

Real Estate Services



Welcome to Giardino Law. We are pleased to represent you in the purchase of your property. This letter discusses a few important matters with respect to your transaction that we would like to bring to your attention.

We understand that this is a long letter with a lot of information and we have made our best efforts to keep it simple. This letter contains information that may not apply to your purchase. We will review this letter with you at our meeting along with other information for your purchase. If you wish you can sign the letter at our meeting however, please return the other information required to us so we can prepare your file.

What is Enclosed:

1. This letter is our Retainer Letter which confirms that we have your instructions to act for you and the scope of our services;
2. Purchaser Information Form;
3. List of steps (from the lawyer side of things) from when you remove your conditions to your possession date;
4. Title Insurance Information – Summary of Coverage;
5. Title Insurance Information – Title Insurance for Alberta Home Buyers.

Your Next Steps:

- Return the signed Retainer Letter to us;
- Return the completed Purchaser Information Form to us;
- Give our contact information to your Real Estate Agent, if any (they will send us the “Conveyancing Instructions”);
- Give our contact information to your Mortgage Lender, if any (they will send us the “Mortgage Instructions”).

We must receive the following to get started:

- This Retainer Letter signed by you (unless you want to sign it at our meeting);
- Purchaser Information form;

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- Conveyancing Instructions from your Real Estate Agent or if you do not have a Real Estate Agent you must send us a copy of your purchase agreement, any amendments, condition removal form, and proof of payment of the deposit to the seller; and
- Mortgage Instructions from your mortgage lender, if new financing is being arranged to complete the purchase.

Then, we will do the following:

1. Prepare your paperwork for signing;
2. Contact you to arrange a meeting for signing the paperwork and provide you with details of the meeting;
3. Pay the sellers' lawyer on closing and arrange for the keys to be released to you on the closing date.

Contacting Us

Your lawyer is **Rosellina Giardino**. She can be contacted at: 780-473-7779 or rg@giardinolaw.com.

Signing Documents

We will contact you when the necessary documents to complete the purchase of the Property have been prepared and will arrange a time for you to attend at our office to sign them. We must meet in person to sign these documents. If you will not be available prior to the closing, please inform us immediately.

Generally you only need to meet with us once to sign the documents. At this meeting you will usually be required to bring your down payment funds, valid government issued photo identification, and other documentation that may be required by your mortgage lender. We will provide you with this information when we set up your meeting.

The balance of the funds required from you for closing (including our legal fees) must be provided to our office prior to the closing date by bank draft, payable to

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"Giardino Law, In Trust". We will provide you with the amount payable prior to your meeting. Please ensure that you have access to your down payment funds at least one week prior to the closing date. Note that it may take several weeks to withdraw funds from an investment account.

The Legal Fee

We will provide you with a Flat Rate which is the total cost for a basic transaction. This fee includes typical disbursements charges such as title and municipal property tax searches, land title transfer registration fees, photocopying and courier charges.

Issues outside of standard paperwork

The fee we provide is the fee to deal with "straightforward" real estate matters which fall within the scope of our services. Sometimes issues can arise on real estate transactions which require additional work on our part to protect your interests and to secure the closing of the transaction. Some of these cannot be anticipated at the start of the transaction. If such issues develop with respect to your file, we will charge fees in addition to the fee quoted above. These fees will be charged on the basis of the amount of time spent by our office working on the file to deal with the problem. Our time is recorded at an hourly rate of \$350.00 for both legal assistant and lawyer time.

Authorization to act as agent for various searches

We/I authorize you to incur any of the following expenses which you may consider necessary with respect to the transaction on my behalf as our/my agent: Land Titles Office registration fees; Personal Property registration fees; searches at the Land Titles Office, Personal Property Registry, Court House, Sheriff's Office, Corporate Registry, Workers' Compensation Board, Bank of Canada and other government offices and agencies; fees for municipal tax searches and certificates; and any other GST exempt or zero-rated supplies.

Included Services - Our involvement in your purchase includes the following services:

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We will arrange for the transfer of title to you and payment of the purchase price pursuant to the terms of your purchase and sale agreement with the seller. This means we will:

1. Search title;
2. Review charges to remain on and to be removed from title;
3. Obtain and review municipal tax information specific to the property;
4. Obtain a residential title insurance policy if requested or required;
5. Prepare or obtain transfer and mortgage documents as well as supporting documents required;
6. Attend to or arrange for execution of transfer and mortgage documents;
7. Negotiate appropriate closing undertakings with seller's lawyer;
8. Receive and account for trust funds;
9. Provide your lender with its requested security documents;
10. Attend to registration of relevant documents at the appropriate Land Titles office;
11. Disburse trust funds; and
12. Report and provide you with a final title certificate.

How the closing process works

The normal way of closing real estate transactions in Alberta is through the use of trust conditions between the purchaser's lawyer and the seller's lawyer. The seller's lawyer will deliver the transfer of property documents to our office on the trust condition that we will not use them until we have satisfied all of the requirements the seller's lawyer has imposed on us. Some of these requirements or trust conditions include: fulfilling your mortgage company's instructions for the advance of the mortgage proceeds and having all of the remaining cash (the shortfall funds or your downpayment) needed to complete this transaction in our trust account. Once we have met these trust conditions, we will submit the transfer documents to the Land Titles Office for registration and, upon confirmation of satisfactory registration of the title to the property in your names, your lender will release the mortgage funds and we will pay the full cash to close to the seller's

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lawyers. They, in turn, will be under a trust obligation to use the cash to close to discharge any encumbrances registered against the title to the property which are not being assumed by yourselves for example the seller's mortgage. It is usually more efficient for our office to use an alternate way of closing the transaction. This may be by way of the Western Conveyancing Protocol or the use of title insurance gap coverage. In both instances, your lender may release the mortgage funds and the seller will be paid the cash to close prior to registration of the title in your names. You authorize our office to use Western Conveyancing Protocol or title insurance gap coverage to close your transaction.

There is some potential risk in the use of trust conditions in the sense that if the lawyer on the other side of the transaction makes a mistake or, more seriously, fails to perform the trust obligations (dishonestly or otherwise), it can complicate and delay completion of the transaction. However, the Alberta Law Society Assurance Fund will protect against loss by a breach of trust conditions. These circumstances generally make the use of trust conditions very reliable, which is the reason they have been used for many years in Alberta. They are also a more efficient method for closing and thus reduce the cost of handling the transaction.

Not included – Our services do not include the following:

I recommend that, before your purchase is completed, you should satisfy yourself with respect to the following, which are not included as part of our services and not typically reviewed by lawyers when conveyancing property:

1. That no work has been done on the property which may give rise to a builder's lien claim, or if there have been repairs or alterations, that appropriate steps have been taken to ensure that no claim is outstanding. We will search the title prior to the registering the Transfer to ensure there are no liens registered but we do not search for any items arising after the closing;
2. That the Property is appropriately zoned for any particular use you may wish to make of it and that the Property is not subject of anticipated expropriation or municipal or other work orders or health orders and that all lot grading

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- requirements have been satisfied (this information may be obtained from the municipality);
3. That you have made all necessary or required inquiries as to the inhabitability or condition of any of the buildings located on the Property. In completing this transaction, you are relying on the examination of the Property that you made before you signed the purchase contract.;
 4. We cannot advise you as to the marketability or value of the Property.
 5. That you have arranged for the hook up of any utility services that you require;
 6. That satisfactory insurance has been arranged to be in place not later than 12:01am on the closing date set out in the purchase agreement showing the loss payable to your mortgage lender (if you are obtaining a mortgage, we will require confirmation of insurance to provide to your mortgage lender and will provide you with this information prior to closing);
 7. That satisfactory arrangements have been made for delivery of actual possession of the Property, particularly if there are presently any tenants in occupation. You should arrange with your Realtor for delivery of keys on the possession date. If you have no Realtor you should make the arrangements with the seller;
 8. That the seller has complied with the requirements under any residential tenancy laws with respect to termination of any tenancy. If the seller has not, you may be liable to the tenant;
 9. That the water supply is potable and adequate and that the condition and capacity of any septic tank or well on the property is acceptable;
 10. That there is legal access and or road access to the Property;
 11. That there is no manufactured home on the property. Please advise us immediately if you believe the dwelling is or may have been a manufactured home.
 12. That all transaction terms are accurately reflected on the purchase contract and any addendum provided to us by your Realtor. You have already signed the contract and I cannot change it. Both parties would have to agree to any change. Please advise us immediately if there have been any amendments or other agreements, verbal or in writing, regarding the transaction terms;

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13. That adequate arrangements have been made for any holdback of funds agreed to in the purchase contract.
14. That the sale of the Property is in fact GST exempt, by ensuring through enquiries with the Seller and or the seller's agent that:
 - a. The Property is and always has been used a residential or personal use recreation use property,
 - b. The seller has never used the Property in the course of any business,
 - c. Any construction or renovation work during the seller's ownership was not performed in the course of a business or commercial activity of the seller.
 - d. The seller has never claimed GST credits in respect of the acquisition or improvement to the Property;
 - e. If you have any doubts about these matters, please contact us immediately so that we can recommend an accountant to advise you. We will attempt to verify the above with the seller though his or her lawyer, but as the purchase contract has already been signed the seller is not obligated to provide you with any further assurances or representations in this regard. Notwithstanding the above information, it is your responsibility to satisfy yourself as to the GST status of the Property as we do not provide advice with respect to GST.
15. That any new home warranty applies to this property and has been transferred to you – (if the property was constructed or first occupied as a newly constructed home after February 1, 2014);
16. We do not handle any disputes with the seller, the realtor, or the mortgage lender other than minor issues required to complete the transaction.

Title Insurance

I strongly recommend Title Insurance for every transaction. Depending on the specifics of your purchase, title insurance may be required. Title Insurance may cover the following losses related to:

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1. municipal issues such as lack of building and development permits, outstanding work orders, work done without a permit, tax arrears;
2. builder's liens;
3. fraud; and
4. registration gap coverage in the event of an intervening registration.

The title insurance policy is ordered directly by my office from First Canadian Title Insurance. You can contact First Canadian Title Insurance at 1-800-307-0370 if you have any questions about the policy. There is an additional charge for title insurance.

Please check off the appropriate box:

I wish to purchase title insurance and instruct my lawyer to order the policy on my behalf.

I decline title insurance.

- If a condo:** I have been advised that in declining title insurance, if a condominium levy or assessment is not or improperly disclosed on the estoppel certificate which may be dated prior to the possession date, then my only remedy will be as against the seller if available under the purchase contract.

Your mortgage financing (if any)

You are responsible for ensuring that all your mortgage conditions have been satisfied prior to closing. We recommend that you contact your mortgage representative/broker prior to closing to ensure that any conditions have been satisfied so that the mortgage funding is not delayed.

You are responsible for disclosing any issues with the property to your mortgage lender. Property defects that have not been disclosed to your lender may affect your mortgage funding even if your mortgage has been approved. For example, if you are purchasing a condo and the condo documents reveal an issue with the building this must be disclosed to your mortgage lender even if you personally feel it is not an issue to be concerned about.

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Purchase of a Condominium

Condominium Documents

If you are purchasing the property "As Is", we will need to order additional condominium documents that are normally provided by the seller's lawyer on closing. There will be an additional cost for this depending on the charge from the property management company.

If you are purchasing a condo, we will need the "Information Statement" which is normally provided to you by the seller with the condominium documents provided as part of the condominium document review condition. If you do not have the "Information Statement" or it is dated more than 60 days from the Closing Date, we are required to order the "Information Statement" from the property manager. There will be an additional cost for this of \$50 to \$200 depending on the charge from the property management company.

We do not review condominium documents such as the bylaws, financial statements, or the reserve funds study. We only confirm that condominium fees are paid to date based on the estoppel certificate provided and that there is condominium corporation insurance in place.

It is necessary that you disclose any issues with the condo building to your mortgage lender even if you feel that they are minor issues or they do not affect you as part of your mortgage application process. If I become of any issues on closing with the building, I must disclose those issues to your mortgage lender and if they were not aware of the issues they may refuse to fund the mortgage despite their mortgage commitment.

Condo Fees

Condo fees are usually adjusted between you and the seller on closing. You are responsible for contacting the property manager and arranging for payment of the condo fees following closing.

Insurance

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You are responsible for obtaining any insurance required. Please review your bylaws carefully regarding insurance you may require.

Residents' Association (if any)

You should contact the residents association, if any, and familiarize yourself with any rules and payments due. We will confirm that payments are current.

Real Property Report (if any)

If the purchase agreement between you and the seller requires it, we will obtain a Real Property Report with compliance from the seller's solicitor. The Real Property Report is a document prepared by a land surveyor that illustrates the location of visible improvements (for example, a house, garage, shed, deck, or fence) located on a property relative to the property boundaries. It is then reviewed by the municipality to confirm that it complies with municipal land use bylaws.

If a current Real Property Report with compliance is not provided by the seller then title insurance is required.

Residential Tenancy Act Considerations (if the property is currently rented)

You are responsible for ensuring that any requirements of any residential tenancy laws are complied with. We do not provide legal advice with respect to tenancy matters (other than rental adjustments if set out in the purchase contract).

If there is a tenancy currently residing at the property, and the seller has promised to deliver you vacant possession of the land, there may be notice requirements under the residential tenancy laws which may be your obligation. If there is a tenancy currently residing at the property and you are assuming the tenancy, you may also have obligations under the residential tenancy laws. You may wish to contact the Landlord Tenant Advisory Board for information. Please inform us as to the amount of any deposit held by the seller and rents paid and payable by the tenant so that we can make the appropriate adjustments.

Seller's Residency

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If you have reason to believe that the seller is not a Canadian resident, please let us know immediately. As a purchaser, you may be personally liable for a non-resident seller's tax liability and related penalties if appropriate withholdings are not made in accordance with income tax laws.

Property Tax Adjustments

Generally, property taxes are assessed for the entire calendar year and billed in May or June. If your transaction closes before the taxes are due, you will usually receive a credit on your statement of adjustments for the seller's share of the taxes and you will be responsible to remit full payment of the taxes to the municipality on the due date. If your transaction closes after taxes are due, you will pay the seller an additional amount on closing equal to your share of the current years' taxes which will have been paid in full by the seller. You are responsible for any supplementary tax assessments levied after closing. Local improvement levies are adjusted as of closing even if they were assessed prior to your purchase and amortized. There are other scenarios regarding the adjustment of property taxes on closing and the one applicable to you will be discussed at your signing meeting.

Delays with closing

We make our best efforts to close your purchase on time. However there are items out of our control that may delay your closing and these items are often unforeseen until the day of closing. For example, we may not receive your mortgage funds from your mortgage lender in time to complete your closing. If there is a delay with the closing, most purchase agreements set out a per diem penalty that you must pay the seller. As well, you may not receive possession to your property as scheduled although there are ways to allow possession in certain cases.

Privacy

We owe a duty of confidentiality to you and will treat your information in accordance with the Law Society of Alberta requirements. By engaging our office to assist you with the purchase of the Property, you have authorized us to disclose information about you and the transaction to your mortgage lender, real estate offices involved,

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the seller's lawyer, insurance agents, and municipalities and other agencies to the extent reasonable required to facilitate the purchase transaction.

Storage of Documents

All documents related to your transaction may be stored electronically either on local servers or through other electronic media including cloud servers. In choosing a service provider, I will ensure to exercise my due diligence to ensure the confidentiality of your information. I do not retain original copies of documents once your file has been closed. Your closed file will be saved in digital form.

Acting for You and the Vendor (if applicable)

We have also received instructions from the vendor to act for her/him with regard to the sale of the property. Although we do not normally act for both the vendor and the purchaser in a real estate transaction, we do in some circumstances. Acting for two parties on the same real estate transaction in these circumstances can be an efficient way of handling these legal matters; however, occasionally complications can arise.

We want to explain the ground rules that must apply whenever a lawyer acts for more than one party to a transaction. These come from the Law Society of Alberta and are designed to protect the public in such cases:

If an unresolved conflict arises between you and the vendor, each of you will have to get advice completely independently and we will have to withdraw from acting at all in the matter.

We have to be free to pass any information given by each client to the other.

These rules are designed to protect the parties who deal with a lawyer who acts for more than one party to a transaction and we hope you find them acceptable. If you have any questions or difficulties arising from the above, or would prefer to instruct separate solicitors to act on your behalf, please let us know as soon as possible so that suitable arrangements can be made.

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Possession & Key Release

If the transaction is proceeding on time, we will pay the seller's lawyer the purchase price on the possession date. The seller's lawyer then contacts the seller or the seller's realtor and instructs them to release the keys to you. Key release generally happens after NOON on the possession date. We will contact you on the date of closing to confirm that we have paid the seller.

Your real estate agent will make arrangements with you to give you the keys. If you do not receive possession as indicated, please contact us before the end of the business day so that we can contact the seller's lawyer to follow up.

Thank you

Thank you for choosing Giardino Law to assist you with the purchase of your property. We appreciate your business and look forward to completing this transaction to your satisfaction. Please indicate that you understand and accept the legal fee, the work we will be doing for you, and my use of trust conditions to complete your purchase by signing the enclosed copy of this letter and returning it to us.

If you have any questions in regards to any of the above or any concerns, please contact us.