



INTACT INSURANCE COMPANY

(“Insurer”)

700 University Avenue, Toronto, ON, M5G 0A1

Toll Free: 1-800-268-6617

Represented by its Agent, WBI Home Warranty Ltd.

211-9639 137A Street, Surrey, BC, V3T 0M1

Phone: 604-639-2924 Toll free 1-855-639-2924 Fax: 604-639-2925

Limited Home Warranty Insurance Policy

For a New Home

Address of New Home:	16201 Highway 16 E, Yellowhead County, AB, T7E 3S7
Builder Name:	413131 Alberta Ltd. dba Woodland Lumber & Building Supplies
Builder Phone Number:	780-727-2964
Builder Fax Number:	780-727-2220
Warranty Policy Number:	WHW210130-5

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.

Notice to the Owner: Different components of your New Home are covered for specified periods of time; therefore refer to the entirety of this Policy for a description of the insurance coverage, conditions, limitations and exclusions. It is important to note the Expiry Dates below; each term begins on the Home Warranty Commencement Date. The Insurer will honor valid claims provided that the Owner has given prompt written notice in detail of any defects covered by this Policy prior to the applicable Expiry Date.

Home Warranty Commencement Date	<u>Jan 21, 2022</u>	
1 Year (Defects in Materials and Labour)	Expires: <u>Jan 21, 2023</u>	(at 12:01AM)
2 Years (Defects in Delivery & Distribution Systems)	Expires: <u>Jan 21, 2024</u>	(at 12:01AM)
5 Years (Defects in the Building Envelope)	Expires: <u>Jan 21, 2027</u>	(at 12:01AM)
10 Years (Structural Defect)	Expires: <u>Jan 21, 2032</u>	(at 12:01AM)

Gordon Houston, Attorney-In-Fact
Executive Vice President
Authorized signature of Insurer

In addition, please read the Maintenance Manual for a thorough understanding of the seasonal maintenance requirements for your New Home. Failure to follow these maintenance requirements may void warranty coverage should damage be caused or made worse by an Owner failing to comply. If you do not have a copy of our Maintenance Manual, a copy can be downloaded from the website at www.wbihomewarranty.com.



PART A: DEFINITIONS

In this Policy, the terms below shall have the following meanings:

"Building Code" means the applicable Alberta Building Code as declared in force by a regulation under the Safety Codes Act.

"Building Envelope" means the collection of components that separate conditioned space from unconditioned space, the exterior air or the ground, or that separate conditioned spaces intended to be conditioned to temperatures differing by more than 10 degrees Celsius at design conditions.

"Building Envelope Defect" means Defects that result in the failure of the Building Envelope to perform its intended function.

"Deductible" means the amount that must be paid out of pocket by the Insured on any claim submitted for coverage.

"Defect" means any design, construction or material used in the construction of a New Home that is discovered after the commencement of coverage under a home warranty insurance contract and

- a) is contrary to the Building Code; or
- b) that requires repair or replacement due to the negligence of a Residential Builder or person for whom the Residential Builder is responsible at law; or
- c) constitutes an unreasonable health or safety risk; or
- d) has resulted in material damage to the New Home.

"Delivery and Distribution Systems" include electrical, gas, plumbing, heating, ventilation and air-conditioning systems to which the Safety Codes Act applies and any other systems prescribed by regulation as delivery and distribution systems.

"Insured" means a person insured by this home warranty insurance contract whether named in the contract or not.

"Insurer" means Intact Insurance Company, as represented by its Agent WBI Home Warranty Ltd.

"Multiple Family Dwelling" means a building containing 2 or more dwelling units that is not captured under the Condominium Property Act.

"New Home" means the home which is the subject matter of this Policy having the address set out on the first page of this Policy which is a building, or portion of a building, that is newly constructed and is intended for residential occupancy and in respect of which the coverage period is not expired, and includes:

- a) a self-contained dwelling that
 - i) is detached;
 - ii) is attached to one or more other self contained dwelling units; or
 - iii) includes secondary suite.
- b) any building or portion of a building that is of a class prescribed as a class of New Home to which the Act applies;
- c) a building that is intended for residential occupancy and that is a reconstruction;
- d) a manufactured home;
- e) a retaining wall which has a structural function in supporting the building.

"Home Warranty Commencement Date" means the date shown on the face of this Policy for the commencement of the warranty on the New Home.

"Owner" means a person who purchases a New Home, or contracts with a Residential Builder to build a New Home, and includes:

- a) a person who acquires a life interest in a New Home;
- b) a cooperative incorporated under the Cooperatives Act, a corporation or society having an ownership interest in a New Home; and
- c) a subsequent purchaser of the New Home, including a person who acquires a New Home from a previous Owner through inheritance, gift, foreclosure or other legal means or operation of law.

"Owner Builder" means an individual who builds or intends to build a New Home for personal use with a valid authorization issued by the Registrar and includes any builder prescribed as an Owner Builder to which the New Home Buyer Protection Act applies.

"Policy" means the documents provided to the Owner evidencing the Home Warranty Insurance Policy and all forms, riders and endorsements pertaining or attached.



“Provincial Historic Resource” has the same meaning as in section 1(i) of the Historical Resources Act.

“Registered Historic Resource” has the same meaning as in section 1(j) of the Historical Resources Act.

“Residential Builder” means the person who engages in, arranges for or manages all or substantially all of the construction or reconstruction of a New Home or agrees to do any of those things, and includes a General Contractor, but does not include an Owner Builder.

“Structural Defect” means:

- a) a Defect in the materials and labour that results in the failure of a load bearing part of the New Home; and
- b) any Defect which causes structural damage that materially and adversely affects the use of the New Home for residential occupancy.

“Warranty Provider” means Intact Insurance Company, as represented by its Agent WBI Home Warranty Ltd.

If any terms are used in this Policy which are defined in the New Home Buyer Protection Act but not defined in this Policy, the meanings given to such terms in the Act will apply.

PART B: COVERAGE

1. GENERAL

The Insurer shall provide home warranty insurance coverage to the New Home as specified in this Policy, subject to the exclusions, limitations and the conditions set out in this Policy, where a claim is made by the Owner within the applicable warranty period in the manner set forth in this Policy.

2. COVERAGE

Beginning on the Home Warranty Commencement Date, this Policy provides the following coverages:

- a) in the first 12 months, any Defect in materials and labour;
- b) in the first 24 months any Defect in materials and labour related to the Delivery and Distribution Systems;
- c) in the first five years, any Building Envelope Defect; and
- d) in the first ten years, any Structural Defect.

3. POLICY LIMITS

(1) The aggregate limit of liability for the Insurer under this Policy is the lesser of:

- a) For a New Home constructed by a Residential Builder, the lesser of the original purchase price paid to the Residential Builder and \$265,000;
- b) For a New Home constructed by an Owner Builder, the lesser of the appraised value of the New Home at the time of commencement of coverage and \$265,000; or
- c) For a New Home in a non-condominium Multi-Family Dwelling, the lesser of the original purchase price paid to the Residential Builder and \$265,000.

(2) When calculating the cost of claims in respect of the limits under this Policy, the Warranty Provider will include:

- a) the cost of repairs,
- b) the cost of any investigation, engineering and design required for the repairs,
- c) the cost of adjusting and supervision of repairs, including professional review but excluding legal costs; and
- d) the cost of mitigation paid by the Warranty Provider to the Insured; and
- e) the cost of Additional Living Expenses of an Owner Paid by the Warranty Provider.

4. DEDUCTIBLE

- a) The Owner shall be required to pay a deductible on claims made under this Policy.
- b) The maximum amount of a deductible payable under subsection (a) shall not exceed \$50.00 plus applicable taxes.
- c) Only one deductible is payable per claim submitted to the Warranty Provider, regardless of how many Defects are reported by the Owner to the Insurer in that claim.



- d) The total sum of deductibles payable by the Owner in each calendar year for claims made shall not exceed \$300.00 plus applicable taxes.
- e) The Insurer may refund a deductible paid or waive a deductible payable by an Owner.

5. LIMITATIONS AND EXCLUSIONS

1) Coverage Exclusions

The following are excluded from the coverage under this Policy:

- a) any non-residential use area and any construction or reconstruction associated with a non-residential use area;
- b) site grading and surface drainage except as required by a building code, and not including subsidence beneath footings of a home or under driveways or walkways;
- c) utility services;
- d) septic tanks and septic or absorption fields, unless constructed or otherwise provided by the residential builder or owner builder;
- e) home appliances, including but not limited to refrigerators, stoves, ovens, garbage disposal units, dishwashers, microwaves, clothing washers, clothing dryers and freezers;
- f) water wells, except equipment installed for the operation of the water well where the equipment is part of a Delivery and Distribution System;
- g) the quality or quantity of water from a municipal water supply, a water well or any other source;
- h) any component of a Registered Historic Resource or Provincial Historic Resource that is being converted from commercial to residential use, where that component has been exempted from the application of any provision contained in any building code pursuant to section 51 of the Historical Resources Act;
- i) designs, materials or labour supplied by anyone other than the residential builder or the employees, agents or subcontractors of a residential builder, but not including any designs, material or labour retained by the residential builder or by an owner builder in a reconstruction.

2) Loss or Damage Exclusions

Any loss or damage resulting from the following are excluded from coverage under this Policy:

- a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
- b) normal shrinkage of materials caused by drying after construction;
- c) substantial use of the residence for non-residential purposes;
- d) negligent or improper maintenance or improper operation of the New Home or anything in the New Home by anyone other than the residential builder or its employees, agents or subcontractors;
- e) alterations to the home by anyone other than the residential builder or its employees, agents or subcontractors;
- f) changes to the grading of the ground by anyone other than the residential builder, or its employees, agents or subcontractors;
- g) insects, rodents or other animals, unless the damage results from non-compliance with a building code by the residential builder or its employees, agents or subcontractors, or the owner builder;
- h) acts of nature;
- i) bodily injury, disease, illness or death resulting from any cause;
- j) damage to personal property or real property that is not part of a New Home;
- k) contaminated soil, except where supplied by or through the residential builder and the residential builder knew or ought to have known that the soil was contaminated;
- l) subsidence of the land around a New Home or along utility lines, not including subsidence beneath footings of a New Home or under driveways or walkways;
- m) diminished value of a New Home or any component of a New Home;
- n) deficiencies that have been agreed to between a residential builder and the Owner prior to or at the time of possession;
- o) Defects that have been caused or substantially contributed to by a change that is material to the risk and is within the control and knowledge of the Owner;



- p) fire, explosion, smoke, flooding or sewer back-up;
- q) loss of income or opportunity;
- r) loss of enjoyment, use or benefit of the New Home;
- s) inconvenience or distress to the Owner;
- t) any professional fees, including legal, consulting or medical costs.

PART C: POLICY CONDITIONS

1. REQUIREMENTS AFTER DISCOVERY OF DEFECT

- (1) Within a reasonable time after the discovery of a Defect in a New Home, the Insured must, if the Defect is covered by the Policy, give notice of the Defect in reasonable detail to the Warranty Provider.
- (2) The Warranty Provider requires that the notice from the Owner be in writing.

2. WHO MAY GIVE NOTICE AND PROOF

Notice of a Defect under Policy Condition 1(1) may be given

- (1) by the agent of the Insured if
 - a) the Insured is absent or unable to give the notice or make the proof, and
 - b) the absence or inability is satisfactorily accounted for, or
- (2) by any person who has an insurable interest in the New Home, if the named Insured fails or refuses to do so, or in the circumstances described in clause (1) of this condition.

3. MITIGATION

- (1) In the event of loss or damage to a New Home resulting from a Defect, the Insured must take all reasonable steps to prevent further loss or damage to the New Home as a result of the Defect;
- (2) The Insurer must pay to the Insured all reasonable and proper expenses incurred in connection with steps taken by the Insured under subparagraph (1) of this condition.

4. ENTRY AND CONTROL

- (1) After a Defect has been reported to the Warranty Provider, the Warranty Provider has an immediate right of access and entry to the New Home by itself and by its accredited representatives, who may include the Residential Builder, sufficient to
 - a) enable them to determine if a Defect exists,
 - b) make an estimate of the repairs required to rectify the Defect, and
 - c) make the repairs necessary to rectify the Defect.

5. MATERIAL CHANGE IN RISK

- (1) The Insured must promptly give notice in writing to the Warranty Provider or its Agent of any change that is:
 - a) material to the risk, and
 - b) within the control and knowledge of the Insured.
- (2) The Warranty Provider may require that the notice from the Insured be in writing.

6. IN CASE OF DISAGREEMENT

- (1) In the event of disagreement as to whether a Defect exists, the nature and extent of the repairs or replacements required, the adequacy of repairs or replacements made or the amount of loss or damage, those questions must be determined using the applicable dispute resolution process set out in section 519 of the Insurance Act whether or not the Insured's right to recover under the home warranty insurance contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - a) a specific demand is made for it in writing, and
 - b) a proof of loss has been delivered to the Insurer.



7. TRANSFER OF TITLE

If title to the New Home is transferred at any time during the protection period, the home warranty insurance contract is transferred to the new Owner and the new Owner is deemed to have given good and valuable consideration to the Warranty Provider under the home warranty insurance contract.

8. ADDITIONAL LIVING EXPENSES

- (1) If a New Home is uninhabitable as a result of a Defect or during the rectification of a Defect, then reasonable living expenses incurred by the Owner will be payable by the Insurer to the Insured to a maximum of \$150 per day or such greater amount as may be established from time to time by the Superintendent of Insurance.
- (2) The total amount payable under subparagraph (1) of this condition shall not exceed \$15,000 for each period of time the home is uninhabitable while warranty coverage is in effect.

9. WARRANTY OF REPAIRS OF DEFECTS

- (1) All repairs and replacements made to rectify Defects are warranted against Defects in materials and labour until the later of the first anniversary of the date of completion of the repair or replacement and the expiry of coverage for that type of Defect under the home warranty insurance policy.
- (2) If an Insured accepts payment from the Warranty Provider in lieu of repairs or replacements to rectify a Defect, then no further warranty coverage applies to the Defect covered by the payment.

10. NOTICE

- (1) Written notice to the Warranty Provider may be delivered, or sent by recorded mail, to the chief agency or head office of the Warranty Provider located at 211-9639 137A Street, Surrey, BC, V3T 0M1.
- (2) Written notice to the Insured may be personally delivered, or sent by recorded mail addressed, to the address of the new home covered by the Policy.

PART D: GENERAL PROVISIONS

1. SUBROGATED RIGHTS

If the Insurer make a payment or assumes liability for any payment or repair under this Policy:

- (1) the Insurer is subrogated to all rights of recovery of the Owner against any person or persons who may have caused or contributed to the requirement for the payment or repair under this Policy;
- (2) the Insurer may bring an action, at its own expense, in the name of the Owner, to enforce such rights; and
- (3) the Owner shall fully cooperate, support and assist the Insurer in the pursuit of the aforementioned subrogated rights if the Insurer pursues its subrogated rights.

2. HANDLING OF CLAIMS

- (1) Upon discovery of a Defect, the Owner must provide the Warranty Provider with prompt written notice, that must include:
 - a) The address of the New Home as set out on the first page of this Policy;
 - b) The policy number set out on the first page of this Policy; and
 - c) Notice of the Defect in an itemized detailed list.
- (2) Notice shall be delivered to the Warranty Provider by:
 - a) Post or courier to WBI Home Warranty Claims Department, 211-9639 137A Street, Surrey, BC, V3T 0M1,
 - b) Fax 604-639-2925, or
 - c) Email claims@wbihomewarranty.com.
- (3) The Warranty Provider shall, on receipt of a notice of a claim in writing under this Policy, promptly make reasonable attempts to contact the Owner and the Residential Builder to evaluate the claim.
- (4) The Warranty Provider shall make all reasonable efforts to avoid delays in responding to a claim under this Policy, evaluating the claim and scheduling any required repairs.



- (5) If, following evaluation of a claim under this Policy, the Warranty Provider determines that the claim is not valid or not covered under this Policy, the Warranty Provider shall notify the Owner of the decision in writing, setting out the reasons for the decision.
- (6) Repairs will be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of materials and labour.
- (7) On completion of any repairs, the Warranty Provider shall deliver a copy of the repair specifications to the Owner with a letter confirming the date the repairs were completed and referring to the repair warranty provided for in this Policy.

3. MISCELLANEOUS

- (1) Every action or proceeding against the Warranty Provider for the recovery of insurance money payable under the Policy is absolutely barred unless commenced within the time set out in the Insurance Act.
- (2) This Policy shall be governed by and construed in accordance with the law of Alberta and the law of Canada applicable in Alberta.
- (3) This Policy is binding upon the Warranty Provider and the Owner and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.
- (4) The inclusion of headings in this Policy is for convenience only and shall not affect the construction or interpretation of this Policy.
- (5) Except as expressly provided in this Policy, no amendment, variation or waiver of it shall be binding unless made in writing by the Insurer. No waiver of any provision or any portion of any provision, of this Policy shall constitute a waiver of any other part of the provision or any other provision of this Policy nor a continuing waiver unless otherwise expressly provided.

END OF POLICY