

NOTICE OF ADMINISTRATIVE PENALTY

COURT FILE NO. _____
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Edmonton
APPLICANT The Crown in Right of Alberta
RESPONDENT Candor Developments Corp
ISSUING AUTHORITY Registrar, New Home Buyer Protection Act

Clerk's Stamp

Person Liable to Pay Administrative Penalty: Candor Developments Corp

Amount of the Administrative Penalty:

Daily Amount: **\$500 per weekday for 20 weekdays, or until the contravention is remedied.**

Daily amount commences on October 8, 2015

To remedy the contravention, Candor Developments Corp is hereby required to:

1. Obtain warranty coverage for the New Home as described below, and
2. Provide notice to the Registrar
 - a. that the warranty coverage has been obtained for the New Home, and
 - b. of the name and contact information of the warranty provider providing home warranty coverage for the New Home.

HomeWarranty.inquiries@gov.ab.ca

1-866-421-6929

Clerk's use only

Administrative Penalty amount as of date of entry:
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[For calculation, refer to Registrar's affidavit, to be filed]
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Reasons for Administrative Penalty:

1. This penalty relates to the new home located on the land legally described as Lot 2, Block 10, Plan 122323819, which has the municipal address 19 Henderson Crescent, Penhold, Alberta (the "New Home").
2. Candor Developments Corp, acting as a residential builder under the *New Home Buyer Protection Act*, SA 2012, c N-3.2 (the "Act"), registered the New Home in the registry called the New Home Buyer Protection System on November 3, 2014. Proof of warranty coverage was confirmed by Progressive Home Warranty – Echelon, under policy number 30-150727.
3. Candor Developments Corp operates under the trade name "Candel Homes".
4. Candel Homes applied for a building permit for the New Home on November 10, 2014.
5. Warranty coverage for the New Home was cancelled by Progressive Home Warranty – Echelon, effective July 31, 2015. Progressive Home Warranty – Echelon provided notice of the same to the Registrar. The New Home status in the New Home Buyer Protection System now shows the warranty coverage for the New Home as "coverage withdrawn".
6. Progressive Home Warranty – Echelon notified Candor Developments Corp of the de-enrollment of the New Home in a letter dated August 18, 2015.
7. Dransfield Inspection Services Ltd. has provided information to the Registrar that the foundation and framing of the New Home are complete and its heating and ventilation systems have been installed. However, Progressive Home Warranty –Echelon advises that the protection period has not commenced. Therefore, the New Home remains under construction.
8. Section 3(1), (6) and (7) of the Act provide:

3(1) A person other than an owner builder shall not build a new home unless the new home

(a) is covered by a home warranty insurance contract that complies with subsections (6) and (7) and

(b) is registered with the Registrar.

(6) A home warranty insurance contract must provide coverage in accordance with the Insurance Act for

(a) defects in materials and labour for a period of at least one year starting on the date on which the coverage begins,

(b) defects in materials and labour related to delivery and distribution systems for a period of at least 2 years starting on the date on which the coverage begins,

(c) defects in the building envelope for a period of at least 5 years starting on the date on which the coverage begins, and

(d) structural defects for a period of at least 10 years starting on the date on which the coverage begins.

(7) A warranty provider must offer the option to purchase, at an additional premium, additional coverage covering

(a) defects in the building envelope for a prescribed period, and

(b) defects in other prescribed components of the new home for a prescribed period.

9. The New Home does not have the warranty coverage as required by as required by section 3(1) of the Act and Candor Developments Corp is aware of the same.
10. This Notice of Administrative Penalty is being issued because Candor Developments Corp has contravened the Act and an administrative penalty may be issued pursuant to section 14(1) of the *New Home Buyer Protection (General) Regulation*, Alta Reg 211/2013.

Efforts to Comply:

1. This administrative penalty is being issued to incite compliance with the Act.
2. Section 15(3) of the Act states:

If, in the opinion of the Registrar, a person who is subject to an administrative penalty under subsection (2)(b) is taking reasonable measures to remedy the contravention or failure to comply, the Registrar, in writing, may suspend the application of a daily penalty on any terms and conditions the Registrar considers appropriate.
3. Candor Developments Corp may contact the Registrar with respect to efforts being made to remedy the contraventions set out in this Notice of Administrative Penalty.

Payment Information:

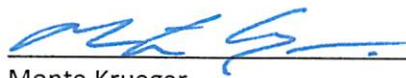
Candor Developments Corp may pay this administrative penalty by cheque or money order payable to *the Government of Alberta*. Payment may be sent by mail to:

Registrar of the New Home Buyer Protection Office
16th Flr., Commerce Place,
10155- 102 Street,
Edmonton AB T5J 4L4

Right of Appeal:

Section 17 of the *Act* provides a right to appeal a notice of administrative penalty within one month of receipt by

- (a) filing a notice of appeal with New Home Buyer Protection Board, 15th Floor, Commerce Place, 10155 - 102 Street NW, Edmonton, Alberta T5J 4L4 (<http://nhbpb.ca> ; telephone: 780-427-4864);
- (b) paying the prescribed appeal fee of \$250; and
- (c) providing an irrevocable letter of credit in the amount of the administrative penalty as required by section 15(7)(b) of the *Act*.



Monte Krueger
Registrar, New Home Buyer Protection Act
Alberta Municipal Affairs

WARNING

Failure to either pay this administrative penalty, or exercise a statutory right of appeal will result in the filing of this Notice Administrative Penalty with the Court of Queen's Bench, and proceeding on this Notice of Administrative Penalty as if it were a judgment of the Court.