordance with common conveyancing practise in Canmore but, if required by the purchaser, on trust conditions allowing registration at the land titles office prior to release of money and sufficient to allow the purchaser to place a mortgage against the leasehold estate in the Unit in order to obtain closing funds.
6. The closing documents shall consist of, at minimum, a registerable transfer of the lease, a statement of adjustments and an estoppel certificate from the condominium corporation confirming the vendor is not in default of its obligations to the condominium corporation. The estoppel certificate shall otherwise contain such information as is usually provided by condominium corporations located in

Canmore when requested to provide such certificates in connection with the sale of a residential unit. If the estoppel certificate discloses material adverse circumstances affecting the condominium corporation which would reasonably affect the saleability of the property, at the agreed price, the purchaser may within 4 days of receiving the certificate terminate the agreement of purchase and sale and receive back any deposit paid.

7. If prior to the closing the Unit is damaged and has an anticipated cost to repair of more than \$10,000, or the common property is damaged and has an anticipated cost of more than \$100,000 to repair, the purchaser may terminate the agreement of purchase and sale and receive back any deposit paid. Otherwise, the benefit of any insurance placed by the seller shall be assigned to the purchaser and the transaction shall close. If the insurance is not adequate to cover repairs required to be made to the Unit, a portion of the Price adequate to make such repairs shall be held in trust by the seller's lawyer and released as necessary to pay for the repairs.
8. Closing documents are to be provided to the purchaser's lawyer in time to allow registration prior to the closing date.
9. The seller's lawyer may use the closing funds, once released, to pay out existing encumbrances.
10. Applicable statute law shall be followed including the *Income Tax Act* and the *Excise Tax Act*.
11. Unless set out in this Schedule or in the attached option agreement, there are no warranties, representations or collateral agreements relating to the purchase and sale of the leasehold estate in the Unit.