

**MINUTES
STRATA COUNCIL MEETING
THE OWNERS STRATA PLAN LMS 712
888 BEACH**

*Held on Tuesday, October 25, 2016 at 4:30 P.M.
in the Meeting Room
1501 Howe Street, Vancouver, BC*

COUNCIL IN ATTENDANCE:	Mike Gallagher Jeff Sodowsky Patricia Dairon Andrew De Benedictis Kitty Morgan	President Vice-President Secretary
REGRETS:	Bev Andrews Marilou Appleby	Treasurer
BUILDING MANAGER:	Shannon Brown	
SENIOR STRATA MANAGER:	Bunny Porteous	FirstService Residential

The meeting was called to order at 4:30 p.m.

BUILDING MANAGER REPORT

RDH

- Completed inspection of the new townhouse patio doors.

RENEWAL CONSTRUCTION

- Completed townhouse patio door replacement – no deficiencies were reported by owners

NIKLS "ONE CALL" PROPERTY SERVICES

- Repaired threshold of TH26.

COLUMBIA SEAL

- IGU's have been installed in 519, 808, 1006, 706, 905, 705, 1405, 1206, 2205, 2602, 2401, 910, 1310, 1307. Several suites have been delayed due to the inclement weather.
- Due to several rain delays, sealant work has begun but not yet complete for TH01, TH05, TH19.
- Approved repair on exterior of 404 has begun – flashing will be installed on the next fair weather day.
- Replaced window hinges for suite on 27th floor.

MICHAEL A. SMITH DUCT CLEANING

- Beach Tower dryer duct cleaning has been scheduled for November. Notices have been emailed and hand delivered. Please see schedule attached to these minutes.

MILANI PLUMBING

- Completed all roof/patio/townhouse storm drain cleaning.
- Completed repairs to a Beach Tower boiler leak.

THYSSENKRUPP

- Westcoast coring completed work required for elevator refurbishment project.
- Beach Tower and Ocean Tower interior work has begun, New computer chips to solve the programming issues have been ordered.

JRV SECURE SYSTEMS

- Cable for elevator cameras have been installed.

GOOD EARTH LANDSCAPING

- Azalea replacement project has begun. Old planting has been removed; irrigation cut off; beds will be prepped and re-planted as weather allows.

LANDSCAPE REFLECTIONS

- Winterization of the irrigation system will be done this week. Drip irrigation will be installed in the newly planted azalea beds this fall.

ROB CROSS (HANDYMAN)

- Painted end walls, stanchions, pillars and touched up railings on California walkway levels 5 and 6. Maintenance painting in elevator lobbies and touch-ups on individual floors is underway.

BY LAW ISSUES

- Requested that 2 different contractors stop noisy renovation work until they properly posted notice to residents.
- Memo sent to suite on the 9th floor requesting that they cease putting fragrant carpet talc down on the common hallway carpets
- A vehicle was towed from P1 visitor for continued overnight parking. Multiple notices were given beforehand.

POOL/GYM AREAS

- Barclay has begun drywall repairs to washrooms in pool area.

MISC. BUILDING ISSUES

- Carpeeter completed all common area carpet cleaning.
- Allstar has completed 2nd window cleaning on Townhouses, Ocean and Garden Tower. Deficiencies have been noted and resolved.
- Allstar has begun wash down of Beach Tower.

- The spa experienced a leak from a sink that went down into p1-p4 storage areas. Notices were sent to all locker owners advising them to check their lockers for damage but none was reported. No damage to Beach Tower lobby.
- Beach Tower Upper lobby project should be completed shortly. Some of the new flooring was mismatched and needs to be re-installed so this has delayed the project a week or two. The new millwork ceiling and wall panels are currently being installed.

STAFF

- Due to the increased activity within all three buildings that has created more wear and tear on common areas, the cleaning staff has been increased. Previously our cleaner, Jean Mathiesen, was scheduled for 6 hours a day, 5 days per week. An additional 30 hours of cleaning services has been added. These additional hours are Mon thru Friday from 4 p.m. to 8 p.m. and 6 hours Sunday. New job descriptions have been created to prevent any overlap of duties.
- While the building is undergoing so many different projects Narendra has been asked to assist Shannon Mon-Fri between 8 a.m. and 2 p.m. Hiren Patel, from our security company provider, is temporarily filling in for Narendra's concierge duties.
- Job descriptions for the concierge staff are currently being reviewed and will be updated this month.

VANCO FIRE

- Winterization of the sprinkler system is scheduled for Nov 9th. Notices have been delivered to owners of parking stalls where overhead access is required for winterization asking them to move their vehicles for the day.
- Final notice for 'missed suite' annual fire inspection delivered for November 16th – 32 suites in total.

APPROVAL OF STRATA COUNCIL MEETING MINUTES

It was moved, seconded and carried to approve the Minutes of the Strata Council Meeting held September 27, 2016 as circulated.

FINANCIAL REPORT

1. ***Treasurer's Report:*** Although there are positive variances in some expense categories at September 30, 2016, the Strata will receive invoices over the next few months for projects that are currently underway in the landscaping and the repairs and maintenance categories that will fully utilize the budgeted funds. Any positive budget variances will offset the possible cost overruns in the following categories:
 - Security/concierge category due to the extra security guards hired to assist with suite access during flood renovation and drain pipe maintenance projects and to cover Narendra's shifts until December while he assists Shannon with a backlog of projects and maintenance;

- Garbage and recycling category due to the increased removal of organic waste from one to two times per week (this also increased Danny's workload);
- Janitorial services due to the additional cleaning staff added from 4-8 pm on weekdays and additional shifts on the weekend. Increased cleaning was requested by some owners and Council has already received positive feedback on the improved service.

Depreciation Report:

The Strata is required to have a depreciation report prepared every three years. The first depreciation report was prepared for the Strata in 2013. A full copy of the report is on the Strata's website.

The next depreciation report was due in 2016 and the owners voted to defer it at the Annual General Meeting on February 16, 2016.

The Strata Council will recommend that the depreciation report be deferred again by the owners at the Annual General Meeting in 2017. We reviewed the projects and the suggested schedules outlined in the 2013 depreciation report and either completed the projects or conducted research to provide a more appropriate time frame for completion of the projects.

Through a combination of increased Strata fees and a 2015 special levy we have undertaken the proposed roofing and terraces work, IGU replacements, lobby refurbishment, elevator maintenance and cab refurbishment and other small projects. There will be a special levy proposed for 2017 to fund ongoing renewals and maintenance projects.

Contingency Reserve Fund ("CRF"):

The Strata maintains the required balance in the CRF. The activity in the CRF is reported in the monthly financial statements. During 2016 it was necessary to utilize CRF monies to cover emergency repairs caused by floods, replacement of courtyard lights, auguring and flushing all of the drains in the complex and payment of a \$30,000 insurance deductible related to the Beach Tower flood. The 2016 expenditures from CRF to date are approximately \$127,000 and there will be some additional invoices in the coming months as the drain work is completed. The monies used from the CRF during 2016 will be replaced in 2017 and this will be a budgeted expense in the 2017 operating budget.

2017 Budget and 2017 Special Levy:

Strata Council is reviewing the draft 2017 budget. Some increases in janitorial services and garbage removal that have recently been implemented will impact the full year of the 2017 budget. However, we will not have the expense of the building washing in 2017.

Council will consider adding the following items to the 2017 budget for safety and maintenance reasons:

- Fireplace cleaning- for safety and building maintenance the Strata will take on this project because not all owners are having their fireplaces serviced.
- Water detection systems – this will be investigated further to determine the feasibility of installing the systems in all suites. While some owners are interested in installing the systems in their own suites, they would welcome the installation of the systems in the suites above them. Many of our recent floods have been caused by faulty plumbing in renovated suites resulting in water damage to suites beside and below them.

Strata Council will be recommending a special levy for 2017 to cover the costs of continued renewals and maintenance work. Council will meet with representatives of RDH Engineering in November to discuss the proposed 2017 project that will include completion of the Beach Tower roof project that was commenced in 2016, renewal of the Ocean Tower balconies, replacement of some townhouse roofs and the Beach Tower entrance. Information on the 2017 project will be provided to owners at an information meeting to be held on December 6, 2016.

2. **Monthly Statement:** It was moved, seconded and carried to approve the August 2016 financial statement, as presented.

Any owner wishing a copy of the Strata corporation's financial statement should contact FirstService Residential during regular business hours, 9:00 a.m. to 4:30 p.m., Monday to Friday or go to the Strata's website www.888beachvancouver.com. The Owners' Only section of the website can be accessed as follows:

User Name: Owners
Password: 8B@15sea

3. **Arrears:** The Strata Manager and the Accounts Receivable Department at FirstService Residential continue to follow up with Owners with outstanding balances on their account. Late fines and interest will be assessed on Owner's account on a monthly basis until payment is submitted in full.

2. **Payment of Strata fees and special levies**

- 2.1 *An owner must pay Strata fees on or before the first day of the month to which the Strata fees relate.*
- 2.2 *Where an owner fails to pay Strata fees in accordance with bylaw 2.1, outstanding Strata fees may be subject to an interest charge of 10% per annum, compounded annually. In addition to interest, failure to pay Strata fees on the due date will result in a fine of up to \$200 for each contravention of bylaw 2.1.*

Owners with accounting enquiries should contact FirstService Residential Accounting Department at 604.684.5329 or email ar.bc@fsresidential.com.

FSRConnect™: Residents are highly encouraged to sign up with FirstService Residential *Connect* website: www.fsresidential.com where they will be able to obtain minutes, reports, important notices and Owner's statements. This will ensure Owners

who are absent for extended periods of time to view their Owner statements and recent meetings where special levies have been passed. This will prevent late fines, interest and liens filed on Strata lots. Please see the FSRConnect™ registration sheet attached.

4. **Invoices:**

COMPANY	GL CODE	AMOUNT	DESCRIPTION
Fortress One Security	7240	\$819.00	Repair front lobby entrance door.
JRV Secure Systems	6722	\$2,003.80	Elevator cabling for card access system.
Overhead Door	7240	\$432.04	Repair of safety edge on visitor entrance gate.
JRV Secure Systems	7240	\$720.26	Install camera for Garden Tower.
JRV Secure Systems	7240	\$810.43	Spare keyscan communication boards
Cross Carpentry	7000	\$4,620.00	Miscellaneous repairs.
JRV Secure Systems	7423	\$846.72	10-pack 4-button keyscan fobs.
Good Earth Landscaping Inc.	6517	\$1,558.41	Install plants to rooftop planter at TH2.
Good Earth Landscaping Inc.	6517	\$1,501.61	Landscape improvements.
Barclay Restoration	2818	\$27,453.62	Flood
Barclay Restoration	2818	\$2,567.37	Roof drain leak between 509 & 508 in wall.
Milani Plumbing	2818	\$7,773.51	Drain auger.
RDH Building Science	3778	\$9,709.63	Project: R03436.082 consulting services for period ending July 31, 2016
RDH Building Science	3778	\$7,451.59	Project: R-03436.082 consulting services for period ending August 31, 2016
RDH Building Science	3778	\$2,241.40	Project: R-03436.070 consulting services for period ending July 31, 2016
RDH Building Science	3778	\$3,455.81	Project: R-03436.070 consulting services for period ending August 31, 2016
VanCo Fire Protection Ltd.	5909	\$492.71	Dry system tripped.
VanCo Fire Protection Ltd.	5909	\$914.34	Sprinkler head leaking in 906 – 1500 and 1101 – 1501 Howe
VanCo Fire Protection Ltd.	5909	\$300.14	Sprinkler head leaking in 516 – 888 Beach

5. **Account Balances:** The current balances for the period ending September 30, 2016 in the appropriate funds are as follows:
 - Total Cash Balance \$1,125,319.70 (Including CRF Balance)
 - CRF Balance \$445,506.06 (Contingency Reserve Fund)
6. **Audit:** Reid Hurst Nagy will proceed with the December 31, 2016 fiscal year audit at a cost of \$5,600. A copy of the draft audit will be included in the AGM package.
7. **Annual General Meeting:** The date for the Annual General Meeting will be determined at the November Council meeting.

COMMITTEES

1. **Landscaping:** The landscaping committee is reviewing two landscaping maintenance proposals for the fiscal year 2017.
2. **Elevator Project:** ThyssenKrupp is proceeding with project deficiencies. Once the installation of the panels is complete in all elevators, the security cameras will be installed. The Council decided, with all the elevator down time, to complete the mechanical repairs and installation of the new interior cabs, the elevator floor replacements will be completed in 2017.
3. **Bike Storage and Security:** The bike committee agreed to delay the planned upgrades and installation of bike storage products until the 2017 budget due to a number of unexpected expenses the Strata has had to accommodate this year.

REPORT ON LITIGATION

The *Strata Property Act* requires that all Owners be notified as soon as possible of any legal action involving the Strata Corporation. To the best of our knowledge there is no litigation to report.

BUSINESS ARISING

1. **Structural Maintenance/RDH:** The Council is scheduled to meet with RDH Engineering mid-November to discuss the engineer's proposed work to be completed in 2017. An Owners' Info Meeting has been scheduled for December 6, 2016 at 7:00 p.m. at which time RDH will discuss projects completed within the past four to five years and recommended maintenance/repair projects for 2017.
2. **Maintenance Schedule:**
 - (a) **Fireplace Cleaning:** The Council is seeking quotes for gas fireplace maintenance in all units.
 - (b) **Dryer Vent Cleaning:** Please see Notice attached to these minutes.

3. **Mechanical:**

- (a) **Drain Cleaning:** Milani Plumbing has provided an estimated cost of \$1,750 per day for approximately 5 to 8 days to water-test roof drains. They will confirm proper drainage with dye in some areas with a camera as far as the camera will get into the system on the three towers and four sets of townhouses in 2017. The cost to be included in the 2017 fiscal year operating budget.
- (b) **Commercial Spa Leak (C-4):** A hot water supply tube failed to a basin in the commercial spa causing water to seep into the locker rooms from P1 to P4. As the maintenance of supply tubes are an Owner's responsibility, and the damages were under the Strata's water damage deductible, the emergency restoration and repair invoices will be charged back to the Owner.
- (c) **Trotter & Morton Mechanical Contract:** Trotter & Morton was provided with a termination notice for the mechanical maintenance of the complex. The Council approved Milani Plumbing as the replacement mechanical contractor for the preventive mechanical maintenance. Trotter & Morton contacted the Strata Manager to advise that the contract does not expire until November 2017. The Building Manager and Strata Manager will meet with Trotter & Morton to discuss the Strata's concerns.

4. **Security Lighting/Lighting:**

- (a) **Rooftop Lighting:** Nikls "One Call" Property Services submitted a revised quote to repair the rooftop lighting. The Council will review the proposal and discuss further at the November meeting.

5. **Renos:** Following receipt of the required details, indemnity agreement and trades renovation forms, the Owners of units 2205 and 808 1500 Hornby and 1102 1501 Howe Street were approved to complete renovations.

CORRESPONDENCE

- 1. The Building Manager will follow up with an Owner's request to replace the fireplace vent and paint the railings.
- 2. Letters were received from Residents on the 9th floor regarding the smell of cigarette smoke emanating from a unit. The Building Manager will follow up with the Resident. A Bylaw violation reminder will be sent to a Resident regarding the transporting of their bikes into the elevator to their unit.

37. Storage lockers and bicycle storage

37.1 *A resident must store bicycles, tricycles, kayaks and canoes in the bicycle storage rooms, lockers or townhouse garages.*

37.7 *A resident must not bring bicycles into elevators or hallways.*

- 37.8 *A resident must not store a bicycle on a balcony, deck or patio.*
- 37.9 *A resident must ensure that bicycles enter or leave the building only by means of an entrance to the parking garage.*
- 37.10 *Where a resident contravenes bylaws 37.1 to 37.9 (inclusive), the owner shall be subject to a fine of up to \$200.*
3. An Owner's request to reverse a locksmith invoice from their account has been denied. All Residents must provide access for emergencies. Please ensure that you either provide a key to the unit for the Building Manager or ensure that emergency contact information is provided to the Building Manager.
4. A letter was received from an Owner inquiring about the elevator floor. Due to the excessive down time with the installation of the elevator interior cabs, the Council deferred the floor work until 2017.

NEW BUSINESS

1. ***Pool Re-plaster Quotes:*** Quotes have been received from Imperial Paddock and Trasolini Pools to re-plaster the pool liner. The Council will review the proposals with the work to be completed in 2017.
2. ***Fitness Equipment:*** Proposals were received to purchase a new hoist fitness multi-gym in the fitness room. Council will review the proposals with the cost to be budgeted in the 2017 operating budget.
3. ***Insurance Bylaw Reminder:***

IMPORTANT

- 36.3(a) *Strata lot owners must carry current homeowner's insurance for all contents and betterments made to their strata lot and for the strata corporation's insurance deductible should they be deemed responsible for damages;*
- (b) *Strata lot owners must insure that tenants occupying their strata lots carry current tenant's insurance for all personal effects.*
4. ***Insurance Information:*** Please see attached important insurance information.

TERMINATION OF MEETING

There being no further business, the meeting was terminated at 6:00 p.m.

Next meeting: Tuesday, November 29, 2016 at 4:30 p.m.

FirstService Residential BC Ltd.

Bunny Porteous
Senior Strata Manager
Per the Owners
Strata Plan LMS 712

BP/ys

Email: info.bc@fsresidential.com

General: 604.683.8900 (24 hours emergencies)

Customer Care Centre: 1.855.273.1967 (24 hours non-emergency)

www.fsresidential.com

Please keep a copy of these minutes for future reference, which will be required at the time of sale. A charge, as per the *Strata Property Act*, will be assessed for replacement copies.

FSR Connect™

FirstService Residential provides a complimentary website for each of its Strata clients. The website gives residents and owners secured log-in and access to:

- ✓ *Account balance & history*
- ✓ *Meeting minutes*
- ✓ *Building notices & announcements*
- ✓ *Other Strata documents such as engineering report, depreciation report, homeowner's manual, etc.*
- ✓ *Owner's profile update*
- ✓ *Bylaws and rules*
- ✓ *Insurance summary of coverage*
- ✓ *Event calendars*

It also allows your Strata Manager to send you emergency alerts via the contact numbers as indicated in your registered profile.

To sign up, please visit the following site to complete the **FSR Connect** Registration form:

<https://www.fsresidential.com/british-columbia/homeowners/forms/fsrconnect-information-collection-form>

BEACH TOWER - 1500 HORNBY STREET, VANCOUVER, BC (LMS 712)

DRYER DUCT CLEANING NOTICE

DATES: NOVEMBER 14, 15, 16 & 17, 2016

MONDAY, NOVEMBER 14

<u>BETWEEN</u> THE HOURS OF 9:00 AM & 12:00 NOON	<u>AT UNITS:</u> 3302, 3301, 3202, 3201, 3101, 3004, 3003, 3002, 3001, 2904, 2903, 2902, 2901, 2804, 2803, 2802, 2801, 2704, 2703, 2702 & 2701
<u>BETWEEN</u> THE HOURS OF 12:00 NOON & 3:00 PM	<u>AT UNITS:</u> 2604, 2603, 2602, 2601, 2506, 2505, 2504, 2503, 2502, 2501, 2406, 2405, 2404, 2403, 2402, 2401, 2306, 2305, 2304, 2303, 2302 & 2301

TUESDAY, NOVEMBER 15

<u>BETWEEN</u> THE HOURS OF 9:00 AM & 12:00 NOON	<u>AT UNITS:</u> 2206, 2205, 2204, 2203, 2202, 2201, 2106, 2105, 2104, 2103, 2102, 2101, 2006, 2005, 2004, 2003, 2002, 2001, 1906 & 1905
<u>BETWEEN</u> THE HOURS OF 12:00 NOON & 3:00 PM	<u>AT UNITS:</u> 1904, 1903, 1902, 1901, 1810, 1809, 1808, 1807, 1806, 1805, 1710, 1709, 1708, 1707, 1706, 1705, 1610, 1609, 1608 & 1607

WEDNESDAY, NOVEMBER 16

<u>BETWEEN</u> THE HOURS OF 9:00 AM & 12:00 NOON	<u>AT UNITS:</u> 1606, 1605, 1510, 1509, 1508, 1507, 1506, 1505, 1410, 1409, 1408, 1407, 1406, 1405, 1310, 1309, 1308, 1307, 1306 & 1305
<u>BETWEEN</u> THE HOURS OF 12:00 NOON & 3:00 PM	<u>AT UNITS:</u> 1210, 1209, 1208, 1207, 1206, 1205, 1110, 1109, 1108, 1107, 1106, 1105, 1010, 1009, 1008, 1007, 1006 & 1005

THURSDAY, NOVEMBER 17

<u>BETWEEN</u> THE HOURS OF 9:00 AM & 1:00 PM	<u>AT UNITS:</u> 910, 909, 908, 907, 906, 905, 810, 809, 808, 807, 806, 805, 710, 709, 708, 707, 706, 705, 610 & 609
<u>BETWEEN</u> THE HOURS OF 12:00 NOON & 3:00 PM	<u>AT UNITS:</u> 608, 607, 606, 605, 511, 510, 509, 508, 507, 506, 505, 409, 408, 407 & 406 <u>THEN AT TOWNHOMES:</u> TH1, TH2, TH3 & TH4

- **AUTHORIZED IN-SUITE ACCESS TO ALL UNITS WILL BE REQUIRED (IN THE TIME FRAMES AS LISTED ABOVE).**
- RESIDENTS SHOULD EXPECT US AT THEIR DOOR ANY TIME BETWEEN THE HOURS NOTED IN THEIR TIME FRAME.
- **IF YOU CANNOT BE HOME AT YOUR SCHEDULED CLEANING TIME, PLEASE MAKE ARRANGEMENTS SO THAT WE CAN GAIN AUTHORIZED ACCESS INSIDE YOUR UNIT TO COMPLETE THIS WORK FOR YOU.**
- WE RECOMMEND CLOSING ALL BLINDS, WINDOWS AND DOORS.
- ACCESS MAY BE NEEDED TO THE RAPPELLING ANCHORS LOCATED AT PENTHOUSE BALCONIES.
- ACCESS MAY BE NEEDED TO VENTS LOCATED AT BALCONIES.
- PLEASE MOVE ITEMS TO CLEAR THE BALCONY AREA FOR RAPPELLERS.
- PLEASE MOVE ITEMS AT DRYER UNITS IN ADVANCE SO THAT WE CAN ACCESS THE DRYER VENTS AND KEEP ON SCHEDULE

Thank-you in advance for your cooperation



BFL CANADA Insurance Services Inc.
1177 West Hastings Street, Suite 200
Vancouver, British Columbia V6E 2K3
Tel.: (604) 669-9600
Fax: (604) 683-9316
Toll Free: 1-866-669-9602

INSURANCE FOR STRATA CORPORATIONS AND STRATA UNIT OWNERS

What the Strata Corporation Insures:

In British Columbia, the Strata Property Act governs insurance for strata corporations.

The Strata Corporation must insure:

- To Full Replacement Value, common property, common assets, the buildings shown on the Strata Plan plus fixtures built or installed on a Strata Lot, if the fixtures are built or installed by the owner developer as part of the original construction on the strata lot. The Property Insurance for Strata Corporations is normally arranged on an "All Risks" form including protection for damage caused by Flood or Earthquake.
- Public Liability Insurance for bodily injury or property damage to protect the Strata Corporation.

Please Note: The strata corporation's insurers have no way of knowing what improvements have been made to the individual units by you or your predecessors. It's therefore up to you on your own personal policy to insure the value of any upgrading, improvements or generally anything that had been paid for by you or the previous owners in improving your unit from its original state. These items are called "Improvements & Betterments" (See page two for further details on insuring betterments & Improvements).

In addition, the Strata Corporation may insure:

- Strata Council Directors & Officers Liability Insurance.
- Exterior Glass Insurance.
- Boiler & Machinery Breakdown Insurance.
- Accident Insurance for Volunteers, including Council Members.
- Pollution & Remediation Insurance.

These optional coverages traditionally form part of insurance programs designed specifically for strata corporations. Prudent strata corporations choose to transfer their risks to insurance companies by subscribing to these broadly based programs.

BFL makes a difference



BFL CANADA Insurance Services Inc.
1177 West Hastings Street, Suite 200
Vancouver, British Columbia V6E 2K3
Tel.: (604) 669-9600
Fax: (604) 683-9316
Toll Free: 1-866-669-9602

What the Strata Lot Owner Should Insure:

The **Condominium Unit Owners Package Policy** has been designed for the Strata Lot Owner/Occupant. Coverage is normally written on a Broad "All Risks" Form with Earthquake protection offered as an option. Premiums are based on the limit of insurance purchased. Such limit should reflect the full replacement value of all household furniture and personal effects (including jewellery and other valuable items).

In addition to the contents insurance most **Condominium Unit Owners' Policies** include (at no additional cost) coverage for additional features:

- **Additional Living Expenses**

If the owners/occupant is forced to leave their home due to a loss that's covered, they may need substantial sums to live elsewhere while the damage is being repaired and/or replaced.

- **Improvements and Betterments**

The Strata Corporations' Insurance Policy will provide coverage for "fixtures built or installed on a strata lot, if the fixtures are built or installed by the owner developer as part of the original construction on the strata lot." Any subsequent **Improvements or Betterments** will be left to the Unit Owner to protect. Each Condominium Unit Owners' policy will include a basic limit for this coverage varying from 50% to 250% of the Contents Limit of Insurance. Additional limits can be purchased if required. It is wise to ensure that the limit of insurance purchased for **Improvements and Betterments** accurately reflects the replacement value of all improvements or betterments forming part of the strata lot **whether or not** such improvements or betterments have been acquired or installed by the current owner.

- **Special Assessments**

This coverage provides protection for the owners' share of levies for damage to the common property (not wear and tear) that may be charged for a variety of reasons. This coverage only comes into effect where there is insufficient insurance for an insured peril under the Strata Corporation's Insurance Policy.

- **Strata Policy Deductible**

Some insurance policies provide coverage for the deductible of the strata corporation's policy if the deductible is assessed as the responsibility of the unit owner. The amount varies by insurance company and some charge an additional premium for this coverage.

- **Personal Liability**

This protects for legal responsibility to others worldwide for claims arising from bodily injury, property damage, fees for legal defense, legal liability to occasional employees, voluntary property damage and voluntary medical payments and covers liability arising from the use & ownership of the Strata Lot.

- **Other Insurance**

We recommend that specific insurance be arranged on such property as Jewellery, Expensive Sporting Equipment and other valuable items.

If you are a unit owner and would like to purchase a Condominium Unit Owners Package Policy, please contact BFL CANADA and ask about our Regal Program or contact another broker of your choice. This document confers no rights on the holder and imposes no liability on the Insurer or property manager. Should you have any questions with respect to insurance please contact BFL CANADA at the number mentioned at the top of this page.

BFL *makes a difference*



THE IMPORTANCE OF UNIT OWNER'S PERSONAL INSURANCE

Most strata unit owners dutifully attend the strata corporation's Annual General Meeting, doing their best to contribute to the community a strata corporation constitutes. When owners are provided with the strata's insurance report, some mistakenly believe the corporation's insurance policy will protect their personal assets in the event of a loss; such is not the case.

Unit owners, whether living in the unit or as an investor, should always make sure their personal assets and liabilities are adequately protected by their own personal insurance policy.

A typical unit owner's policy provides a variety of coverage:

- **Personal Property:** in general terms, this coverage includes all the content items a unit owner brings into the unit or keeps in a storage locker on premises, such as furniture, electronics, clothing, etc. Most policies will also cover the personal property while it is temporarily off premises, on vacation for example.
- **Additional Living Expenses:** this coverage helps unit owners and their families deal with the extra expenses which can often result if the home is made unfit for occupancy due to an insured loss or damage. Whether it is a fire or significant water damage due to no fault of their own, unit owners may have to move out while their unit is being repaired. In the case of an investment unit, this coverage helps pay the owner's rental income loss due to the tenant moving out.
- **Betterments & Improvements:** many unit owners spend considerable money making the unit their own; old carpet is replaced with hardwood flooring, cabinets and counter tops are updated and fixtures modernized to the 21st century. The unit owner's personal insurance policy provides coverage for these items, which are specifically excluded from coverage under all strata corporations' insurance policies.
- **Strata Deductible Assessment:** more and more strata corporations have by-laws in place to facilitate charging back the strata deductible to the unit owner responsible for a loss or damage. Unit owners or their tenants need not be liable for this significant assessment to be made, in many cases the mere fact the damage originates in the unit is sufficient to make the assessment valid. Strata deductibles can be as low as \$1,000 and as high as \$500,000. Unit owners' personal policies cover this risk to a specific limit; owners need to make sure they are fully insured.
- **Personal Liability:** at home or pretty much anywhere in the world, unit owners' policies also provide comprehensive protection for claims against them for property damage and bodily injury.

Why get personal insurance? Because not getting it is much too risky and expensive!

NOTE: each unit owner has specific insurance requirements which should be discussed with an insurance broker to ensure the right protection is in place for the right price.

BFL CANADA Insurance Services Inc.

1177 West Hastings Street, Suite 200, Vancouver, British Columbia V6E 2K3 Canada

www.BFLCANADA.ca

Halifax • Quebec • Montreal • Ottawa • Toronto • Calgary • Vancouver

REPAIRING DAMAGE IN A STRATA LOT WHEN THE COST IS LESS THAN THE DEDUCTIBLE

Adrienne M. Murray

Associate Counsel (Hammerberg Lawyers LLP)

Recently PAMA presented seminars on the topic of who is responsible to repair damage to a strata lot when the cost of the repair was less than the amount of the strata corporation's insurance deductible. For those who attended and would like a refresher or for those who were unable to attend, following are the key points that were discussed.

When a strata lot is damaged, if the cost of the repair is less than the amount of the deductible and, as a result, an insurance claim is not made by the strata corporation, the responsibility for repair is not related to the cause of the damage. Rather, the party who is responsible for the repair is the party who is identified as having that responsibility in the strata corporation's bylaws. A strata corporation is responsible to repair common property and, generally speaking, owners are responsible to repair their strata lot. The responsibility to repair is not affected by the reason why the repair is necessary. In all cases it is necessary to review the strata corporation's bylaws to determine who is responsible to carry out the repair.

In understanding the responsibility for repair, it is helpful to distinguish between responsibility to insure and responsibility to repair.

The strata corporation is responsible to insure the common property, and, other than in a bare land strata development, the buildings and all fixtures installed by the developer in a strata lot. The strata corporation's insurance would therefore cover, in addition to common property, the repair of floors, walls, ceilings, and original cupboards, counters, sinks, toilets, etc. within a strata lot. If any of these items are damaged by a peril for which the strata corporation has insurance, such as water escape or fire, and if a claim is made on the strata

corporation's insurance policy, the repairs are carried out and paid for as a consequence of the strata corporation's insurance policy. A claim will only be made on the strata corporation's insurance policy in situations where the cost to repair the damage is greater than the amount of the deductible.

In circumstances where the total cost of the repair is below the strata corporation's deductible, the strata corporation's insurance will not be involved and it is then necessary to review the strata corporation's bylaws to identify what the owners, and the strata corporation must repair.

Under the Standard Bylaws of the Strata Property Act (the "SPA"), bylaw 2 requires an owner to repair and maintain their strata lot other than repair and maintenance taken on by the strata corporation. With respect to the strata lot, the strata corporation's obligation is addressed in bylaw 8 and is limited to portions of a strata lot that comprise the structure or exterior of the building, chimneys, stairs and balconies and other things attached to the exterior, doors, windows and skylights on the exterior, and fences, railings and similar structures that enclose patios and balconies. The obligation of the strata corporation to repair a strata lot as set out in bylaw 8 does not include responsibility to repair items such as floors, walls, ceilings, cupboards, counters and other such fixtures contained within a strata lot. As a result an owner must repair these items. Even though items such as floors, walls, ceilings, and original fixtures are insured by the strata corporation's insurance and would be repaired as a result of the insurance if an insurance claim was made, if there is no insurance claim the responsibility to repair does not fall to the strata corporation but rather, is an owner's responsibility assuming the strata corporation is governed by bylaw 2 in the Standard Bylaws, or a similar bylaw.

To illustrate, if a wall within a strata lot is damaged, an original cupboard door falls off, or the original kitchen tap begins to drip, an owner knows that the owner is responsible for the repair. An owner

would not expect that the strata corporation would carry out the repair, even though these items are covered by the strata corporation's insurance policy. The responsibility for repair arises as a result of the bylaws. If a repair to these items is required as a consequence of a broken common property pipe, an overflowing washing machine in the owner's strata lot, or an overflowing bath tub from the strata lot above, if no claim is made on the strata corporation's insurance, the owner remains responsible to repair these items for the same reason - because the responsibility is determined by the bylaws. The fact that the cause of the damage originated in another strata lot or common property does not change the fact that the owner is responsible to repair their strata lot and the items within it. Thus, in all cases where a strata lot suffers damage and there is no involvement by the strata corporation's insurer, the responsibility for repair is determined by the bylaws of the strata corporation which in most cases will require the owner to repair and maintain the interior of their strata lot.

The Standard Bylaws of the SPA, as do most strata corporation's bylaws, require the strata corporation to repair and maintain the structure of the building. Thus the strata corporation is obligated to ensure that the structure is sound and, in the case of water damage, dry.

Where there has been water escape, strata managers often get the initial call since, in many cases, the source of the water is unknown. It is therefore necessary for the strata manager to identify the source of the water escape even if the amount of the damage appears small and the only property that is damaged is portions of the strata lot. If the water escape is determined to be coming from a common property pipe, the strata corporation must repair the common property. It is also necessary for the strata corporation to ensure that the structure is dry. For this reason, when there has been water escape, it is usually the strata corporation that carries out the initial remediation. Once that work is completed, the strata corporation's only responsibility is to

repair and maintain common property and any damage caused by the strata corporation to the strata lot in order to repair common property. Unless the bylaws specifically require a strata corporation to repair and maintain a strata lot, the strata corporation has no obligation and in fact no right to enter into the repairs within a strata lot.

Many owners and some insurance companies and adjusters have disagreed with this conclusion particularly if the owner has not caused the damage. In such cases, because the owner is an "innocent victim", there is often a view that someone else, such as the strata corporation, should carry out the repair. Additionally, insurance companies and adjusters often get confused by the fact that "original fixtures" may be damaged which, in their view, means the strata corporation must carry out the repair. However, the fact that the owner may be an innocent victim or the fact that the items needing repair are original fixtures does not change the responsibility for repair as determined by the bylaws. It may be challenging to explain to owners, and their insurance companies and adjusters that the strata corporation will not repair damage occurring with the strata lot, however, once all parties understand that the responsibility to carry out repair is determined by the strata corporation's bylaws, and the bylaws are closely examined, the explanation should become easier.

An owner who is an innocent victim should be advised to seek legal advice if they wish to recover the repair costs from the owner who caused the damage. Additionally owners should be encouraged to speak with their insurer about obtaining insurance that will protect them in the event of damage to their strata lot that will not be covered by the strata corporation's insurance policy.



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Case law:

John Campbell Law Corporation:

Sewer back-up from a common sewer line (blocked by tree roots) caused damage to a commercial strata lot; Court found the strata corporation was not negligent or liable, nor was it responsible to repair the strata lot.

Wawanesa v. Kieran:

Pipe burst in an interior wall of a residential unit; no common property involved; Court found the unit owner has a duty to repair and maintain his unit and is deemed "responsible".

Louie v. VR 1323

Fire in a unit occupied by a tenant led to discovery of a meth lab; unit owner had no knowledge of tenant's illegal activities; most of the damage was in unit, but some to ducting and a common hallway; total damage valued below deductible (\$50,000 in this case); Court agreed that the strata corporation had no duty to repair the unit, only the common property (hallway).



STRATA PROTECT

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