

**Aviva Insurance Company of Canada**  
(hereinafter known as "*The Program*")

Represented by its Agent, National Home Warranty Group Inc.  
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**REPLACEMENT COPY**

**Project Name:** Studio Sq (Units 201-211, 301-311, 401-411)  
**Address of Project:** 37841 Cleveland Avenue SQUAMISH, BC

**Policy Number:** 7753-B01

**Name of Residential Builder:** Studio SQ By Tigeri Ltd.

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**Limited Common Property Warranty Insurance Policy**  
For the *Common Property* of a Strata Residential Building

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916439-211

**SCHEDULE OF WARRANTY EXPIRY DATES**  
(PURSUANT TO HOMEOWNER PROTECTION ACT REGULATION 29/99 SECTION 15 (1))

Notice to the *Strata Corporation*: This policy covers different components of the *Common Property* for the *Residential Building*, for specified periods of time. It is important that the following expiry dates be kept in mind, and *The Program* be given prompt written notice of any defects covered by the policy. *The Program* will honour valid claims received up to the applicable Expiry Date listed below. [For the 15-month and 24-month coverages, notice to the *Builder* will be deemed to be notice to *The Program*, as long as *The Program* is notified directly within 60 days after the applicable Expiry Date.]

The following descriptions of the coverage for each Expiry Date (in brackets) are for convenience only; refer to PARTS 1, 2 and 3 of this Limited Home Warranty Insurance Policy, and the applicable Definitions for a succinct description of the applicable insurance coverage and exclusions.

**Policy "Common Property Commencement Date"** January 18, 2011

**Coverages for Common Property** (Terms begin on *Common Property Commencement Date*)

• Fifteen Months (all materials and labour)	Expires	April 18, 2012	12:01 a.m.
• Two Years (major systems, exterior cladding, Building Code)	Expires	January 18, 2013	12:01 a.m.
• Five Years (building envelope)	Expires	January 18, 2016	12:01 a.m.
• Ten Years (structural)	Expires	January 18, 2021	12:01 a.m.

This is a Limited Policy of Home Warranty Insurance, and it does not cover all components of the *residential building*. Read this *policy* thoroughly. The coverage contained in this Limited Home Warranty Insurance Policy is the only home warranty insurance on the *Common Property* of the *Residential Building*, which is binding upon *The Program*. This policy is subject to the provisions of the *Homeowner Protection Act* and its regulations.

In this *policy* any terminology printed in *italics* is defined and has the same meaning whether capitalized or not. See DEFINITIONS.



Authorized signature of Insurer

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## DEFINITIONS

### In this Limited Home Warranty Insurance *Policy*:

“**Act**” means the Homeowner Protection Act.

“**Builder**” means the Licensed Registered Builder named in this Limited Warranty *Policy* that was engaged under contract by an owner, developer or vendor to perform or cause to be performed, all, or substantially all, of the construction of a new *home*.

“**Building Code**” means, as applicable:

- (a) the British Columbia Building Code established under the Municipal Act, or
- (b) the Vancouver Building Bylaw established under the Vancouver Charter,

in force at the time that the building permit was issued for the new *home* or, in jurisdictions where a building permit is not required, in force when construction commences.

“**Building Code Defect**” means an instance of non-compliance with the *Building Code*, if that non-compliance:

- (a) constitutes an unreasonable health or safety risk; or
- (b) has resulted in, or is likely to result in, material damage to the *Common Property*.

“**Building Envelope Defect**” means defects that result in the failure of the building envelope to perform its intended function.

“**Building Inspector**” means the Authority having Jurisdiction as defined by the BC *Building Code*.

“**Commencement Date**” means the *Common Property Commencement Date*.

“**Common Property**” has the same meaning as in the Condominium Act, but is limited to only the *Common Property* associated with or serving the *Residential Building*.

“**Common Property Commencement Date**” means the date shown on the face of this *policy* for the commencement of the warranty on the *Common Property* of this *Residential Building*.

“**Defect**” means any design or construction, that is contrary to the *building code* or that requires repair or replacement due to the negligence of a residential builder or person for whom the residential builder is responsible at law.

“**Home**” means a residential unit in a building constructed by the *Builder*, or deemed by *The Program* to be so, and includes a dwelling unit as defined by the Homeowner Protection Act Regulations.

“**Owner**” means the person who owns the new *home*, and, in the case of *Common Property*, may include the *Strata Corporation*.

“**Policy**” means the documents provided to the *Strata Corporation* evidencing the Limited Home Warranty Insurance *Policy* and all forms, riders and endorsements pertaining or attached hereto.

“**The Program**” means Aviva Insurance Company of Canada represented by its agent, National Home Warranty Group Inc.

“**Project**” means the *Residential Building* or, if there is more than one, all of the *Residential Buildings* included in a single *Strata Corporation*, plus associated *Common Property*.

“**Purchaser**” means the person or persons who purchased the new *Home* from the *Builder*.

“**Required Retaining Wall**” means a retaining wall that is required by the *Building Inspector* to be engineered, or a retaining wall that is reasonably required for the direct support of, or to retain soil away from, a new *home*, a driveway, or a walkway.

“**Residential Building**” means a building containing one or more *homes* in a strata project, and includes a multi-unit building as defined by the Homeowner Protection Act Regulations.

“**Strata Corporation**” carries the same meaning as in the Condominium Act.

“**Structural Defect**” means:

- (a) a defect in the materials and labour that results in the failure of a load bearing part of the new *home*; and
- (b) any defect which causes structural damage that materially and adversely affects the use of the new *home* for residential occupancy.



## PART 1: COVERAGE

### Common Property Materials and Labour Warranty

1. Beginning on the *Common Property Commencement Date*, this Limited Home Warranty Insurance includes:
  - (a) in the first 15 months, any defect in materials and labour;
  - (b) in the first 24 months:
    - i) any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems,
    - ii) any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the *Common Property*, and
    - iii) any *Building Code Defect*;
  - (c) in the first five years, any *Building Envelope Defect* in the new home including a defect which permits unintended water penetration such that it causes, or is likely to cause, material damage to the new home;
  - (d) in the first ten years, any *Structural Defects*.

### Warranty Limits

2. This policy is limited in total, for all claims under home warranty insurance coverage for defects in the *Common Property* of the *Residential Building*, to:
  - i) the aggregate original contract price for all units contained in the *Residential Building*, or
  - ii) \$100,000.00 times the number of units in the *Residential Building*, or
  - iii) \$2,500,000.00whichever is less.

For the purposes of calculating these aggregate limits, where two or more *residential buildings* in a strata project share *common property* that is the subject of a claim under this warranty, the costs of the claim shall be allocated among the *residential buildings* which share that *common property*, using the same share calculation that is used to allocate other *common property* expenses between owners in the *Strata Corporation*.

### Components Excluded from Warranty

3. The following components, constructions, buildings, and materials are excluded from this warranty coverage:
  - (a) landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures (though a *required retaining wall* is not excluded from this warranty);
  - (b) non-residential detached structures including sheds, garages, carports or outbuildings, or any structure or construction not attached to or forming an integral part of a *home* or the *Common Property*;
  - (c) any commercial use area and any construction associated with a commercial use area;
  - (d) roads, curbs and lanes (though driveways and walkways are not excluded from this warranty);
  - (e) site grading and surface drainage, unless on the *Common Property Commencement Date* the construction does not conform with the *Building Code*;
  - (f) the operation of municipal services, including sanitary and storm sewers;
  - (g) a septic tank or septic field;
  - (h) the quality or quantity of water, either from a piped municipal water supply or from a well;
  - (i) a water well;
  - (j) a *home*.
4. The exclusions set out above do not include:
  - (a) recreational and amenity facilities included as the *Common Property* of a new *home*;
  - (b) a parking structure in a multi-unit building to the extent that the parking structure serves this *Residential Building*.

### Defects or Conditions Excluded from Warranty

5. The following conditions or defects are excluded from warranty coverage under this policy:
  - (a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
  - (b) normal shrinkage of materials caused by drying after construction;
  - (c) any loss or damage which arises while a new *home* is being used primarily or substantially for non-residential purposes;
  - (d) materials, labour or design supplied by an *owner*;

- (e) any damage to the extent that it is caused or made worse by an *Owner*, the *Strata Corporation* or its employees or agents, or a third party (other than the *Builder* or its employees, agents or subcontractors), including:
  - i) negligent or improper maintenance or improper operation,
  - ii) failure to comply with the warranty requirements of the manufacturers of appliances, equipment or fixtures,
  - iii) alterations to the new *home*, including the conversion of non-living space into living space or the conversion of a dwelling unit into two or more units, unless the alterations were undertaken by the *Builder* under the sales contract, and
  - iv) changes to the grading of the ground;
- (f) any damage to the extent that it is caused by the failure of an *owner* or of a *Strata Corporation* to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to *The Program* of a defect or discovered loss or a potential defect or loss;
- (g) any damage caused by insects or rodents or other animals, unless the damage results from non-compliance with the *Building Code* by the *Builder* or its employees, agents or subcontractors;
- (h) accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level of the underground water table which are not reasonably foreseeable by the *Builder*;
- (i) bodily injury or damage to personal property or real property which is not part of the *home*;
- (j) any defect in, or caused by, materials or work supplied by anyone other than the *Builder* or its employees, agents or subcontractors;
- (k) changes, alterations or additions made to a new *home* by anyone after initial occupancy, except those performed by the *Builder* or its employees, agents or subcontractors as required under Warranty or under the construction contract or sales agreement for the new *home*, and any resultant damage;
- (l) contaminated soil;
- (m) subsidence of the land around a new *home* or along utility lines, other than subsidence beneath footings of a new *home* or under driveways or walkways;
- (n) any defect in or damage to a new *home*;
- (o) bodily injury or damage to personal property caused by the presence or growth of mould.

#### Warranty on Repairs

- 6. All repairs and replacements made under this warranty are warranted against defects in materials and labour until the later of:
  - (a) the first anniversary of the date of completion of the repair or replacement; and
  - (b) the expiry of the applicable new *home* warranty insurance coverage.

## PART 2: CONDITIONS

#### Notice of Defects

- 7.
  - (a) Within a reasonable time after the discovery of a defect and before the expiry of the applicable *home* warranty insurance coverage, the *Strata Corporation* or its property manager must give written notice to:
    - i) the *Builder*; and
    - ii) *The Program*.
  - (b) Written notice of a defect must be in reasonable detail, must set out any specific defects covered by *home* warranty insurance, and must include the *home* warranty insurance *policy* number set out on the face of this certificate.
  - (c) If the *Strata Corporation* or its property manager has notified the *Builder* only of a defect before the expiry of the applicable *home* warranty insurance coverage, and the *Strata Corporation* is not satisfied with the *Builder's* repair or resolution of that defect, then the *Strata Corporation* must notify *The Program* in writing within a reasonable period of time, and in any case not more than 60 days after the expiry of the applicable warranty coverage. Such notice must include copies of any relevant documentation and correspondence between the *Strata Corporation* or its property manager and the *Builder*.
  - (d) *The Program* cannot provide warranty coverage for any defects of which *The Program* was not notified pursuant to this Section, even if such defects would otherwise be covered by *home* warranty insurance.

#### Duties of the Owners and Strata Corporation

- 8. As conditions of this warranty, the *Owner* and *Strata Corporation* must:



- (a) ensure that each *home* and associated *common property* are properly maintained in keeping with whatever recommended maintenance requirements or procedures that were provided to the original *Owner* by *The Program* or the *Builder*;
  - (b) ensure that surface water is always directed away from the foundation of any building;
  - (c) not permit a *home* in the *residential building* to be used other than primarily as a residence;
  - (d) not permit damage to a *residential building* to worsen from non-discovery of indications of a defect due to absence of the *owner* of a *home* in the *residential building*, where indications of such a defect would normally have been noticeable by a reasonably prudent person occupying the *home*;
  - (e) mitigate any damage to the *residential building*, by providing notice of the defect in writing to *The Program* as soon as reasonably possible after discovering the defect, or after indications of water penetration or other defect first become evident, including such indications as:
    - i) water staining on interior surfaces,
    - ii) evident water penetration into wall cavities, ceiling or roof spaces, or other areas of the building, even if such does not appear to be causing damage,
    - iii) water or dampness in carpeting or other floor finishes,
    - iv) mould growth or mildew in areas of the *residential building* where such might be caused by water penetration;
  - (f) where a defect requires immediate attention to prevent or reduce damage to the *residential building*, take all reasonable steps to restrict damage;
  - (g) grant *The Program* or the *Builder* or both access to the *residential building* at all reasonable times to undertake inspection, investigation, monitoring or repair;
  - (h) provide *The Program* with all information and documentation that the *Strata Corporation* has available, as required to investigate a claim or to evaluate maintenance requirements or to undertake repairs.
9. To the extent that damage to the *Common Property* is caused or made worse by the failure of a *Strata Corporation* or an *Owner* to take reasonable steps to mitigate, prevent, or reduce damage or loss as set out in section 8 or under the Regulations, or to provide access for inspection or repair, or to provide information and documentation required to investigate a claim or undertake repairs, such damage may, at *The Program's* option, be excluded from *home* warranty insurance coverage.

### PART 3: OTHER WARRANTY CONDITIONS

#### Mediation

- 10. If a dispute between *The Program* and a *Strata Corporation* arising under *home* warranty insurance cannot be resolved by informal negotiation within a reasonable time, the *Strata Corporation* may elect to have the dispute referred to mediation under the Homeowner Protection Act, by delivering to *The Program* a written request to mediate. Such mediation shall be conducted in accordance with the requirements set out in Schedule 2 of the Homeowner Protection Act Regulations.
- 11. Except as set out in the *Act* and its regulations, *The Program* is not bound by any expressed or implied warranties or representations made by the *Builder* to any *Purchaser* or to the *Strata Corporation*.

#### Subrogated Rights

- 12. Where *The Program* makes a payment or assumes liability for any payment or repair under this policy, *The Program* is subrogated to all rights of recovery of the *Strata Corporation* and its members against any person or persons who may have caused or contributed to the requirement for the payment or repair under this policy, and *The Program* may bring an action, at its expense, in the name of one or more *Owners* or of the *Strata Corporation* or of *The Program*, to enforce such rights.
- 13. Where *The Program* brings an action to enforce subrogated rights, the *Strata Corporation* and each *owner* must fully support and assist *The Program* in the pursuit of those rights.