ST PAUL TRAVELERS

Home Warranty
Tel 604.682.3095
Toll Free 800.555.9431
Fax 604.682.3096

St. Paul Guarantee Insurance Company
650 W. Georgia Street, Suite 2500
P.O. Box 11542
Vancouver, British Columbia V6B 4N7
www.stpaulguarantee.com

September 13, 2005

RECEIVED SEP 14 2005

Strata Corp. BCS1399
c/o Martello Property Services Inc.
400 - 1066 West Hastings Street
Vancouver, British Columbia
V6E 3X1

IMPORTANT WARRANTY DOCUMENTATION ENCLOSED

Home Warranty Coverage:	**Common Property 1001 Homer Street , Vancouver**
Warranty Certificate Number:	**80033355**
Type of Policy:	**2-5-10 Year**
Effective Date:	**July 25, 2005**

Please refer to the Home Warranty Certificate for the various Expiry Dates and Limits.

Documentation Enclosed:
Information Summary Sheet
Home Warranty Certificate
Home Warranty Sticker *(to be affixed in a conspicuous location)*

If you have any questions, please do not hesitate to contact our office.
Phone (604) 682-3095
Fax (604) 682-3096
TollFree (800) 555-9431

/dp

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SCHEDULE "E-2" - 2-5-10 HOME WARRANTY CERTIFICATE

(For Dwelling Units in Multi Family Buildings and Common Property)

Address: Common Property, 1001 Homer Street , Vancouver, BC

Legal Description: Strata Plan BCS1399, Block 85, D.L. 541 NWD

Warranty Certificate #: 80033355

Builder Name: Polygon Bentley Tower Ltd. **Builder #:** 00001836

Builder's Phone: (604) 877-1131 **Builder's Fax:** (604) 876-1258

Builder's Address: Suite 900 -1333 West Broadway, Vancouver, BC, V6H 4C2

This is your Warranty Certificate which should be read and kept in a safe place. To ensure your Warranty rights are preserved, ensure that you understand what your rights and obligations are. Please note that all notice(s) of a claim under this Warranty Certificate must be delivered to the Builder and St. Paul Guarantee **in writing** prior to the expiry of the applicable warranty coverage. The important dates to note are:

1. **Warranty Commencement Date** — July 25, 2005

2. **Materials & Labour Warranty**
   a) **15 Months** for Common Property; — **Expiry Date:** October 24, 2006
   b) **2 Years** defects in Materials and Labour supplied for;
      i. the gas, electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems; and
      ii. the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the New Home: — **Expiry Date:** July 24, 2007

3. **5 Years Building Envelope Warranty** — **Expiry Date:** July 24, 2010

4. **10 Years Structural Defects Warranty** — **Expiry Date:** July 24, 2015

For your convenience, enclosed with this Warranty Certificate please find a sticker outlining these important dates for you to affix in a conspicuous location in your new home.

In consideration of the payment to St. Paul Guarantee Insurance Company (hereinafter called "St. Paul Guarantee") of the premium for this Warranty Certificate, St. Paul Guarantee agrees to provide Warranty coverage subject to limits as set out herein, in accordance with the terms, conditions, forms, riders and endorsements contained in this Warranty Certificate.

In witness whereof St. Paul Guarantee has duly executed this Warranty Certificate.

ST. PAUL GUARANTEE INSURANCE COMPANY
("St. Paul Guarantee", formerly London Guarantee Insurance Company)

ST. PAUL GUARANTEE INSURANCE COMPANY

Executive Vice-President and Chief Executive Officer

Dated: September 13, 2005

A. Warranty Coverage

1.0 Materials and Labour Warranty – 2 Years

1.1 This Warranty provides coverage for Materials and Labour for up to two years as set out below:

(a) in the first 12 months of the Warranty, for other than the Common Property, common facilities and other assets of a Strata Corporation, coverage for any Defect in Materials and Labour.

(b) in the first 15 months of the Warranty, for the Common Property, common facilities and other assets of a Strata Corporation, coverage for any Defect in Materials and Labour.

(c) in the first 24 months of the Warranty,

(i) coverage for any Defect in Materials and Labour supplied for the gas, electrical, plumbing, heating, ventilation, and air conditioning Delivery and Distribution Systems,

(ii) coverage for 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 New Home or Common Property,

(iii) coverage for any Defect in Materials and Labour which renders the New Home unfit to live in, and

(iv) subject to Subsection A.1.2, coverage for non-compliance or a violation of the Building Code.

1.2 Non-compliance with, or a violation of the Building Code is considered a Defect covered by *St. Paul Guarantee* only if the non-compliance or violation:

(a) constitutes an unreasonable health or safety risk, or

(b) has resulted in, or is likely to result in, Material Damage to the New Home.

2.0 Building Envelope Warranty – 5 Years

2.1 This Warranty provides coverage for the Building Envelope for up to five years for Defects in the Building Envelope of a 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.

3.0 Structural Defects Warranty – 10 Years

3.1 This Warranty provides coverage for Structural Defects for up to ten years for:

(a) any Defect in 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.

4.0 Limitation of Warranty

4.1 This Warranty Certificate may be issued to Owners of Fee Simple New Homes, Owners of Co-operatives, Owners of Strata Title New Homes and to Strata Corporations. Notwithstanding anything contained herein, the Warranty coverage provided by this Warranty Certificate for Common Property is only applicable to a Strata Corporation and may only be enforced pursuant to the terms and conditions of the Warranty Certificate issued to such Strata Corporation. All Common Property issues must be dealt with by authorized representatives of the strata council. All issues relating to Cooperatives must be dealt with by authorized representatives of the Cooperative council.

B. Commencement Dates

1.0 Fee Simple New Homes

1.1 The Commencement Date for the Warranty coverage of a New Home held in fee simple is as follows:

(a) for a New Home constructed by a Builder on land owned by the Owner, the Commencement Date is the earliest of:

(i) the date of actual occupancy of the New Home,

(ii) the granting of an occupancy permit or similar right to occupy by the authority having jurisdiction, and

(iii) the date that the New Home is completed and ready for occupancy;

(b) for a New Home constructed by a Builder on land not owned by the Owner, the Commencement Date is the earlier of:

(i) the date of actual occupancy of the New Home, and

(ii) the transfer of the legal title of the New Home to the Owner.

1.2 For the purposes of Subsection B.1.1(a), in a jurisdiction where occupancy permits are not issued, a New Home is deemed to have reached the stage of occupancy when it is:

(a) "completed" as that term is defined by the *Builders' Lien Act* in effect from time to time, and

(b) capable of being legally occupied.

2.0 Strata Titled New Homes

2.1 If a New Home is included in a Strata Plan, *St. Paul Guarantee* will provide Warranty coverage for the following:

(a) the New Home comprising the strata lot;

(b) the Common Property.

2.2 The Commencement Date for the Warranty coverage of a New Home comprising the strata lot, is the earlier of:

(a) actual occupancy of the New Home, and

(b) the transfer of legal title to the strata lot.

3.0 Common Property and Multi-Unit Buildings Not in a Strata Plan

3.1 The Commencement Date of Warranty coverage of Common Property and multi-unit buildings is concurrent with the first Commencement Date for a New Home in each separate multi-unit building comprising the Strata Plan or multi-unit building.

4.0 Unsold Units used as Rental Units

4.1 If an unsold New Home owned by a Builder is occupied as a rental unit, the Commencement Date is the date the New Home is first occupied by a tenant.

5.0 BCHMC Social Housing

5.1 If a New Home is a Social Housing building, the Commencement Date is the date of substantial completion.

C. Limits on Coverage

1.1 The limits of the Warranty coverage are as follows:

(a) for a New Home in fee simple ownership, the lesser of:

(i) the original purchase price paid by the Owner, and

(ii) $200,000.00;

(b) for a New Home in a strata titled or multi-unit building, the lesser of:

(i) the original purchase price paid by the Owner, and

(ii) $100,000.00;

(c) for the Common Property in a strata titled building or in a multi-unit building that is not strata-titled, the least of

(i) the total original contract price for the multi-unit building,

(ii) $100,000 times the number of dwelling units, and

(iii) $2,500,000.

1.2 If a Strata Plan consists of a number of buildings, the limit under Subsection C.1.1(c) applies to each multi-unit building.

1.3 When calculating the cost of Warranty claims in respect of the standard limits under this Warranty Certificate, *St. Paul Guarantee* may include:

(a) the cost of repairs,

(b) the cost of any investigation, engineering, and design required for the repairs, and

(c) the cost of supervision of repairs, including professional review, but excluding legal costs; and

(d) any of the costs referred to in C.1.3(a), (b), and (c), may include St. Paul Guarantee's own personnel and other expenses, including adjusting expenses, at rates established by St. Paul Guarantee from time to time.

1.4 The Warranty coverages provided by this Warranty Certificate are conditional upon the Owner completing all reasonable maintenance of the New Home, including that set out in the maintenance information provided to the original owner, in a timely manner, as well as the Strata Corporation completing all reasonable maintenance of the Common Property in a timely manner.

D. Warranty Exclusions

1.1 This Warranty does not cover the following:

(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 the 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 or Third Party, including:

(i) negligent or improper maintenance or improper operation by anyone other than the Builder or its employees, agents, or sub-contractors,

(ii) failure of anyone, other than the Builder or its employees, agents, or sub-contractors, 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 the New Home into two (2) or more units, by anyone other than the Builder or its employees, agents, or sub-contractors while undertaking their obligations under the sales contract, and

(iv) changes to the grading of the ground by anyone other than the Builder or its employees, agents, or sub-contractors;

(f) failure of an Owner to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to St. Paul Guarantee of a Defect or discovered loss or a potential Defect or loss;

(g) any damage caused by insects or rodents and other animals, unless the damage results from non-compliance with the Building Code by the Builder or its employees, agents, or sub-contractors;

(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 in 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 New Home;

(j) any Defect in, or caused by, materials or work supplied by anyone other than the Builder or its employees, agents, or sub-contractors;

(k) changes, alterations, or additions made to the New Home by anyone after initial occupancy, except those performed by the Builder or its employees, agents, or sub-contractors under the construction contract or sales agreement, or as required by *St. Paul Guarantee*.

(l) contaminated soil;

(m) subsidence of the land around the New Home or along utility lines, other than subsidence beneath footings of the New Home or under Driveways or Walkways;

(n) diminution in the value of the New Home;

(o) landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures;

(p) 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 multi-unit building or the New Home;

(q) any commercial use area and any construction associated with a commercial use area;

(r) roads, curbs, and lanes;

(s) subject to Subsection D.1.1(m), site grading and surface drainage, except as required by the Building Code;

(t) the operation of municipal services, including sanitary and storm sewer;

(u) septic tanks or septic fields;

(v) the quality or quantity of water, either from a piped municipal water supply or from a well;

(w) a water well, but excluding equipment installed for the operation of a water well used exclusively for the New Home, which equipment is considered to be part of the plumbing system for that the New Home.

(x) damage caused or made worse by the failure of an Owner to take reasonable steps to mitigate any damage.

E. Warranty Terms

1.1 If *St. Paul Guarantee* makes a payment or undertakes a repair, or assumes liability for any payment or repair under the Warranty coverage:

(a) *St. Paul Guarantee* is subrogated to all rights of recovery of an Owner against any person or persons who may have caused or contributed to the requirement for the payment or repair under the Warranty;

(b) *St. Paul Guarantee* may bring an action at its own expense, in the name of the Owner or of *St. Paul Guarantee* to enforce such rights, and

(c) the Owner will fully support and assist *St. Paul Guarantee* in the pursuit of those rights if *St. Paul Guarantee* pursues such subrogated rights;

1.2 Implied or expressed warranties or representations made by a Builder to an Owner are not binding on *St. Paul Guarantee* except as set out in this Warranty Certificate;

1.3 An Owner, or occupant, must permit *St. Paul Guarantee* or the Builder, or both, to enter the New Home at all reasonable times, upon giving reasonable notice to the Owner:

(i) to monitor the New Home or its components,

(ii) to inspect for required maintenance,

(iii) to investigate complaints or claims, or

(iv) to undertake repairs under the Warranty Certificate;

1.4 If any reports are produced as a result of any of the activities referred to in paragraph E..1.3, the reports will be provided to the Owner on request;

1.5 An Owner must provide to *St. Paul Guarantee* all information and documentation that the Owner has available, as reasonably required by *St. Paul Guarantee*, in order to investigate a claim or maintenance requirement, or to undertake repairs under the Warranty Certificate;

1.6 To the extent that damage to a New Home is caused by the unreasonable refusal of an Owner or occupant to permit *St. Paul Guarantee* or the Builder access to the New Home for the reasons set out in paragraph E .1.3, or to provide the information required by paragraph E.1.5, such damage is excluded from the Warranty coverage.

F. Notice of Claim

1.1 Within a reasonable time after the discovery of a Defect and before the Expiry Date of the applicable Warranty coverage, an Owner must give *St. Paul Guarantee* and the Builder written notice in reasonable detail that provides particulars of any specific alleged Defects which may be covered by the Warranty.

1.2 *St. Paul Guarantee* will require the notice under Subsection F.1.1 to be in a prescribed form and include:

(a) the Home Warranty Certificate Number of the New Home,

(b) copies of all relevant documentation and correspondence between the Owner and the Builder, and

(c) Particulars of the claim as determined to be necessary by St. Paul Guarantee to comply with its obligations pursuant to this Warranty

1.3 The obligations of St. Paul Guarantee absolutely cease unless:

(a) Proper notice is given to St. Paul Guarantee of a claim prior to the Expiry Date; and

(b) The Owner conducts reasonable inspections of the New Home from time to time in order to discover defects or potential defects and gives notice pursuant to Subsection F.1.1.

G. Duty to Mitigate and Maintain

1.1 *St. Paul Guarantee* requires the Owner to maintain the New Home and mitigate any damage to the New Home, including damage caused by Defects or water penetration, as set out in the Warranty Certificate.

1.2 The Owner must take all reasonable steps to restrict damage to the New Home if the Defect requires immediate attention.

1.3 Subject to Subsection G.1.2, for Defects covered by this Warranty, the duty to mitigate is met through timely notice in writing to *St. Paul Guarantee*.

1.4 The Owner's duty to mitigate survives even if:

(a) the New Home is unoccupied,

(b) the New Home is occupied by someone other than the Owner,

(c) water penetration does not appear to be causing damage, or

(d) the Owner advises the Strata Corporation about the Defect.

H. Living-Out Allowance

1.1 If repairs are required under the Warranty Certificate and damage to the New Home or the extent of the repairs renders the New Home uninhabitable, *St. Paul Guarantee* covers reasonable living-out expenses incurred by the Owner.

1.2 The maximum amount per day for claims for living-out expenses is $100.00, for the complete reimbursement of the actual accommodation expenses incurred by the Owner at a hotel, motel, or other rental accommodation up to the day the New Home is ready for occupancy, subject to the Owner receiving 24 hours advance notice.

1.3 Where the New Home comprises part of a Strata Plan and *St. Paul Guarantee* or the Builder, as the case may be, is required to carry out repairs to Common Property as a result of which, in the opinion of *St. Paul Guarantee*, the New Home is rendered uninhabitable, Section H.1.1 and H.1.2 shall apply.

I. Warranty on Repairs and Replacements

1.1 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 Warranty coverage.

1.2 All repairs and replacements made under the Warranty will be completed in a reasonable manner using materials and labour conforming to the Building Code and industry standards.

1.3 St. Paul Guarantee reserves the right to use the Builder or any third party to perform the Warranty obligations imposed on St. Paul Guarantee, and the Owner agrees to cooperate with St. Paul Guarantee and the Builder and any Third Party in carrying out any such obligations.

J. Mandatory Conditions

1.0 Mediation

In this Section:

1.1 (a) "Mediation" means a collaborative process in which two (2) or more parties meet and attempt, with the assistance of a Mediator, to resolve issues in dispute between them;
"Mediation Session" means a meeting between two (2) or more parties to a dispute during which they are engaged in Mediation;
"Mediator" means a neutral and impartial facilitator with no decision-making power, who assists parties in negotiating a mutually acceptable settlement of issues in dispute between them;
"Roster Organization" means any body designated by the Attorney General to select Mediators for the purpose of this regulation. .

(b) If a dispute between *St. Paul Guarantee* and an Owner arising under this Warranty Certificate cannot be resolved by informal negotiation within a reasonable time, the Owner may, at the Owner's sole election, require that the dispute be referred to Mediation by delivering to *St. Paul Guarantee* a written request to mediate.

(c) If the Owner delivers a request to mediate under Subsection J.1.1(b), *St. Paul Guarantee* and the Owner must attend a Mediation Session in relation to the dispute.

(d) In addition to the requirements of Subsection J.1.1(c), *St. Paul Guarantee* or an Owner may invite to participate in the Mediation any other party to the dispute who may be liable.

(e) Within twenty-one (21) days after the Owner has delivered a request to mediate under Subsection J.1.1(b), the parties must, directly or with the assistance of an independent, neutral person or organization, jointly appoint a mutually acceptable Mediator.

(f) If the parties do not jointly appoint a mutually acceptable Mediator within

the time required by Subsection J.1.1(e), the Owner may apply to a Roster Organization which must appoint a Mediator taking into account:

(i) the need for the Mediator to be neutral and independent,
(ii) the qualifications of the Mediator,
(iii) the Mediator's fees,
(iv) the Mediator's availability, and
(v) any other consideration likely to result in the selection of an impartial, competent, and effective Mediator.

(g) Promptly after a Roster Organization selects the Mediator under Subsection J.1.1(f), the Roster Organization must notify the parties in writing of that selection.

(h) The Mediator selected by a Roster Organization is deemed to be appointed by the parties effective the date of the notice sent under Subsection J.1.1(g).

(i) The date, time, and place of the first Mediation Session must be scheduled by the Mediator, and the first Mediation Session must occur within twenty-one (21) days of the appointment of the Mediator.

(j) Despite Subsection J.1.1(c), a party may attend a Mediation Session by representative if:

(ii) the party is under legal disability and the representative is that party's guardian ad litem,
(iii) the party is not an individual, or
(vi) the party is a resident of a jurisdiction other than British Columbia and will not be in British Columbia at the time of the Mediation Session.

(k) A representative who attends a Mediation Session in the place of a party referred to in Subsection J.1.1(j):

(i) must be familiar with all relevant facts on which the party, on whose behalf the representative attends, intends to rely, and
(ii) must have full authority to settle, or have immediate access to a person who has full authority to settle, on behalf of the party on whose behalf the representative attends.

(l) A party or a representative who attends the Mediation Session may be accompanied by counsel.

(m) Any other person may attend a Mediation Session if that attendance is with the consent of all parties or their representatives.

(n) At least seven (7) days before the first Mediation Session is to be held, each party must deliver to the Mediator a statement briefly setting out:

(i) the facts on which the party intends to rely, and
(ii) the matters in dispute.

(o) Promptly after receipt of all of the statements required to be delivered under Subsection J.1.1(n), the Mediator must send each party's statement to each of the other parties.

(p) Before the first Mediation Session, the parties must enter into a retainer with the Mediator which must:

(i) disclose the cost of the Mediation Services, and
(ii) provide that the cost of the Mediation will be paid:
(1) equally by the parties, or
(2) on any other specified basis agreed by the parties.

(q) The Mediator may conduct the Mediation in any manner he or she considers appropriate to assist the parties to reach a resolution that is timely, fair, and cost-effective.

(r) A person must not disclose, or be compelled to disclose, in any proceeding oral or written information acquired or an opinion formed, including, without limitation, any offer or admission made in anticipation of or during a Mediation Session.

(s) Nothing in Subsection J.1.1(r) precludes a party from introducing into evidence in a proceeding any information or records produced in the course of the Mediation that are otherwise predicable or compellable in those proceedings.

(t) A Mediation Session is concluded when:

(i) all issues are resolved,
(ii) the Mediator determines that the process will not be productive and so advises the parties or their representatives, or
(iii) the Mediation Session is completed and there is no agreement to continue.

(u) If the Mediation resolves some, but not all, issues, then at the request of all parties the Mediator may complete a report setting out any agreements that the parties to the Mediation have made as a result of the Mediation, including, without limitation, any agreements made by the parties on any of the following:

(i) facts;
(ii) issues;
(iii) future procedural steps.

2.0 Disclosure of Claims History

2.1 (a) On receipt of an inquiry from an Owner of a New Home covered by Home Warranty coverage regarding the claims experience of that New Home, St. Paul Guarantee will provide the Owner with a history of claims.

(b) The history of claims referred to in Subsection J.2.1(a) will include, for each claim, the following information for both the Dwelling Unit and, if applicable, the associated Common Property:

(i) the type of claim that was made;

(c) St. Paul Guarantee will charge a fee to provide the history of claims.

3.0 Handling of Claims

3.1 (a) *St. Paul Guarantee* will, on receipt of a notice of a claim from the Owner under the Warranty Certificate, promptly make reasonable attempts to contact the Owner to arrange an evaluation of the claim.

(b) *St. Paul Guarantee* will make all reasonable efforts to avoid delays in responding to a claim under the Warranty Certificate, evaluating the claim, and scheduling any required repairs.

(c) If, following evaluation of a claim under the Warranty Certificate, *St. Paul Guarantee* determines that the claim is not valid or not covered under the Warranty Certificate, it will notify the Owner of the decision in writing, setting out the reasons for the decision.

(d) The notice under Subsection J.3.1(c) will also set out the rights of the parties under the third party dispute resolution process referred to in Section J.1.1 of this Warranty Certificate.

(e) Repairs will be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of Materials and Labour.

(f) On completion of any repairs, *St. Paul Guarantee* will deliver a copy of the repair specifications to the Owner, along with a letter confirming the date the repairs were completed and referencing the Warranty on repairs. Refer to Section I of this Warranty Certificate.

4.0 Transfer of Warranty to Subsequent Purchasers

4.1 (a) The Warranty Certificate pertains solely to the New Home for which it provides Warranty coverage and no notice to *St. Paul Guarantee* is required on a change of ownership.

(b) All of the applicable obligations and unused warranty benefits under the Warranty Certificate are automatically transferred to any subsequent Owner(s) on a change of ownership.

K. Definitions

1.1 **"Act of God"** means an act occasioned by the forces of nature and beyond the reasonable control of the Builder, and includes but is not limited to: fire, flood, changes in or actions of the underground water table or any other subsurface water, earthquake, hail, landslide, lightning, strong winds, and freezing.

1.2 **"Builder"** means the person named in this Warranty Certificate.

1.3 **"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;

1.4 **"Building Envelope"** means the assemblies, components and materials of a New Home which are intended to separate and protect the interior space of the New Home from the adverse affects of exterior climatic conditions. Interior space of the New Home includes all material not directly exposed to exterior climatic conditions. Exterior climatic conditions means the direct affect of weather on the above-grade portion of the New Home.

1.5 **"Building Envelope Warranty"** means the Warranty against Building Envelope Defects provided pursuant to Subsection A.2;

1.6 **"Commencement Date"** means in respect of the New Home, Common Property or multi-unit building, the date the Warranty coverage commences, and as set out in part B hereof. Any determination by *St. Paul Guarantee* of the Commencement Date shall be binding on the parties to this Warranty Certificate;

1.7 **"Common Property"** has the same meaning as in the *Condominium Act*, but does not include land;

1.8 **"Cooperative"** means a building, or a portion of a building, provided for residential occupancy purposes to members of an association incorporated or continued under the *Cooperative Association Act;*

1.9 **"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 Builder or person for whom the Builder is responsible at law;

1.10 **"Delivery and Distribution Systems"** means the mechanical and electrical systems for delivery and distribution of electricity, water, waste, heat and air within and throughout a New Home, but excludes plumbing and electrical fixtures and appliances.

1.11 **"Driveway"** means a surface intended and constructed primarily to be used for vehicular access to or from the New Home;

1.12 **"Expiry Date"** means the expiration dates referenced in this Warranty

Certificate pertaining to each applicable Warranty and after which such Warranty absolutely ceases to exist;

1.13 **"Load Bearing"** means subjected to or designed to carry loads in addition to its own dead load, but does not include a wall element subjected only to wind or earthquake loads in addition to its own dead load. The Load Bearing portions of the New Home are limited to the following:
(a) foundation systems,
(b) support beams, posts, and columns,
(c) load bearing walls, and
(d) floor and roof support system.

1.14 **"Materials and Labour"** means only Materials and Labour supplied by the Builder for construction of the New Home.

1.15 **"Materials and Labour Warranty"** means the Warranty against defects in materials and labour provided to an Owner pursuant to Section A hereof;

1.16 **"Material Damage"** means damage which materially and adversely affects the use of the New Home for residential occupancy.

1.17 **"New Home"** means the New Home specified in this Warranty Certificate and which is a building or portion of a building, that is newly constructed and intended for residential occupancy, or a non-residential building, or portion thereof, converted to use for residential occupancy and sale, that is a single, self-contained residence usually containing cooking, eating, living, sleeping, and sanitary facilities.

1.18 **"Owner"** means the person who:

(a) purchases an interest in the New Home, or
(b) contracts with a Builder to construct a New Home,
and includes
(c) a person who purchases a life interest in the New Home,
(d) a Cooperative, corporation or society having an ownership interest in the New Home, and
(e) a subsequent Owner of the New Home;

1.19 **"Strata Corporation"** means the corporation created pursuant to the *Condominium Act* R.S.B.C. 1996, Chapter 64, and amendments thereto for the purpose of the Warranty, that body charged with the obligation to administer the Common Property Warranty;

1.20 **"Strata Plan"** means a strata plan as defined in the *Condominium Act* R.S.B.C. 1996, Chapter 64, and amendments thereto; including strata units and common property as therein defined.

1.21 **"Structural Damage"** means damage which results from a Structural Defect and must be visible and measurable, and must exceed allowable tolerances established by St. Paul Guarantee, provided always that Structural Damage caused by an Act of God, an act or omission of a Third Party, or other causes not directly related to Material and Labour provided by the Builder, or those for whom the Builder is responsible at law, are excluded from the Warranty herein provided. The presence of water in itself, in any form, will not be considered as a Structural Damage;

1.22 **"Structural Defect"** means a Defect in the New Home resulting in failure of any Load Bearing portion which affects the Load Bearing function of the New Home.

1.23 **"Structural Defects Warranty"** means the Warranty against Structural Defects provided to an Owner pursuant to Section A hereof;

1.24 **"Third Party"** means any third party or combination of third parties for whom the Builder is not at law responsible.

1.25 **"Warranty"** means only this Certificate and those Warranty coverages, terms, and conditions set out in this Warranty Certificate.

This Warranty Certificate is to be read and interpreted as a whole and represents the entire contract between *St. Paul Guarantee* and the Owner.

ST PAUL TRAVELERS

Home Warranty
Tel 604.682.3095
Toll Free 800.555.9431
Fax 604.682.3096

St. Paul Guarantee Insurance Company
650 W. Georgia Street, Suite 2500
P.O. Box 11542
Vancouver, British Columbia V6B 4N7
www.stpaulguarantee.com

2-5-10 HOME WARRANTY STICKER

(For Dwelling Units in Multi Family Buildings and Common Property)

Address: Common Property - 1001 Homer Street , Vancouver, BC

Legal Description: Strata Plan BCS1399, Block 85, D.L. 541 NWD

Warranty Certificate #: 80033355

Builder Name: Polygon Bentley Tower Ltd. **Builder #:** 00001836

Builder's Phone: (604) 877-1131 **Builder's Fax:** (604) 876-1258

Builder's Address: Suite 900 -1333 West Broadway, Vancouver, BC, V6H 4C2

This is an adhesive label listing important expiry dates relating to the warranty coverage of the above captioned Dwelling Unit. To ensure your Warranty rights are preserved, please refer to the 2-5-10 Home Warranty Certificate and ensure that you understand what your obligations are. Please note that all notice(s) of a claim must be provided to the Builder and St. Paul Guarantee **in writing** prior to the expiry of the applicable warranty coverage. The important dates to note are:

1. Warranty Commencement Date — July 25, 2005

2. Materials & Labour Warranty

   a) **15 Months** for Common Property; — **Expiry Date:** October 24, 2006
   b) **2 Years** defects in Materials and Labour supplied for;
      i. the gas, electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems; and
      ii. the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the New Home: — **Expiry Date:** July 24, 2007

3. 5 Years Building Envelope Warranty — **Expiry Date:** July 24, 2010

4. 10 Years Structural Defects Warranty — **Expiry Date:** July 24, 2015

Please place this sticker in a conspicuous location.

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A. 2-5-10 HOME WARRANTY COVERAGE:

1. Materials & Labour Warranty

(a) Year 1 - Any Defect in Materials and Labour
(b) Year 2 - Restricted to Defects in Materials and Labour supplied for:
  (i) the gas, electrical, plumbing, heating, ventilation and air-conditioning delivery and distribution systems; and
  (ii) the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the new home,
  (iii) coverage for any Defect in Materials and Labour which renders the New Home unfit to live in, and
  (iv) subject to Subsection A.1.2, coverage for non-compliance or a violation of the Building Code.

2. 5 Year Building Envelope Warranty

3. 10 Year Structural Defects Warranty

B. HOW TO REGISTER A CLAIM WITH ST. PAUL GUARANTEE

If the Owner becomes aware of a Defect in Materials and Labour, a Defect in the Building Envelope, or a Structural Defect, for which St. Paul Guarantee provides coverage pursuant to the warranty certificate:

- ***the Owner shall promptly provide the Builder and St. Paul Guarantee with WRITTEN NOTICE outlining the full details of the defect.***
- ***This notice must be provided on or BEFORE the Expiry Date of the applicable coverage for the New Home.***

C. PROCESSING A CLAIM BY ST. PAUL GUARANTEE

- Upon receipt of the Owner's notice of a claim, St. Paul Guarantee will contact the Owner to outline the claims adjustment process.
- St. Paul Guarantee will advise the Owner of all decisions in writing.
- Repairs will be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of materials and labour.
- Upon completion of the repairs, St. Paul Guarantee will deliver a copy of the repair specifications to the Owner confirming the date the repairs were completed and referencing the warranty remaining on the repairs.
- In the event of a dispute with St. Paul Guarantee, the Owner may refer the dispute to mediation. A mediator will be appointed to assist the parties in negotiating a mutually acceptable settlement of issues.

If you have any questions or concerns, please do not hesitate to contact our office at (604) 682-3095 or Toll Free 1-800-555-9431.

CMW insurance

RESIDENTIAL STRATA PROGRAM
Certificate of Insurance

Name of Insured & Mailing Address:
The Owners of Strata Plan BCS 1399
c/o Martello Property Services Inc
400-1066 West Hastings Street
Vancouver, BC V6E 3X1

Name of Broker & Mailing Address:
CMW Insurance Services Ltd.
700-1901 Rosser Avenue
Burnaby, BC V5C 6R6

Location of Risk: 1001- 1009 Homer Street, Vancouver, B.C.

Period of Insurance: August 1, 2006 to August 1, 2007
Both dated to 12:01 am Standard Time at the address of the Insured.

Total Premium: $25,320.

Coverage provided under this certificate is only for those coverages specified below and is subject to all terms, conditions, provisions, limitations and exclusions as set out in the Master Policies identified herein.

A. PROPERTY

Premium (Section A): $23,310.

Master Policy No. CDN 1932
Insurance Company:
Waiver of Subrogation:

Certificate No. RCP00826
As per Schedule of Subscribing Insurers attached
The Insurers rights of subrogation are waived against Martello Property Services Inc

Section	Sum Insured	Description of Coverages
A1.	$22,200,000.	Property of Every Description
A1.	Not Covered	Business Interruption – 12 Months Indemnity
A2.	Insured	Blanket Glass

Conditions:
All Risks of direct physical loss or damage to property described at Location of Risk shown above.
Basis of Loss Settlement – Replacement Cost including By-Laws. Policy includes 90% Co-Insurance.

Special Conditions:
Property additions, alterations and repairs are subject to a limit of 10% of the Sum Insured, with a maximum of $500,000. Coverage is not provided for any additions, alterations or repairs which are in excess of this sub-limit unless reported to and specifically agreed to by Insurer(s) prior to the commencement date.

Deductibles:
All Losses $1,000.. except: Water Damage & Sewer Back-up $2,500.; Glass Breakage $100.; Master Key $250.; Earthquake 10% of the Total Insured Value (minimum $100,000.); Flood $10,000.; Loss or damage caused by any Illegal Drug Activity: $1,000.

Loss Payable:
To the Condominium Corporation (Subject to the Strata Property Act or similar statute in the province of jurisdiction)

In consideration of the premium specified herein and subject to the terms and conditions of Master Policy CDN 1932 and endorsement(s) attached thereto and hereto, insurance is provided to the NAMED INSURED to an amount not exceeding the SUM INSURED specified in this Certificate or in any endorsement(s) attached hereto, but in no event to exceed Fifty Million Dollars ($50,000,000.) in any one loss or occurrence.

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE

B. BOILER & MACHINERY

Premium (Section B): $700.

Master Policy No. CDN 1932BM
Certificate No. RCP00826BM

Insurance Company:
Commonwealth Insurance Company
1500-595 Burrard Street, Box 49115, Bentall Tower III,
Vancouver, BC V7X 1G4

Deductible (Section B): $500.

Loss Payable: To the Condominium Corporation (Subject to the Strata Property Act or similar statute in the province of jurisdiction)

Waiver of Subrogation: The Insurers rights of subrogation are waived against Martello Property Services Inc

Section	Limits of Liability	Description of Coverages
B	$22,200,000.	Comprehensive Boiler & Machinery, Including By-laws.
B	Not Covered	Gross Rents – 12 Months Indemnity (24 hours waiting period)
B	Included	$50,000. Extra Expense

C. LIABILITY PROTECTION

Premium (Section C): $575.

Master Policy No. CMWLIA03
Certificate No. CMW C1862

Insurance Company:
St. Paul Fire & Marine Insurance Company
2500-650 West Georgia Street, PO Box 11542,
Vancouver, BC V6B 4N7

Deductibles (Section C): $1,000. Bodily Injury and Property Damage Each Event
$10,000. Limited Pollution Liability

Additional Insured: Martello Property Services Inc
while acting on behalf of or under the direction of Strata Council.

Section	Limits of Liability	Description of Coverages
C	$5,000,000.	General Total Limit
C	$5,000,000.	Non-Owned Automobile Liability
C	$5,000,000.	Personal Injury and Advertising Injury Total Limit
C	$5,000,000.	Products and Completed Work Total Limit
C	$5,000,000.	Each Event Limit
C	$10,000.	Medical Expense Limit
C	$250,000.	Tenant Liability Limit
C	$5,000,000.	Personal Injury Liability Limit
C	$5,000,000.	Advertising Injury Liability Limit
C	$1,000,000.	Limited Pollution Liability Limit
C	$300,000.	Employers' Liability Limit
C	$300,000.	Employee Benefits – Total Limit
C	$300,000.	Employee Benefits – Each Wrongful Act Limit

D. PROFESSIONAL LIABILITY

Premium (Section D): $735.
Master Policy No. 501148987 (Section D 1.): Certificate No. CMW D0817
Master Policy No. 501148986 (Section D 2.): Certificate No. CMW E0817
Insurance Company: ING Insurance Company of Canada
400-2955 Virtual Way, Vancouver, BC V5M 4X6
Deductible (Section D 1.): Nil
Deductible (Section D 2.): $1,000.
Name of Insured (Section D 2.): Martello Property Services Inc

Section	Limits of Liability	Description of Coverages
D 1.	$2,000,000.	Directors & Officers Liability (Errors & Omissions) Per Wrongful Act and Annual Aggregate
D 2.	$1,000,000.	Errors & Omissions Liability Per Wrongful Act and Annual Aggregate

E. CRIME PROTECTION

Section E: Not Covered

Master Policy No. CMWLIA03 Certificate No. CMW C1862
Insurance Company: St. Paul Fire & Marine Insurance Company
2500-650 West Georgia Street, PO Box 11542,
Vancouver, BC V6B 4N7
Deductible (Section E): $500.

Section	Limit of Liability	Description of Coverages
E	Not Covered	Broad Form Money and Securities
E	Not Covered	Employee Dishonesty Coverage- Form A, Comprehensive Dishonesty, Disappearance & Destruction Rider

The insurance provided by this individual Certificate is subject to all terms, conditions, provisions, limitations and exclusions of Master Policy Number CDN1932, CDN1932BM, CMWLIA03, 501148987 and 501148986 and may be canceled by the Insurers by registered mail with thirty days notice or as provided by the Master Policy.

In the event of loss or damage or any change in risk, immediate notice must be given to the insurers or to the broker.

SUBSCRIBING INSURERS

Section A. PROPERTY

Master Policy No. CDN 1932 Certificate No. RCP00826

The interest of each insurer hereunder is individual and not joint, and wherever any right or privilege is retained by the insurers, such right or privilege may be exercised by each insurer independently. The liability of each of the Insurer(s) shall be limited to that proportion of the loss which the percentage of liability set against the name of the individual Insurer bears to the total amount insured hereunder.

Insurers	Section	Interest	Premium
Commonwealth Insurance Company	A.1	50%	$11,655.
St. Paul Fire & Marine Insurance Company	A.1	50%	$11,655.
St. Paul Fire & Marine Insurance Company	A.2	100%	Included
			$23,310.

August 2, 2006
E&OE/ rev.08/27/04 /BCS1399/CHR/LR

CMW Insurance Services Ltd.
(Authorized Representative)