

MINUTES OF THE MEETING OF THE STRATA COUNCIL, STRATA PLAN NW 90, MONTECITO 2000, PHASE II, HELD ON TUESDAY, MARCH 24, 2009, AT 7:00 PM IN THE CABANA, CORONADO DRIVE, BURNABY, BC

Council in attendance: Monte Chan
Ray Zimmerman
Chris Albright
Joanne Little
Tara Sutherland
Patti Jukes
Allan Grandy,
Strataco Management Ltd.

CALL TO ORDER:

The meeting was called to order by the Strata Council member, Mr. Monte Chan, at 7:07 pm.

ELECTION OF STRATA COUNCIL EXECUTIVE:

Nominations were called for the position of Strata Council President. Mr. Monte Chan was duly nominated, and there being no further nominations, was declared elected by acclamation.

Nominations were then called for the position of Strata Council Vice-President. Mr. Ray Zimmerman was duly nominated, and there being no further nominations, was declared elected by acclamation.

The following Committee appointments were then confirmed:

- | | |
|---------------|---------------------------------|
| ➤ Treasurer | Chris Albright |
| ➤ Block Watch | Joanne Little & Tara Sutherland |

MINUTES OF THE MEETING OF NOVEMBER 10, 2008:

It was

MOVED & SECONDED:

That the minutes of the meeting of November 10, 2008 be adopted as distributed.

MOTION CARRIED

BUSINESS ARISING FROM THE MINUTES:

There was no business arising from the minutes.

PRESIDENT'S REPORT:

The President advised that he had nothing further to report at this time, as all matters of concern would come up for discussion during the course of the meeting.

STRATA MANAGER'S REPORT:

1) Finance Report

Financial Statements

The Strata Manager tabled the financial statements for the months of October, November and December 2008, and January and February 2009. It was agreed that the financial statements be tabled pending review by the Treasurer.

**DRAFT
FOR DISCUSSION**

Receivables Report

The Strata Manager reviewed those strata lots having outstanding balances as of the date of the meeting. No action was recommended by staff on any collection matters, other than those actions already initiated by the Strata Council.

Notice of Strata Fees Payable

The Strata Manager confirmed that the notice of strata fees and special levy payable was distributed to all registered strata lot owners subsequent to the Annual General Meeting.

Collections

The Strata Manager tabled for Council's information correspondence regarding Strata Plan NW 90 vs. strata lot 70 submitted by Kahn Zack Ehrlich Lithwick.

Cabana Financial Statements

The Strata Manager tabled the Cabana financial statement for the month of October 2008 forwarded by Strata Plan NW 86.

Strata Lot 61

Council reviewed the comments made by the owner of the fore-noted strata lot at the recent Annual General Meeting, and also reviewed the owner's account and correspondence forwarded to the owner regarding the status of the same. Staff were requested to forward a summary letter to the owner reviewing his account.

2) Staff Report

Daily Log

The Strata Manager tabled the daily logs for the months of November and December 2009, and January and February 2009.

Security Services

The Strata Manager tabled correspondence previously discussed at the Annual General Meeting with regards to the termination of Mr. Gary Olson as security personnel for the Strata Corporation. It was noted that Mr. Olson is now on sick leave, and that his position officially ends with the Strata Corporation on March 31, 2009.

Indemnity Agreement Summary

The Strata Manager tabled for Council's information the amended Indemnity Agreement summary.

Bicycle Storage

Some discussion took place with regards to the bylaw requirements that prohibit residents from storing bicycles on balconies and patios. It was noted that the ownership had discussed this matter at an earlier General Meeting and had, at that time, resolved not to amend its bylaws to permit storage of such items on balconies and patios. Before staff started forwarding correspondence to residents to remove bicycles from storage on balconies and patio, Council agreed that this matter would be discussed at the next meeting of the Strata Council; therefore, staff were requested to hold off on forwarding any correspondence concerning the same until after discussions with Council at the next meeting.

3) **Completed Items**

The Strata Manager advised that the following items had been completed since the last meeting of the Strata Council: repair to roof leak at strata lot 34; correspondence to Burnaby Fire Department regarding Strata Council members list; correspondence to Mundie's Towing regarding Strata Council members list; receipt of quotation for spring power washing services; receipt of quotation for leak repair in underground parkade; distribution of Annual General Meeting notice; repair to frozen pipe at strata lot 61 by Blue Mountain Plumbing; water leak repair by owner of strata lot 3; receipt of quotation from Global Electric regarding lamp post upgrades; repair to railings at strata lots 20 and 40 by Harmony Restorations; winterization of wash bay tap by Citywide Plumbing.

Staff were requested to forward copies of parking courtesy notices to all members of Council.

With regard to powerwashing service for spring, it was

MOVED AND SECONDED:

That staff be authorized to accept the quotation of Right Choice Property Services for powerwashing services. Powerwashing services are to be completed in June 2009 after the Cottonwood fluff season. Powerwashing work would not include balconies and tucker pole cleaning of windows.

MOTION CARRIED

Council then reviewed the quotation submitted by S J L Construction for water leakage repairs in an underground parking lot. After review of the quotation submitted, it was

MOVED AND SECONDED:

That staff be authorized to accept the quotation of S J L Construction to affect the required leakage repairs.

MOTION CARRIED

Staff were requested to ask Global Electric to check on the operation of the photocells at the north end of the Phillips Avenue building. The lights do not appear to be coming on normally.

With regards to the report and quotation submitted by Global Electric for the upgrading of lamp post to enhance lighting, the contractor has noted that a metal hall light upgrade to the fixture is possible; however, it would be quite expensive. The contractor has an alternative recommended that the Strata Corporation upgrade the type of bulbs being used within the lamppost. Each post could then be completed at a more nominal cost. After further discussion, it was

MOVED AND SECONDED:

That staff be authorized to upgrade the lamppost heads using the energy efficient recommendation proposed by Global Electric for the lamppost located along Phillips Avenue. Should Council be satisfied with the performance of those upgraded posts, then additional posts can be completed.

MOTION CARRIED

4) In Progress

The Strata Manager advised that the following items remained in progress: balcony repairs; powerwashing; drain cleaning; carpet repair at strata lot 49; receipt of re-roofing quotations.

It was noted that quotations are expected to be received shortly from a number of contractors regarding the re-roofing at strata lots 16 to 11. Information will be forwarded to Council after receipt of the same.

Council then discussed the report of failure of a carpet at strata lot 49, noting that the carpet had been replaced by a contractor retained by the Strata Corporation in 2002 as part of the breezeway wall repair work completed at that time. Staff have arranged to take photographs of the carpet failure issue. A restoration contractor has been requested to comment on the failure of the carpet. The owner of the strata lot has requested a monetary reimbursement for the failure of the carpet to fully meet its anticipated life expectancy. After further discussion on this matter, Council has tabled a decision on this matter until the next meeting of the Strata Council.

5) Landscaping

Terra Firma Lawn & Garden Services

The Strata Manager confirmed the awarding of the landscape maintenance contract to Terra Firma Lawn & Garden Services. Council noted that the contractor has commenced work on site, and to date their efforts have been positive.

Davey Tree Service

The Strata Manager tabled a quotation received from Davey Tree Service regarding the deteriorating condition of a blue spruce tree near strata lot 69. Davey Tree Service has reported that the tree is not salvageable and should be removed.

Al's Tree Service

The Strata Manager tabled a memo received from Al's Tree Service regarding snow damaged tree repairs.

6) Insurance

Policy Renewal Quotations

The Strata Manager tabled a request for policy renewal quotations and the subsequent report forwarded to Council on the quotations received, and the recommendations of staff with regards to the renewal of the Strata Corporation's insurance policy effective January 1, 2009. It was noted that staff had bound, on behalf of the Strata Corporation, a policy proposal submitted by Coastal Insurance Services.

After review of the report, it was

MOVED AND SECONDED:

That Council concur with staff's recommendations and renew its insurance policy with Coastal Insurance Services Ltd. at a cost of \$17,609.00.

MOTION CARRIED UNANIMOUSLY

Please refer to the insurance certificate attached hereto as well as a highlight of the insurance coverages for your Strata Corporation and retain these documents for future reference. Please note in particular the water loss deductible.

Owners are reminded that the Strata Corporation's insurance policy does not cover personal belongings or improvements which may have been made to the strata lots since originally built. Owners who have made improvements to their strata lots, such as flooring upgrades, appliance upgrades, cabinet upgrades, or the installation of other fixtures or chattels, must ensure that all of these are reported to their homeowner insurers, and that they have coverage to allow for these improvements to be restored in case of a major loss. Owners are also responsible to ensure that they obtain insurance for their personal belongings as well as for personal liability in case of a civil lawsuit against them.

Owners are further reminded to ensure that they query their broker about obtaining coverage to "buy down" the Strata Corporation's insurance deductibles (which can be a significant amount) to the level of their homeowner's insurance deductible. A number of homeowner insurance policies do not provide this coverage as a matter of course, and this should be specifically requested.

If owners have any questions regarding their insurance requirements or their current homeowner policy, they are urged to take the Strata Corporation's insurance certificate to their personal brokers so that they can discuss coverages to avoid any financial hardship in case of an insurable claim.

The policy allows management to adjudicate claims up to a certain level, which would help to expedite the work when a claim needed to be processed. Adjusters often take considerable time in making decisions as to proceeding with repair work, frequently leaving the owners with an uncomfortable situation of unresolved repairs. With the cooperation of the insurance company, Strataco is able to expedite the initiation of repairs and thus shorten considerably the time needed for repairs to be undertaken. Claims of a larger nature still require the insurance company's adjusters to attend.

Insurance Premium Payment

The Strata Manager indicated that as had been done in the past, management were recommending that the Strata Corporation borrow from the Strata Corporation's accumulated reserves to pay the insurance premium and repay the reserves over the balance of the current fiscal year. It was

MOVED AND SECONDED:

That:

WHEREAS the Strata Corporation has renewed its insurance policy at an annual premium of \$17,609.00; and

WHEREAS there are insufficient funds in the operating account to satisfy the financial obligations; and

WHEREAS Section 95 of the Strata Property Act permits the Strata Corporation to lend money in the CRF to the operating fund if the loan is to be repaid by the end of the fiscal year of the Strata Corporation, and the loan is for the purpose of covering temporary shortages in the

operating fund resulting from expenses becoming payable before the budgeted monthly contributions to the operating fund to cover these expenses have been collected.

BE IT THEREFORE RESOLVED THAT the Strata Council authorize the transfer of \$17,609.00 from the CRF as a loan to the operating fund to be repaid in equal monthly payments in full by fiscal year end.

MOTION CARRIED UNANIMOUSLY

Fire Proof of Loss

The Strata Manager tabled signed Proof of Loss regarding the completion of fire damage repairs resulting from the actions of the roofer the past summer at strata lots 38 and 37.

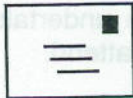
7) Legal

Bylaw Amendment Registration

The Strata Manager confirmed the distribution of documentation to Council regarding the registration of the bylaw amendments approved at the Annual General Meeting. It was noted that the Strata Council President had made arrangements for the signing of the documents and return to staff, so that the documents can be registered in the Land Title Office.

8) Correspondence

The Strata Manager tabled for Council's information correspondence regarding the following: election and re-election letters sent to Council; denial of deletion of late interest charges; Indemnity Agreements; noise transmission; frozen pipes, interior repairs; authorization to replace carpets; welcome packages.



Council reminds all owners that Strata Corporation policy requires all communication to Council to be sent via the management office. This will ensure that the correspondence can be dealt with officially by the Strata Council at a duly convened meeting. Thank you for your assistance.

OTHER BUSINESS:

Minutes Distribution

As security services were now effectively concluded, and as security had in the past delivered Strata Council meeting minutes to all residents, Council member Chris Albright has offered to arrange for delivery of the minutes on behalf of the Strata Corporation.

Easter Egg Hunt

A member of Council noted that efforts would be made to organize an Easter egg hunt for the children.

Meeting Dates

It was agreed by members of Council that future Strata Council meeting dates should be scheduled for Wednesdays.

ADJOURNMENT:

There being no further business, the meeting adjourned at 9:23 pm, until Wednesday, May 13, 2009, at 7:00 pm in the Coronado Drive cabana.

STRATACO MANAGEMENT LTD.

#101 – 4126 Norland Avenue

Burnaby, BC

V5G 3S8

Tel: 604-294-4141

Fax: 604-294-8956



Real estate regulations require a vendor to provide purchasers with copies of minutes. Please retain these minutes as there will be a charge to the owner for replacement copies.

/mk



COASTAL INSURANCE SERVICES LTD.

104 - 2331 Marpole Avenue, Port Coquitlam, BC V3C 2A1 Tel: 604-944-1700 Fax: 604-944-1734
1322 Johnston Road, White Rock, BC V4B 3Z2 Tel: 604-531-1020 Fax: 604-531-2031
Toll Free: 1-800-665-3310 Website - www.coastalinsurance.com - e-mail: info@coastalinsurance.com



Policy No. CNW 90

DECLARATIONS

Name of Insured:	The Owners of Strata Plan NW 90 Monticeto 2000
Location Address:	7301 - 7398 Capistrano Drive, Burnaby, BC, V5A 1P7
Additional Named Insured & Mailing Address:	Strataco Management Ltd. 101 - 4126 Norland Avenue, Burnaby, BC, V5G 3S8
Policy Period:	12/31/08 to 12/31/09 (mm/dd/yy) 12:01 a.m. Standard Time
Loss Payable to:	The Insured or Order in Accordance with the Strata Property Act of British Columbia.
Insurers:	As Per List of Participating Insurers Attached.

Insurance is provided subject to the Declarations, Terms, Conditions, Limitations and Endorsements of this policy and only for those coverages for which specific limits or amounts of Insurance are shown on this Declaration Page.

INSURING AGREEMENTS	Deductibles (\$)	Limits (\$)
PROPERTY COVERAGES - STR09/06R		
All Property, All Risks, Guaranteed Replacement Cost, Bylaws	2,500	13,550,000
Water Damage	5,000	Included
Backup of Sewers, Sumps, Septic Tanks or Drains	5,000	Included
Earthquake Damage	10%	Included
Flood Damage	10,000	Included
Key & Lock	250	10,000
BLANKET EXTERIOR GLASS INSURANCE Aviva Insurance Company of Canada - Form 20000 (11/98)	100	Blanket
COMMERCIAL GENERAL LIABILITY - Form 000102 (Rev.11/98)		
Coverage A - Bodily Injury & Property Damage Liability	Per Occurrence 500	10,000,000
Products & Completed Operations	Aggregate 500	10,000,000
Coverage B - Personal Injury Liability	Per Occurrence 500	10,000,000
Coverage C - Medical Payments	Any One Person 2,500	25,000
	Per Occurrence 500	500,000
Coverage D - Tenants Legal Liability		
Non-Owned Automobile - SPF #6 - Form 335002	Per Occurrence 500	10,000,000
Contractual Liability - SEF #96	Per Occurrence 500	50,000
Excluding Long Term Leased Vehicle - S.E.F. No. 99	Per Occurrence 500	10,000,000
Limited Pollution Liability Coverage	Aggregate 1,000	1,000,000
Employee Benefit Liability - Form 000200	Aggregate 1,000	1,000,000
Advertising Liability - Form 000117	Per Occurrence	500,000
DIRECTORS & OFFICERS LIABILITY - Form G/A2(04/01) Claims Made Form		
Condominium Discrimination Defense Costs	Per Occurrence 500 Retention	2,000,000
	Aggregate 500 Retention	10,000
		25,000
POLLUTION & REMEDIATION LEGAL LIABILITY - Form XLICL-PARL5CP(05/04)		
Claims Made Form - Limit of Liability - Each Loss, Remediation Expense or Legal Defense Expense	10,000 Retention	1,000,000
VOLUNTEER ACCIDENT INSURANCE PLAN Form 9224344- Plan II		
Principal Sum - \$ 100,000 Weekly Accident Indemnity - \$500 (maximum 52 weeks)	7 Day Waiting Period	100,000
Dental Expenses - various up to \$5,000 (see policy wording) Dental Expense - \$2,500		
COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION Form 500000 (Rev.01/2000)		
Employee Dishonesty - Form A		10,000
I Loss Inside the Premises		5,000
II Loss Outside the Premises		5,000
V Money Orders and Counterfeit Paper Currency		5,000
/ Depositors Forgery		5,000
EQUIPMENT BREAKDOWN		
Physical Damage, Direct Damage, Standard Comprehensive Plus, Replacement Cost - Form C780016(02/06)	1,000	13,550,000
I Consequential Damage, 90% Co-Insurance - Form C780032 (02/06)	1,000	10,000
II Extra Expense - Form C780033 (02/06)	24 Hour Waiting Period	100,000
V Ordinary Payroll - 90 Days - Form C780034 (02/06)	24 Hour Waiting Period	100,000

ALL COVERAGES SUBJECT TO POLICY DEFINITIONS*

This Policy contains a clause(s), which may limit the amount payable.

This policy shall not be valid or binding unless countersigned by a duly

Authorized Representative of the Insurer.

Ch. Valpette

President
Coastal Insurance Services Ltd.



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SCHEDULE OF PARTICIPATING INSURERS

For The Owners of Strata Plan NW 90 Monticeto 2000
Policy # CNW 90

Term: 12/31/08 to 12/31/09 (mm/dd/yy) 12:01 a.m. Standard Time

Insurer	Coverage	%	Limit (\$)
Aviva Insurance Company of Canada	Property	35	4,742,500
Axa Pacific Insurance Company	Property	35	4,742,500
Royal & SunAlliance Insurance Company	Property	30	4,065,000
Aviva Insurance Company of Canada	Commercial General Liability	100	10,000,000
Aviva Insurance Company of Canada	Directors & Officers Liability	100	2,000,000
Aviva Insurance Company of Canada	Employee Dishonesty – Form A	100	10,000
Aviva Insurance Company of Canada	Comprehensive Dishonesty, Disappearance and Destruction	100	5,000
Aviva Insurance Company of Canada	Glass	100	Blanket Exterior Coverage
XL Insurance Company Ltd.	Pollution & Remediation Legal Liability	100	1,000,000
Aviva Insurance Company of Canada	Equipment Breakdown	100	13,550,000
Axa Assurances Inc.	Volunteer Accident Insurance Plan II	100	100,000

DISCLOSURE NOTICE - UNDER THE FINANCIAL INSTITUTIONS ACT

The Financial Institutions act requires that the information contained in this Disclosure Notice be provided to a customer in writing at the time of entering into an insurance transaction.

1. I, Sandra Krenz, am licensed as a general insurance agent by the Insurance Council of British Columbia
2. This transaction is between you and Aviva Insurance Company of Canada, Axa Pacific Insurance Company Royal & Sunalliance Insurance Company (Insurer) and as indicated on the policies.
3. In soliciting the transaction described above, I am representing Coastal Insurance Services Ltd. who does business with the Insurer
4. The nature and extent of the Insurer's interest in the agency is none.
5. Upon completion of this transaction, the agent will be remunerated by way of commission or fee by the Insurer
6. The Financial Institutions act prohibits the Insurer from requiring you to transact additional or other business with the Insurer or any other person or Corporation as a condition of this transaction.

Total Premium:

\$17,609.

E&OE/SK

Insured's Copy

INSURANCE GUIDELINES FOR OWNERS OF A STRATA CORPORATION

THE FOLLOWING OUTLINES COVERAGES PROVIDED BY THE INSURERS PRESENTLY INSURING YOUR STRATA CORPORATION. WHILE IT IS NOT POSSIBLE TO PROVIDE AN IN-DEPTH ANALYSIS, WE HOPE THAT THE FOLLOWING INFORMATION IS OF VALUE.

• WHO IS AN INSURED?

The Strata Property Act directs (Section 155) that, regardless of the terms of the policy,

- (a) The Strata Corporation
- (b) The Owners and Tenants from time to time of the Strata Lots shown on the Strata Plan
- (c) The persons who normally occupy the strata lots shall be deemed to be included as the Named Insured relative to insurance for the buildings, common property and common assets owned by the Strata Corporation.

Take special note here that the Insurer of the Corporation does not insure any personal property of the individual Strata Lot owner nor of any tenant.

• WHAT DOES YOUR CORPORATION'S POLICY INSURE?

This Insurer provides coverage generally for the buildings, including Strata Lots, and all common property as defined by the Strata Property Act together with common facilities.

Common Property is defined as so much of the land and buildings comprised in a Strata Plan that is NOT comprised in a Strata Lot, and includes pipes, wires, cables, chutes, ducts and other facilities for the passage or provision of water, sewage, drainage, gas, oil, electricity, telephone, radio, TV services, garbage, heating and cooling systems, and other services if they are located:

Within a floor, wall or ceiling that forms a boundary

- a) between a strata lot and another strata lot,
- b) between a strata lot and the common property, or
- c) between a strata lot or common property and another parcel of land, or

Wholly or partially within a strata lot, if they are capable of being and intended to be used in conjunction with the enjoyment of another strata lot or the common property.

Common Asset is defined as:

- a) personal property held by or on behalf of a Strata Corporation, and
- b) land held in the name of or on behalf of a Strata Corporation, that is
 - i) not shown on the Strata Plan, or
 - ii) shown as a Strata Lot on the Strata Plan

COASTAL INSURANCE SERVICES LTD.

104 - 2331 Marpole Avenue, Port Coquitlam, BC V3C 2A1 Tel: 604-944-1700 Fax: 604-944-1734; 1322 Johnston Road, White Rock, BC V4B 3Z2 Tel: 604-531-1020 Fax: 604-531-2031

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INSURANCE GUIDELINES FOR OWNERS OF A STRATA CORPORATION

Definition of Fixtures

It should be noted that "fixtures" built or installed on a Strata Lot, where they were built or installed as part of the ORIGINAL construction on the Strata Lot, are insured under the Strata Corporation policy. Once they are changed, the Corporation insurance no longer applies. The regulations define "Fixtures" as items attached to the building, including wall and floor coverings and electrical and plumbing fixtures, but does not include, if they can be removed without damage to the building, refrigerators, stoves, dishwashers, microwaves, washers, dryers or other items.

Section 152 of the Strata Property Act states:

- "The Strata Corporation may obtain and maintain insurance in respect of the following:
- (b) fixtures built or installed on a strata lot that were not built or installed by the Owner, Developer as part of the original construction on the Strata Lot.

It is recommended that Strata Corporations pass resolutions to this effect to cover replacement items of similar value, such as carpets, cupboards etc. The Strata Corporation policy will then automatically extend to cover these items without picking up major upgrades and improvements that are the Unit Owner's responsibility. Be sure to notify your Insurer if you do this. It will affect how they settle claims.

The agreement of guiding principles regarding property insurance for condominiums is more explicit. Your policy on the Corporation also Insures within the Strata Unit:

- i) Storm doors, sashes and shades, blinds, screens, screen doors and awnings - but not curtains or drapes
- ii) Permanently installed heating, ventilating and air conditioning units
- iii) Permanently installed lighting fixtures, plumbing, kitchen and bathrooms fixtures plus cooking appliances. Note that residential refrigerators are not included.
- iv) Floor coverings that are glued, nailed, tacked or secured by moldings or otherwise fixed to floor, including wall to wall carpeting

All of the foregoing refers to the replacement, being the amount required to restore the fixtures and fittings originally installed in the individual units but NOT FOR IMPROVEMENTS OR BETTERMENTS.

• WHAT ARE IMPROVEMENTS & BETTERMENTS?

Improvements and betterments are deemed to be upgrading of items or fixtures in excess of those originally installed at the time of first occupancy; alterations, carpet upgrade, alternate wall coverings, more expensive bathroom fixtures, replaced or upgraded appliances, are a few of such items.

Improvements and betterments are not just those items that you have done personally but those upgrades or alterations that have been done by prior owners and acquired by you. Your Unit Owner's policy should respond to any excess cost for substituted items with others of improved quality or enhanced value. Floor and wall coverings are prime examples.

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INSURANCE GUIDELINES FOR OWNERS OF A STRATA CORPORATION

• WHAT YOUR CORPORATION'S POLICY DOES NOT INSURE?

- It does not insure any personal property owned by a Strata Lot Owner. The Strata Corporation has no insurable interest in that property;
- It does not insure the buildings as a warranty of fitness against such perils as settling, expansion, contraction, moving, shifting, or cracking;
- It does not insure against defective construction or faulty materials or workmanship nor against gradual deterioration or wear and tear;
- It does not insure against wet or dry rot - this is a building deficiency. Nor does it insure against fading colours or finish;
- It does not insure against damage caused by water derived from natural sources that passes through basement walls, basement floors or foundations. Once again this is classed as a building deficiency;
- It does not insure automobiles or other licensed vehicles, even if damage occurs on private property - this is an ICBC matter.

• WHAT DOES THE CORPORATION'S POLICY INSURE AGAINST?

Because the policy is an "All Risk" policy, the Insurer agrees to insure against All Risks of Direct Physical Loss or damage except for the exclusions. Just to name a few of the more common perils, it insures the Corporation against damage caused by fire, lightning, windstorm, smoke damage, hail, falling objects, malicious damage, water escape, sewer back-up, freezing, explosion, theft, landslide, flood, earthquake, riot, vandalism, and a multitude of other common events.

• WHAT IS THE BASIS OF SETTLEMENT IN THE EVENT OF A LOSS?

The vast majority of Stratas' insured by Coastal Insurance Services Ltd., are insured under the Coastal Manuscript wording, STR09/06R. The following comments refer to that wording only:

In case of loss, destruction or damage caused by an insured peril, it is understood and agreed to by the Corporation Insurer that settlement shall be based on the cost of repairing, reconstructing or replacing the insured property with like kind and quality without deductions for depreciation. If there are additional costs to repair where like kind and quality is no longer an acceptable standard or electrical, fire codes or zoning call for excess expenditure, the Insurer will also honour those additional costs if they are caused by the insured occurrence.

If, for some reason, civic code requires that an undamaged portion of a building (following a loss) is required to be torn down, the Insurer also agrees to pay for the value of the undamaged portion and the accompanying costs to tear down that portion and clearing of the site ready for rebuilding.

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INSURANCE GUIDELINES FOR OWNERS OF A STRATA CORPORATION

• WHAT IS THE BASIS OF SETTLEMENT IN THE EVENT OF A LOSS? contd.,

All, of course, to the full policy limits. It's important therefore to have adequate insurance limits. While the Insurer agrees to replace your property on a "new for old" basis, the repairs must be carried out with all reasonable dispatch and if, for some reason, it is decided not to rebuild by you, then the Insurer has the option to reimburse on the basis as if the replacement endorsement had not been added to your policy. The basis is then depreciated value.

The Insurer also agrees that because of a current Appraisal on file with us as your representatives, that they will remove the Co-insurance Clause and pre-agree that the amount insured is correct and no co-insurance penalty will be a consideration in the event of loss.

If the property has a current professional rebuilding appraisal on file and the appraisal is accepted, and is less than 14 months old at the date of loss, the Insurer gives **GUARANTEED REPLACEMENT COST COVERAGE**. The Insurer guarantees to replace the property insured if damaged by an insured peril regardless of the cost even if it exceed the limit shown on the policy declarations. The only proviso being that you continue to insure to the appraised value.

In addition to the foregoing, you also insure Blanket Glass in all common property areas against any accidental breakage. There is no limit to the amount payable per pane other than the actual costs of the item and the labour to install it. The policy also insures any lettering, ornamentation, tape or foil that is lost in the event of breakage. The policy deductible is applicable to this portion. Separate coverage is available. If you have a glass company contract, you must deal only with that company and different terms may apply.

• COMMERCIAL GENERAL LIABILITY

Your Corporation also insures broad Commercial General Liability. The Insured's are the Owners of the Strata Plan, its Officers and Directors and any Employees of the Strata Corporation. You are insured against all sums that you may become legally obligated to pay by reason of the liability imposed by law for damages because of bodily injury (to a third party) occurring during the policy period. In addition, the Insurer will respond to sums which you are legally obliged to pay by reason of the liability imposed by law due to property damage caused by an accident to a third party occurring during the policy period, arising out of the premises or business operations of the Strata Corporation.

The Insurer also agrees to defend you in a civil action, which may be brought against you on account of such bodily injury or property damage. The Insurer requires prompt notification of any incident that you feel may lead to suit and if a writ is issued, you must promptly notify your Broker or the Insurer. You may prejudice your position if you appoint your own lawyer prior to the approval by the Insurer. The policy covers "compensatory" damages but not "punitive or exemplary" damages. Coverage is "triggered" by an occurrence happening during the policy term.

Note the policy covers the Strata Corporation, but does not cover the personal interests of the Owners. The Owner still requires a Unit Owner's Policy to cover their personal liability exposure.

COASTAL INSURANCE SERVICES LTD.

104 - 2331 Marpole Avenue, Port Coquitlam, BC V3C 2A1 Tel: 604-944-1700 Fax: 604-944-1734; 1322 Johnston Road, White Rock, BC V4B 3Z2 Tel: 604-531-1020 Fax: 604-531-2031

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INSURANCE GUIDELINES FOR OWNERS OF A STRATA CORPORATION

• DIRECTORS & OFFICERS LIABILITY

A Strata Council is charged with extremely onerous responsibilities on behalf of all of the Owner's of a Strata Corporation. In part, the Strata Property Act (Part 2, Section 3) directs that the Corporation shall manage and maintain the common property and common assets of the Strata Corporation for the benefit of the Owners.

The Council is empowered to conduct and carry out the wishes of the Corporation. The Council and the Strata Corporation may sue and (10 (163) be sued on any matter relating to the common property, common facilities or assets of the Corporation.

The Strata Property Act, Section 22 (1) of the Standard Bylaws, states that "a Council Member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council" It should be noted that to arrive at a judgement as to whether or not an act is in "good faith" substantial court time and costs are involved, even if the case is won.

The exposure of Councils to suits for wrongful acts, Errors or Omissions is very real indeed and include the possibility of suit for acts of discrimination regarding age, race and whether or not you can have animals and so on.

A Commercial General Liability policy provides protection for acts of negligence involving bodily injury and property damage and the defense of those suits.

Council's Directors & Officers Liability provides protection for Council Members and Committee Members for "loss which the insured shall be legally obligated to pay for any civil claim or claims first made against them because of a wrongful act or omission". There are of course qualifications and extensions in the policy that cannot be addressed in a brief summary such as this. In all cases, the full policy conditions do apply.

• MACHINERY BREAKDOWN

The Strata Corporation also insures Comprehensive Boiler and Machinery Breakdown on all boilers, fired and unfired pressure vessels and refrigerating systems. The policy extends to include mechanical and electrical breakdown and among other extensions includes damage to transformers and electrical panels. This is not a maintenance contract against items that wear out and need replacing. The purpose of the coverage is to provide

protection for resulting damage from an incident of a sudden and accidental nature which includes "pressure" explosions of steam heating, hot water heating or hot water supply boilers, hot water tanks, air conditioning or other pressure vessels.

The policy pays the costs as of the date of the mishap, either (a) to repair the damaged property, or (b) to replace it with property of similar kind, quality, capacity and size except in the case of obsolete cast iron boilers. The policy also contains an extension to cover \$25,000 on Extra Expense which pays for the added cost of continuing "business as usual" by the use of alternate premises or facilities.

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