



July 15, 2014

The Owners of Strata Plan BCS1265, Belair
c/o Baywest Management Corporation
301 - 1195 West Broadway
Vancouver, BC V6H 3X5

Attention: Lucian Naita

Dear Lucian:

Residential Strata Program – Renewal Proposal

The policy for Strata Plan BCS1265 is due for renewal on **August 1, 2014**. We are very pleased to enclose our renewal proposal for your consideration.

As a result of the appraisal, the Insured Property Value has increased from \$12,398,000. to \$12,878,000.

Please note the Flood Deductible has increased from \$10,000. to \$25,000., as the Insurers' new minimum deductible has increased given recent global events. Please note that for insurance purposes, Flood means overflow of a natural body of water which is different from internal water damage events, for which the 'Water Damage' Deductible would apply.

Please carefully review the coverages, extensions and conditions outlined on the attached which take effect August 1, 2014. Be sure that the limits of liability are sufficient for your needs and please give careful consideration to the options provided.

This proposal is subject to the following information/documentation being supplied to our office as soon as possible:

**Pollution Application, completed and signed
Renewal Information Update**

Please confirm your renewal authorization and indicate any required options on the attached. If you would like to discuss the details of your proposal, please do not hesitate to contact us.

We trust you will find the enclosed in order and we look forward to being of service.

With thanks,
CMW Insurance Services Ltd.

Via e-mail

Kevin Casey, CAIB
Client Executive, Partner
Direct No. 604-484-4976
kcasey@cmwinsurance.com

BCS1265/KEV/RKEL

Expert Insurance Advice & Risk Management Solutions - At CMW Insurance, we dedicate our efforts to ensure the broadest, most comprehensive strata insurance for Property Managers, Strata Corporations, and Condominium Owners. Our hands-on approach ensures that your insurance portfolio is customized and tailored to meet your specific insurance requirements.

We know our clients

Locally and Privately Owned

CMW is a privately owned, limited partnership whose ownership is firmly independent and British Columbian. As a local broker, we offer accessible, hands-on expertise and are not encumbered by administration from any national or multi-national offices. As we are not publicly traded, our firm can make quick strategic and tactical decisions without bureaucratic delay.



We work with exclusive partners

Claims Handling Expertise

- CMW's claims management department has an exclusive partnership with Cunningham Lindsey Adjusters, leading experts who are dedicated to managing your strata's claims process and costs fairly and efficiently. Leveraging our expertise in strata insurance, we continually monitor and negotiate best possible contractor costs to ensure your claims costs are controlled.

We offer the best strata coverage

Specialized Leading

Edge Product

- CMW has proudly crafted an exclusive and comprehensive Strata Insurance product, specifically addressing the unique needs of the Strata Corporation. The CMW Strata team includes dedicated insurance product experts who continually research the marketplace for cutting-edge products to enhance, broaden and expand our policy coverages.

We are experts in our field



Strata Experts

- Our Strata team combines decades of experience dedicated to exceptional customer service, unrivalled knowledge of new and improved products and the ever changing and unique needs of your Strata Corporation. Our reputation is reflected in the significant growth of our strata insurance business and the continued support of our top rated, participating Insurers.

Since 1994, CMW has been the Trusted Insurance Advisor for British Columbia Strata Corporations. We pride ourselves on being a leading, local Strata Broker with unmatched market reach.

Are you in need of legal advice on matters pertaining to the strata corporation's obligations?

Have you been concerned about a bylaw that may not comply with the Strata Property Act?

Is legal advice too cost prohibitive for the strata corporation?

Introducing...



Platinum Legal Services Retainer

CMW Insurance Services Ltd. is pleased to partner with one of BC's top law firms, Clark Wilson LLP. Clark Wilson is a leading expert in strata law and specializes in addressing the wide variety of legal and governance issues that are important to Strata Councils and Property Managers.

The contract provides

Legal Advice with respect to the Strata Property Act

Legal Defense and Services with respect to Specific Claims

General Advice & Litigation Services

To a maximum of \$300,000 per claim and \$1,500,000 per term of the retainer in legal fees and applicable taxes

Services are available

Between the hours of 8:00 am and 6:00 pm (PST)

Monday to Friday and as can be reasonably provided on Saturday and Sunday

Please refer to the Platinum Legal Services Retainer Contract for full details on services provided.

E&OE / FEB2014

Legal Advice

Access to Legal Advice

The ability of the Strata Council and Property Manager to obtain confidential legal advice from Clark Wilson LLP (CW) by email or phone regarding rights and obligations of the Strata Corporation with respect to the Strata Property Act.

Example: When enacting a new rental bylaw, CW can review the draft to advise as to whether it's enforceable under the Strata Property Act.

Disputes

Strata Corporation, Council and Owners

Dispute CW will defend claims by an owner with respect to an alleged failure of the Strata Corporation to enforce a bylaw or rule against another owner, or a tenant or occupant.

Example: If a unit owner takes legal action against the Strata Corporation for not taking action against a neighbouring unit for excessive noise, this would be covered under the Retainer.

Bodily Injury

Bodily Injury Pursuing injuries sustained by a council member while carrying out the member's Strata obligations will be funded. CW will provide a council member for a claim for personal injuries suffered by the council member while fulfilling his or her duties.

Example: If a council member, during the course of his duties, is injured while inspecting the work of a contractor, this scenario is covered.

Contracts

Contract Disputes

CW will defend a claim against the Strata Corporation for money allegedly owing by the Strata Corporation with respect to a contract for the purchase of goods or services by the Strata Corporation.

Example: If a snow removal contractor sues the Strata Corporation and Property Manager for non-payment but the strata claims the work was not completed, this scenario is covered for both the Strata Corporation and the Property Manager.

Property Rights

Property Rights

Protected CW will represent the Strata Corporation in a claim by the Strata Corporation to pursue its legal rights with respect to property owned by the Strata Corporation or is legally responsible for.

Example: If the Strata Corporation pays an insurance deductible of \$10,000 under the Strata Corporation's policy as a common expense, CW will represent the Strata Corporation in pursuing a claim against the owner who is responsible for triggering the claim.

Defences

Other Defences

Available CW will defend the Strata Corporation with respect civil claims against the Strata Corporation for breach of the privacy legislation or investigations by occupational health and safety authorities.

Example: If a unit owner takes action against a council member for an alleged breach of privacy in their review of security tapes, this scenario is covered.

Please refer to the Platinum Legal Services Retainer Contract for full details on services provided.

Earthquake

Earthquake Deductible

Application is applied as a percentage of the building(s) damaged in the loss, subject to the Insurers' minimum. A standard policy wording applies the deductible to the entire sum insured and this difference is very significant for strata's with multiple buildings.

ERC

Extended Replacement

Cost provides an additional percentage over the sum insured if required to repair or rebuild following an insured loss subject to a replacement cost appraisal.

CGL

CGL with No Aggregate - Commercial General Liability coverage protects the strata

corporation for third party bodily injury and property damage claims, such as a slip and fall. The strata's policy extends to cover the Property Manager for claims arising from their management of the strata, in accordance with the Agency Agreement. The CMW CGL Policy does not contain a General Aggregate, which would restrict the amount payable for the entire policy term to the policy limit.

Additional Living Expenses

Additional Living

Expenses Coverage is provided for out of pocket expenses incurred by unit owners of uninhabitable units following an insured loss. Coverage is secondary as it is imperative all Unit Owners have their own primary Unit Owners Policy in place for full coverage and also as to not inflate a strata corporation claim (which would ultimately affect the strata corporation's loss ratio).

Illegal Drug Activities

CMW Policy Does Not

Include Dishonest, Fraudulent, Criminal Act Exclusion; Coverage is Provided for Illegal Drug Activities. Coverage for Illegal Drug Activities is included subject to the applicable Policy Deductible. This protects innocent unit owners in the event of a loss resulting from Illegal Drug Activities.

This document does not form part of the policy. For more specific details, please refer to the actual policy wordings.

D&O and E&O

**Separate, Dedicated
D&O and E&O Liability**

Directors and Officers Liability protects the Strata Council for alleged wrongful acts during the course of their duties. Errors and Omissions Liability protects the Property Manager for their management of the strata, as required under the industry standard Agency Agreement. As these policy limits are annual aggregates, it is important that separate coverage is placed for each party so that a claim via the Strata Council will not erode the limit for the Property Manager and vice versa.

Extra Expense

Property Manager's

Extra Expense - Coverage is provided to Property Manager's for essential additional work required to prevent further loss or damage following an insured loss.

D&O and DDC

Broad Form D&O Liability which does not include a failure to maintain insurance exclusion and includes Discrimination Defense Costs extension. A standard Directors and Officers Liability policy excludes claims arising from failure to maintain insurance. The CMW D&O policy does not contain this exclusion and will protect the Strata Council for claims arising from failure to maintain or properly place insurance. The DDC extension protects the Strata Corporation from legal defense costs associated with unsuccessful Human Rights Tribunal Actions.

By-laws

By-laws Coverage

Included without Sublimit - Coverage is provided for costs incurred due to the application of a by-law, including demolition or removal of undamaged property, without sublimit.

**Volunteer
Workers**

Coverage is Provided

for Volunteer Workers injured during the course of the volunteer duties. A weekly indemnity of \$500 is provided for injured volunteer workers, the length of which is dependent on the severity of the accident.

This document does not form part of the policy. For more specific details, please refer to the actual policy wordings.

Additional Living Expenses

\$5,000 per unit, to a maximum of \$50,000 per occurrence
(in excess of unit owner's insurance) **Flood & Earthquake Perils Included**

"All Risks" Blanket Property Coverage

Arson Rewards

\$10,000 per occurrence

Broad Form Directors & Officers Insurance

does not include a 'failure to purchase insurance' exclusion and includes the Strata Corporation as an Insured

By-Laws

increased cost of reconstruction, cost of undamaged portions and cost of removal - No Sublimit

Condominium Maintenance Fees

\$2,500 per unit to a maximum of \$50,000

Contamination Expense

\$50,000 per occurrence/aggregate for clean-up expenses resulting from damage to insured property by an insured peril. \$25,000 sublimit for clean-up expenses resulting from damage to insured property from the dumping of contaminants without the insured's knowledge

Debris Removal

including removal of property blown onto property by windstorm - Included with no Sublimit

Discrimination Defense Costs Included

\$10,000 per occurrence to a maximum of \$25,000 per policy term for legal defense costs resulting from Human Rights Tribunal Actions

Earthquake Deductible

each building is a separate location under the deductible definition. This has a significant effect on the percentage deductible where some but not all of the buildings in the complex are damaged. The minimum deductible applies.

Expediting Expenses

\$100,000 per occurrence

Extra Expense

\$100,000 per occurrence

Extended Replacement Cost

subject to an appraisal within 12 months of the effective date, the Limit of Liability is extended to cover amounts actually and necessarily expended for repairs, replacement or reinstatement of the insured strata, subject to a maximum limit of 10% of the Sum Insured

Extension of Property Policy during Declaration of Emergency (30 days), Flood & Earthquake Perils Included

Fine Arts

\$100,000 per occurrence

Fire Department Service Charges

\$50,000 per occurrence

Fire Suppression Re-charge

\$25,000 per occurrence

Full "All Risks" Coverage

including paving, sidewalks, curbing, landscaping, water features, pools or related underground equipment

Platinum Legal Services Retainer Contract from Clark Wilson (if included on proposal) – \$300,000 Per Claim, \$1,500,000 Term Aggregate

General Liability

includes Property Managers as Additional Insureds

Green Standards Coverage

\$50,000 per occurrence

Illegal Drug Activity

included subject to policy deductible

Landslide, Subsidence & Sinkhole Included

subject to the earthquake deductible

Master Key Coverage

\$10,000 per occurrence, up to 5 keys

Money and Stamps

\$1,000 per occurrence

Newly Acquired Property

15% of sum insured applying to buildings, to a maximum of \$1,000,000

Notification of Work Commencement - 60 days

Outdoor Plants

10% of Sum Insured, to a maximum of \$5,000 per plant – named perils (including wind, hail, flood and earthquake)

Personal Property of Officers & Employees

\$15,000 any one officer or employee

Pollution Liability

\$1,000,000 each pollution event (including Cleanup Costs and Third Party Liability) \$5,000,000 aggregate (master) policy limit

Professional Fees for External Auditors, Accountants, Architects & Engineers - \$100,000

Property Additions, Renovations or Installations

subject to a limit of 15% of the insured value, with a maximum of \$1,000,000

Property Coverage for Improvements & Betterments

to individual units when required by Strata By-Laws

Property Managers Errors & Omissions

Property Managers Extra Expense

for additional work in mitigating the loss, to a maximum of \$10,000 any one claim or occurrence

After Hours Limitation Removed

Same Site Restriction Removed

from replacement cost clause allowing the strata to rebuild at another location if needed or required with no requirement for occupancy

Sudden & Accidental Pollution is included

\$1,000,000 Sublimit

Valuable Papers

\$100,000 per occurrence

This document does not form part of the policy. For more specific details, please refer to the actual policy wordings.

E&OE / DEC2013

Insured **The Owners of Strata Plan BCS1265, Belair**
Baywest Management Corporation, Attn: Lucian Naita

Policy Period **From:** August 1, 2014 **To:** August 1, 2015

Location(s) 2828 Yew Street, Vancouver, BC V6K 4W5

Description of Coverages	Limits of Liability	Deductibles
Property of Every Description – Per Occurrence, Form No. CMWM-Jan-01-2012, Appraisal: Jul 1, 2014, Year of Cycle: 2 Business Interruption Earthquake – Annual Aggregate – Extended Replacement Cost Applies Flood – Annual Aggregate – Extended Replacement Cost Applies Blanket Glass	\$ 12,878,000. Not Covered \$ 12,878,000. \$ 12,878,000. Included	See Below
Equipment Breakdown - By-laws Included Business Interruption (Time Element) \$1,000,000 Debris Removal, \$100,000 Ammonia Contamination, \$100,000 Contamination Expense (Annual), \$100,000 Expediting Expense, \$100,000. Extra Expense, \$250,000 Water Damage, \$50,000 Service Interruption	\$ 12,878,000. Not Covered Included	\$500.
General Liability – Bodily Injury, Personal Injury and Property Damage Liability – Each Accident or Occurrence Products and Completed Operations – Aggregate Limit Non-Owned Automobile Advertising Injury Liability Medical Payments – Each Person Limited Pollution Liability – Aggregate Limit Employers' Liability Extension Tenants' Legal Liability – Any One Accident Voluntary Compensation Extension – Strata Volunteers Coverage (Weekly Indemnity of 2/3 of Employee's Weekly Wage, but not exceeding \$500/week & set at \$500/week for Volunteer Workers)	\$ 10,000,000. \$ 10,000,000. \$ 10,000,000. \$ 10,000,000. \$ 10,000. \$ 1,000,000. \$ 300,000. \$ 250,000. \$ 50,000.	\$1,000. \$10,000. \$1,000.
Condominium Corporation Directors & Officers Liability (Errors & Omissions) – Annual Aggregate Discrimination Defense Costs – Per Unsuccessful Action or Complaint Discrimination Defense Costs – Annual Aggregate	\$ 5,000,000. \$ 10,000. \$ 25,000.	Nil
Property Managers Errors & Omissions Liability – Annual Aggregate	\$ 5,000,000.	Nil
Broad Form Money & Securities - Loss Inside & Outside Premises, Depositors Forgery Employee Dishonesty, Coverage – Form A	Not Covered Not Covered	
Pollution Liability – Each Pollution Event, Including Bodily Injury or Property Damage and Clean-up Costs Aggregate (Master) Policy Limit	\$ 1,000,000. \$ 5,000,000.	\$25,000.

Deductibles – Property

- All Losses \$2,500 except:
 - Earthquake 10%, minimum \$100,000
 - Water Damage \$5,000
 - Residential Glass Breakage \$100
 - Sewer Back-up \$5,000
 - Master Key Coverage \$250
 - **Flood \$25,000**

Conditions – Property

- All Risks of direct physical loss or damage to property described at Location(s) of Risk shown above.
- Basis of Loss Settlement – Replacement Cost including by-laws.
- Co-insurance Basis – Stated Amount.
- Extended Replacement Cost – 10%
- Any Property additions, renovations or installation work will be subject to a limit of 15% of the insured value, with a maximum of \$1,000,000.

Additional Named Insured – General Liability

Property Manager for their management of the Strata Plan.

Notable Exclusions & Endorsements

- Amendatory Endorsement – Statutory Conditions (CMWME1-Jul-01-2012)
- Customer Advisory, Privacy Principles Letter and Privacy Principles

Platinum Legal Services Retainer Contract

Per Claim – \$1,500,000 Term Aggregate

Amount

\$300,000.

Insured **The Owners of Strata Plan BCS1265, Belair
Baywest Management Corporation, Attn: Lucian Naita**

Policy Period **From:** August 1, 2014 **To:** August 1, 2015

Total Premium	Legal Services Fixed Retainer	Combined Total
\$19,013.	\$350.	\$19,363.

Monthly Payment Plan upon request – 20% down and competitive rates

Limit Options	Additional Premium	Select Option
\$15,000,000. Commercial General Liability	\$216.	<input type="checkbox"/>
\$20,000,000. Commercial General Liability	\$568.	<input type="checkbox"/>
\$100,000. Voluntary Compensation Extension	\$150.	<input type="checkbox"/>
\$10,000,000. Directors & Officers Errors & Omissions Liability	\$123.	<input type="checkbox"/>
\$10,000,000. Property Managers Errors & Omissions Liability	\$63.	<input type="checkbox"/>
\$5,000. Broad Form Money & Securities - Loss Inside & Outside Premises, Depositors Forgery	\$100.	<input type="checkbox"/>
\$10,000. Broad Form Money & Securities - Loss Inside & Outside Premises, Depositors Forgery	\$200.	<input type="checkbox"/>
\$25,000. Employee Dishonesty Coverage - Form A	\$100.	<input type="checkbox"/>

Renewal Authorization

Please sign and date below as authorization to proceed with renewal as indicated above.

IMPORTANT: This proposal is subject to change if any claims become known or reported prior to the effective date of coverage.
Terms, conditions and deductibles are subject to receipt of updated renewal information.

Signature (Authorized Representative of Insured)

Name and Title

Today's Date

This proposal is effective for 60 days or until the effective date whichever comes first

E&OE/ July 15, 2014/ KEV/RKEL

Route to: **Kevin Casey**

Insured **The Owners of Strata Plan BCS1265, Belair**
Baywest Management Corporation, Attn: Lucian Naita

Term **From:** August 1, 2014 **To:** August 1, 2015

Renewal Information Required	Information on File	Unchanged	New Info or Changes
1. Water ingress "leaky condo" problems	None on File	<input type="checkbox"/>	
2. Illegal drug activities discovered or reported	None on File	<input type="checkbox"/>	
3. Renovations over \$1 million anticipated	None on File	<input type="checkbox"/>	
4. Major building upgrades *Year Built: 2005 *Note – If building is over 25 years old the insurance companies require upgrade information, if any.	Roof: None on File Plumbing: None on File Heating: None on File Electrical: None on File Details: None on File	<input type="checkbox"/>	
5. Number of units Residential - 35	Owner Occupied: 27 Rented: 8 Vacant: 0	<input type="checkbox"/>	Owner Occupied: Rented: Vacant:
6. Have there been any unreported claims?		<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, provide details below.

E&OE/ July 8, 2014/ KEV/RKEL

Route to: **Kevin Casey**

Strata Plan BCS1265	Belair	Baywest Management Corporation
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Terms appearing in quotation marks shall be given the meaning within the Policy referenced below.

1. BY ACCEPTANCE OF THIS QUOTATION FOR RENEWAL OF THE POLLUTION LEGAL LIABILITY SELECT POLICY, AND IN RELIANCE UPON THE APPLICATION ANNEXED HERETO AND MADE A PART HEREOF, IT IS UNDERSTOOD THAT THE "NAMED INSURED" HAS NO KNOWLEDGE OF ANY FACTS OR CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO RESULT IN A "CLAIM" OR "CLAIMS" BEING ASSERTED AGAINST THE "NAME INSURED" FOR "CLEAN-UP COSTS", "BODILY INJURY" OR "PROPERTY DAMAGE" RESULTING FROM "ON-SITE POLLUTION CONDITIONS" OR "OFF-SITE POLLUTION CONDITIONS".
2. AGGREGATE LIMIT OF LIABILITY IS SHARED BY ALL CERTIFICATE HOLDERS ISSUED UNDER THE MASTER POLICY.
3. Any known underground storage tanks? Yes No
If Yes, provide details:

Authorized Signature:	Property Manager's Name: Lucian Naita
Date Signed:	Name of CMW Account Manager: Kevin Casey

Completion of this application does not obligate the Company to accept risk. Coverage will commence only when notification of acceptance is given by the Company.
MAR2012/BCS1265/KEV/1