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CHINESE DRYWALL – CONSTRUCTION PRODUCTS CLAIMS AND COVERAGE ISSUES

By: Lindsay Lorimer and Jason J. Annibale. Reprinted with permission. This article was originally published in McMillan LLP's Construction Litigation Bulletin. © McMillan LLP

The words "Chinese drywall" may at the moment mean very little to Canadian manufacturers, contractors, suppliers and home builders. Law suits along the southern and eastern coast of the United States arising out of the use of defective drywall, manufactured in China and installed in thousands of homes, has not spread to Canada. Yet those in the construction industry would be well advised to stay alert to recent legal developments.

Imported into the US in the last ten years, Chinese drywall was used to redress shortages caused by the mid-decade housing boom and the rebuilding of hurricane torn communities. The US International Trade Commission data reveals that approximately 518 million pounds of Chinese drywall entered the country between 2004 and 2008.[1]

Shortly after the installation of Chinese drywall homeowners began to complain of noxious, "rotten egg" smells. New homes also experienced failures of HVAC systems and other appliances, blackening of copper electrical wiring and household metals.

By 2006-2007, consumer watchdog groups and government agencies were receiving mass complaints of injuries to both property and person. In 2008, investigations carried out by the Environmental Protection Agency and the Consumer Product Safety Commission confirmed that that the product was emitting sulphur gasses. More than 7000 – people filed complaints over defective drywall. It is estimated that between 36,000 and 100,000 homes in the US may contain the material.[2]

Inside

The legal consequences of these developments are, in part, being determined in multidistrict litigation in Louisiana.

The U.S. Litigation

The first two decisions in this multidistrict litigation process were handed down in April by Judge Fallon of the Eastern District of Louisiana. Among other things, the decisions sets out the scope of remediation required of defendant manufacturers of Chinese drywall.

The first of the two cases involved a class action suit by seven Virginia families against Chinese manufacturer Taishan Gypsum Co.[3] In the course of its ruling, the court accepted that the plaintiffs' homes had been exposed to high levels of corrosive gases and that "this condition is clearly irritating and harmful to residents and destructive to property".[4]

The court ordered extensive remediation which included the replacement of all drywall, wiring, plumbing, flooring, and any other materials that may have absorbed gasses. The defendant was also responsible for the cleaning and airing out of houses, along with the post-clean up environmental certification.

The court also found that the plaintiffs could recover for the loss of personal property – e.g., carpets, curtains, and clothing. Economic damages arising from the loss of use and enjoyment of home, alternative living costs, costs associated with foreclosures, bankruptcies and the reduction of property values were also awarded.[5] Total damages for the seven families amounted to $2.6 million.

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For CCH Canadian Limited

Rose McConnell, B.Sc., LL.B., Analyst
(416) 224-2224, ext. 6338
e-mail: Rose.McConnell@wolterskluwer.com

Kelly Bettencourt, B.A., Content Editor
(416) 224-2224, ext. 6441
e-mail: Kelly.Bettencourt@wolterskluwer.com

Cheryl Finch, B.A., LL.B., Director of Editorial
Legal and Business Markets
(416) 228-6128
e-mail: Cheryl.Finch@wolterskluwer.com

Jaime Aitken, B.Comm., Marketing Manager
(416) 228-6153
e-mail: Jaime.Aitken@wolterskluwer.com

90 Sheppard Ave. East, Suite 300
Toronto, Ontario M2N 6X1

Taishan did not participate in the initial litigation, but has since hired US attorneys and filed an appeal to the decision.

In the second case, the court awarded $164,000 total damages on a single home against the defendant Knauf Plasterboard Tianjin Co., Ltd. for remediation and damages to personal property.[6] Prior to the hearings, Knauf had agreed that the drywall in the plaintiffs' home was defective and not fit for use, but Knauf contested the scope of remediation demanded by the plaintiffs. The parties agreed that all drywall (whether Chinese or domestic), all insulation, flexible duct work, switches, receptacles, molding and countertops had to be completely removed and replaced. There was disagreement as to whether the electrical, plumbing, and HVAC systems, and various other items required removal and replacement. The court found in favour of the plaintiffs.

Litigation within and outside the multidistrict process continues in the United States.[7]

Insurance Claim Issues

Whether commercial general liability (CGL) policies will provide coverage to manufacturers and suppliers is dependent on the interpretation and applicability of two common exclusions – "Own Product" and "Pollution Exclusions".

The "own product" exclusion is standard in most CGL policies and does not allow an insured to claim the costs of repairing or replacing the insured's defective product.[8] However, the cost of repairing or replacing a product damaged by factors other than a product defect is not part of the exclusion. Based on the current state of the law in Canada, the removal and replacement of the drywall itself is likely excluded by the terms of most CGL policies. The cost of replacing all other elements affected by drywall most likely falls within the scope of coverage.[9] US decisions on this point are in conflict.[10]

Another relevant CGL policy exclusion bars coverage for damage resulting from pollution. Cases in Canada and the United States are divided on what qualifies as pollution and specifically whether this excludes coverage for damages resulting from indoor pollution due to routine commercial hazards.[11] So far US courts dealing with this exclusion have split on whether sulphur emitting drywall can be characterized as pollution.[12]

While insurance cases dealing with Chinese drywall are still before the courts, a recent decision by a Virginia court is particularly relevant for those confronted by consumers seeking remediation.[13] The case involved a homebuilding company that, on its own initiative, chose to remove and replace Chinese drywall installed in homes by one of its subcontractors to manage potential litigation. Interestingly, the court ruled that the insurer in that case was not

required to cover the cost of the remediation because the insured's remediation was agreed to before it faced an actual legal obligation to do anything. By agreeing to remediate, the insured had acted in a manner which increased its exposure contrary to its obligations under its Policy. Moreover, the insurer had not been consulted with or consented to the remediation.

Lessons for Canada?

The concern over Chinese drywall has not steered completely clear of Canada. Since the spring of 2009, there have been rumblings about the use of Chinese drywall in a number of Canadian communities, mostly in the Lower Mainland area of British Columbia. A US consumer watchdog group claims to have received about 500 calls from concerned BC and Alberta residents since the news of the US law suits spread north.[14] Statements in the media suggest that one million square metres of Chinese drywall arrived in Canada through Vancouver between 2001 and 2007.[15]

While most of the drywall used in Canada is produced domestically, the Canada Border Services Agency (CBCA) recently stated that two Canadian companies imported drywall made by Taishan, the defendant in the first U.S. case. Although, recent reports from building industry officials suggest that tainted Chinese drywall has not been used in Canada.[16]

If Chinese drywall does eventually become the subject of dispute in Canada, Canadian courts and regulatory agencies will no doubt turn their attention to the judicial statements of US courts and any standards set out for drywall clean-up by US government agencies. Moreover, Canadian courts will likely take cues from the MDL litigation when dealing with broad and complex claims for alleged defective building products.

Notes:

[1] "Chinese Drywall: Background, Scope and Insurance Coverage Implications – Part 1" *The Free Library* (16 September 2009) online: The Free Library http:www.thefreelibrary.com/Chinese+Drywall:+Background,+Scope+And+Insurance+Coverage+...-a0212799551.

[2] *Ibid.*: Chinesedrywall.com, online: http://www.chinesedrywall.com/.

[3] *Germano v. Taishan Gypsum Co., Ltd.*, 2010 WL 144564 (E.D. La. 2010).

[4] *Ibid.*, at 12.

[5] *Ibid.*, at 30–33.

[6] *Hernandez v. Knauf Gips KG, et al.*, 2010 WL 17043 (E.D. La. 2010).

[7] Aaron Kessler, "Chinese Drywall Maker Settles Federal Case" *Herald-Tribune* (18 June 2010). online: Herald-Tribune http://www.heraldtribune.com/article/20100618/BREAKING/100619689/2055/NEWS?p=1&tc=pg.

[8] See, for example, *Alie v. Bertrand &Frére Construction Co.* [2002], 62 O.R. (3d) 345 (C.A.). The scope of the exclusion is determined by the definition in the policy and the circumstances under which a claim is made.

[9] *Ibid.*, at para. 319.

[10] *Finger and Rebecca Finger v. Audubon Insurance Company*, 2010 WL 1222273 (Civ. D. La. 2010); *Travco Insurance Company v. Ward*, 2010 WL 2222255 (E.D. Va. 2010).

[11] *Zurich Insurance Co. v. 686234 Ontario Ltd.* [2003] I.L.R. I-4137, 166 O.A.C. 233 D.L.R. (4th) 655, 43 C.C.L.I. (3d) 174, 62 O.R. (3d) 447.

[12] *Supra*, note 10.

[13] *Builders Mutual Insurance Company v. Dragas Management Corporation*, 2010 WL 1257298 (E.D. Va. 2010).

[14] Richard Gilbert, "The elusive tale of toxic drywall from China" Journal of Commerce (29 April 2009), online: Journal of Commerce http://www.journalofcommerce.com/article/id33586/gtcontracting; also see Joan Delaney "Building Industry Officials Say No Sign of Tainted Chineses Drywall in Canada", *The Epoch Times* (26 May 2010), online: The Epoch Times http://www.theepochtimes.com/n2/content/view/15781.

[15] Bob Aaron, "Chinese drywall creating crisis", *The Star* (20 June 2009), online: Aaron & Aaron Barristers and Solicitors http://www.aaron.ca/columns/2009-06-20.htm.

[16] *Supra*, note 14.

Lindsay Lorimer is a senior litigation associate. Her practice is focused on product liability litigation and class actions. Her practice also involves counselling clients on risk assessment and management. Her personal profile can be found at http://www.mcmillan.ca/lindsaylorimer.

Jason J. Annibale is the co-lead of McMillan's construction litigation team and Aboriginal law group. He routinely represents owners, mortgagees, general contractors and others in the construction pyramid. He also assists McMillan's project finance team and P3 in providing advice to sponsors and project entities. His personal profile can be found at http://www.mcmillan.ca/jasonannibale.

Recent Cases

A more complete summary of these cases may be found in the "Recent Cases" tab division in Volume 1 of the Guide, at the paragraph number indicated beside each name.

Court Held That Clause in Commercial Lease Was Void For Uncertainty

A sublease agreement was entered into on December 13, 1989 between the petitioner and Sidney Pier Holdings Ltd. ("Sidney Pier"), which leased the property under a head lease from the Town of Sidney (the "Town"). The initial sublease was for a period of 10 years and contained an option to renew for a another 10 years. Further agreements were executed, including a Renewal and Modification of Lease dated June 1, 2000 which provided an option to renew for a further period of 10 years. The head lease and petitioner's sublease were assigned from Sidney Pier to Seaport Holdings Ltd.

The original language of the option to renew, found in the 1989 lease, stated in Clause 2 of Schedule F, that the landlord might require the tenant, as a condition of its right to renew, to make major improvements to the premises, or to sublease a larger area to expand the premises, but

only in relation to existing liquor laws. If the tenant refused to make the improvements or to sublease the premises to a tenant who would make the improvements, the tenant would lose its option to renew. The precise language of Clause 2 was modified through successive renewals, including the renewal lease agreement dated June 1, 2000. After the June 2000 agreement was executed, a subsequent agreement was entered into dated May 31, 2003. In both the June 2000 agreement and the May 2003 agreement, Clause 2 of Schedule F stated that the landlord might require the tenant, as a condition of its right to renew, to make "major improvements" to the subleased premises, or to sublease a larger area, but it did not contain any reference to liquor licence laws. The petitioner brought a petition seeking a declaration that the language of Clause 2 of Schedule F was not enforceable or binding, and that that portion of the 2003 agreement was severable from the rest of the lease.

The British Columbia Supreme Court granted the petition. The Court stated that one of the critical dates in this case was the date of the first renewal agreement, namely June 1, 2000. It was on this date that the original language of Schedule F was deleted, and the present language of Clause 2 appeared. At this time, the wording which provided the commercial context for Clause 2 of Schedule F was deleted. Consequently, the undefined term, "major improvements", was elevated in importance by the deletion of the context in which it was originally found. The current language of Clause 2 allowed the landlord an unrestricted discretion to require the tenant to carry out major improvements to add value to his premises. This left the tenant in the position of not knowing the cost of the renewal, or the base rent applicable if the tenant was required to take additional space. The Court found that Clause 2 of Schedule F of the 2003 agreement was void for uncertainty and was severable from the rest of the lease.

Rumrunner Pub Ltd. v. Seaport Place Holdings ULC, 2010 BREG ¶50,579 (B.C.S.C.)

Warrantless Search Under *Safety Standards Act* Infringed Appellants' Charter Rights

The appellants lived in Surrey in a house with a floor space of 6,800 square feet. It contained, among other things, an indoor pool and a sauna/steam room. Surrey's Electrical and Fire Safety Inspection Team (the "EFSI Team") attended at the appellants' home for the purposes of an inspection because of the appellants' unusually high electricity consumption. The requirement for an inspection resulted from the coming into force of the *Safety Standards Act* (the "SSA"). Subparagraph 18(1)(*c*)(ii) of the SSA provides that a safety officer may, if satisfied that there are reasonable grounds to do so, enter any premises, at any reasonable time, to "investigate any incident". The male appellant did not object to the entry of electrical and fire inspectors into his home, but would not allow the accompanying RCMP officer to enter without a warrant. The EFSI Team did not pursue the matter at that time, but two years later, the EFSI Team again attended at the appellants' residence to do an inspection. The appellants again refused the Team entry because of the presence of the RCMP.

The male appellant was advised that the policy was that the electrical inspector and fire officials could not enter without the police members first doing a check, and that if the Team was refused entry, the electric power to their home would be disconnected. Surrey's fire chief made the decision to disconnect the power to the appellants' residence, and the appellants were forced to move out of their home. The power was restored pursuant to an interlocutory injunction. An electrical contractor subsequently completed the EFSI Team safety checklist. Nothing suspicious relating to a marijuana growing operation was found. The appellants petitioned the British Columbia Supreme Court for a variety of remedies, including a declaration that the impugned provisions of the SSA be declared of no force and effect as offending section 8 of the *Charter of Rights and Freedoms* (the "Charter"). The petition was granted in part. However, the appellants appealed two paragraphs of the chambers judge's order: (1) that certain sections of the SSA, including subsection 18(1) did not violate section 8 of the Charter; and (2) that there were reasonable and probable grounds for the safety officer to seek to enter the appellants' residence pursuant to the SSA.

The British Columbia Court of Appeal allowed the appeal. The Attorney General took the position that there was no need to address the question of the constitutionality of the SSA because the case should be decided narrowly on the basis that the decision to inspect the appellants' home was flawed on administrative grounds. Surrey contended that the appellants' Charter challenge should fail because the SSA struck the appropriate balance between preserving the public interest while safeguarding a reasonable expectation of privacy associated with private dwellings by requiring that inspections be conducted in a reasonable manner and with notice, at a reasonable time and upon reasonable grounds. The court dismissed both of these arguments.

The Court stated that there was no question that individuals possess a considerable expectation of privacy in relation to their homes. Furthermore, in *Hunter v. Southam Inc.*, [1984] 2 S.C.R. 145, the Supreme Court of Canada stated that a warrantless search was *prima facie* unreasonable. However, the Court also noted that one general exception to the *Hunter* criteria arose in the regulatory context. Case law has determined that where inspections were "minimally intrusive", the criteria set out in *Hunter* might not be appropriate. In this case, the Court stated that the expectation of privacy was high, and the inspections were very intrusive. The Court also examined the presence or absence of stigma as another factor that militated for or against applying the *Hunter* criteria. Finally, the Court examined the feasibility of obtaining a warrant under the

Community Charter, noting that administrative warrants were easier to obtain than a criminal warrants. In summary, the Court found that while the impugned inspections in this case were regulatory in nature, they constituted a considerable intrusion into an individual's reasonable expectation of privacy. To the extent the SSA authorizes the warrantless entry and inspection of residential premises for the regulatory purpose of inspecting electrical systems for safety risks that could be related to marijuana grow operations, they infringed the appellants' rights under section 8 of the Charter.

Arkinstall and Green v. Surrey (City), British Columbia Hydro and Power Authority and Attorney General of British Columbia, 2010 BREG ¶50,580 (B.C.C.A.)

Property Not Redeveloped Within Reasonable Time – Petitioner Required To Pay Agreed Compensation

This petition concerned an agreement of purchase and sale dated June 15, 2006 (the "June 2006 agreement"), for the purchase of a unit in an apartment complex. The transferor was the respondent and the transferee was the petitioner. The provisions of the June 2006 agreement contemplated that the respondent would occupy the unit rent-free for two years following the agreement completion date. The petitioner would require vacant possession commencing the third year following the completion date, for the purpose of redeveloping the land where the apartment complex was located. The respondent would then have the first right of refusal to purchase a unit of her choice in the new development. Clause 6 of the June 2006 agreement provided that in the event that the petitioner did not carry out the redevelopment plans on the land, the petitioner would pay to the respondent $50,000 "as a general, all inclusive compensation". However, the June 2006 agreement did not stipulate a time by which the petitioner was to carry out the redevelopment.

The petitioner did not request vacant possession in the third year following the completion date as contemplated in the June 2006 agreement, and the respondent continued to occupy the unit without paying rent. In June 2009, the respondent refused the petitioner's demand that she vacate the unit, and also refused to pay a monthly rent of $1,000, to which she had previously agreed. The petitioner brought this application for an order for possession of the unit.

The British Columbia Supreme Court granted the petition. The respondent was ordered to vacate the unit and to pay arrears of rent in the amount of $12,000, which was to be set off against the sum of $50,000 payable by the petitioner to the respondent. Both parties understood that the redevelopment project would take place within a "reasonable time"; however, they differed on what constituted a reasonable time. The petitioner took the position that the redevelopment plan had always been a 10-year project, but the evidence indicated that he had never communicated this time frame to the respondent. The Court noted that the parties could not have intended that the petitioner could defer the redevelopment of the land indefinitely without triggering the compensation provision.

In the result, the Court determined that the petitioner's failure to perform breached the implied term that it would carry out the redevelopment plan within a reasonable time, which constituted a substantial failure of performance. The respondent was entitled to the compensation payment of $50,000, less $12,000 for arrears of rent for the period from July 1, 2009 to June 30, 2010.

Karim and Whitgift Holdings Ltd. v. Seo, 2010 BREG ¶50,581 (B.C.S.C.)

Former Landlords Ordered To Pay Agreed Amount to Tenants To Terminate Tenancy

The respondents were residential tenants in a building owned by the appellants. They occupied their premises under a one-year tenancy agreement for a term ending December 31, 2008. During the term, the appellants listed the respondents' unit for sale. The appellants received an offer to purchase the unit (the "first offer"); however, the prospective purchasers required vacant possession of the unit on August 31, 2008. The parties entered into an agreement, entitled "Mutual Agreement to End Tenancy" (the "Agreement"), which stated that the tenancy agreement between the appellants and the respondents would terminate on August 31, 2008. The parties also executed a letter agreement (the "Letter"), in which the appellants agreed to pay the respondents the sum of $30,000 in exchange for agreeing to end the tenancy on August 31.

The first offer ultimately fell through; however, the appellants received a subsequent offer (the "second offer"), which they accepted, that stipulated that the purchaser would have vacant possession of the property as of August 20, 2008. The offer further provided that the purchaser would take over the existing tenancy of the unit from August 20 to August 31. The respondents subsequently arranged a new tenancy agreement with the purchasers of the unit. The appellants refused to pay the $30,000 under the Agreement to the respondents, and the respondents commenced an action for payment. The trial judge held that the aim of the Agreement was to compensate the respondents for agreeing to end their tenancy early. Consequently, the Agreement remained in force. The appellants appealed.

The British Columbia Court of Appeal dismissed the appeal. The appellants took the position that the respondents had breached the Agreement by failing to vacate the unit on or before August 31, 2008. The Court stated that the objective of the Agreement was to facilitate a sale by enabling the appellants to agree to deliver vacant possession to the prospective purchaser. That objective was achieved

and payment of the $30,000 was not conditional upon the obligation to vacate the premises. That the respondents were able to negotiate a new tenancy agreement in respect of the same unit was immaterial. The appellants had received the entire benefit of the Agreement.

Hatton and MacLean v. Leahy and Leahy, 2010 BREG ¶50,582 (B.C.C.A.)

Court of Appeal Interprets Section 165 of *Strata Property Act*

The respondents were owners of commercial strata lots in the strata corporation. The appellant owned 25 of 117 units in the strata corporation, and with weighted voting, was entitled to 29% of the votes. In addition, the appellant held mortgages on other strata lots in the complex. The respondents brought a petition pursuant to section 165 of the *Strata Property Act* (the "Act") alleging that the appellant used his position to coerce the strata corporation to ignore its obligations under the Act, the rules, and the bylaws of the strata corporation.

The trial judge found that the evidence established deficiencies in management of the strata corporation, and he issued an order containing 10 provisions. The appellant appealed only one of those provisions, namely number 8. This provision stated as follows: "Mr. Gosal is prohibited from standing for election at the 2009 annual general meeting or the 2010 annual general meeting (the 2010 annual general meeting is required to take place before the end of August 2010)".

The British Columbia Court of Appeal allowed the appeal, ordering that paragraph 8 be set aside. The Court noted that in making his order, the trial judge had addressed section 165 of the Act. This section provides that on application of an owner, tenant, mortgagee or interested person of a strata lot, the Supreme Court may do one or more of the following: (a) order the strata corporation to perform a duty it is required to perform under the Act, the bylaws or the rules; (b) order the strata corporation to stop contravening the Act, the regulations, the bylaws or the rules; and (c) make any other orders it considers necessary to give effect to an order under paragraph (a) or (b). The trial judge had used paragraph 165(*c*) as the basis for a finding that it was necessary that the appellant not be involved in the affairs of the strata corporation for a period of time.

The Court of Appeal stated that this appeal raised the issue of the correct construction of section 165. Section 165 empowers the court to issue what amounts to a mandatory injunction under paragraph 165(*a*) compelling the strata corporation to perform duties required of it by the Act, bylaws, or rules, or a simple injunction under paragraph 165(*b*) enjoining the strata corporation from contravening the Act. The Court stated that an order under paragraph 165(*c*) could be an ancillary order only. The paragraph does not permit an order entirely independent of an order under paragraphs (*a*) or (*b*). The trial judge's order was directed to the appellant's status, and interfered with the democratic principles expressed elsewhere in the Act. Consequently, the particular remedy found in paragraph 8 of the trial judge's order was not available.

Jiwan Dhillon & Co. Inc., Bhanghu, Gill, Gill, Mangat, Eveline Investments Inc. and Delta Family Eye Care & Contact Lens Centre Ltd. v. Gosal, 2010 BREG ¶50,583 (B.C.C.A.)

Plaintiffs Entitled to Specific Performance, Even Though CPL Registered Against Property

The plaintiffs' action was for specific performance of a contract for purchase and sale of the subject property (the "property"). The defendant, William Soo ("Soo"), and the defendant, Campbell Law ("Law"), purchased the property for $552,000 with the intent of renovating it and reselling it. It was agreed between the defendants that Law would be the sole registered owner of the property. After the purchase completed, Law and Soo entered into a Joint Venture Agreement (the "Agreement"), which provided that Law and Soo each held a 50% undivided beneficial interest in the property, and that Law held legal title subject to Soo's 50% beneficial interest. Law agreed to pay property taxes, insurance, mortgage payments, and all other maintenance costs, subject to a 50% contribution from Soo. The Agreement provided that upon completion of the renovations, the property was to be sold "at a price to be mutually agreed upon by the Owners".

The evidence showed that Soo was content to hold an unregistered interest because it would enable him to avoid paying capital gains tax when the property was sold. Law subsequently determined that he no longer wanted to be involved in the renovation project, and listed the property for sale on March 16, 2009 for $495,000. Law sent a letter to Soo, which Soo claimed to have received on April 23, 2009, in which Law advised Soo that the property had been listed for sale. Law accepted an offer to purchase the property, in the amount of $445,000, from the plaintiffs on April 21, 2009. When Soo learned of the proposed sale, he filed a Certificate of Pending Litigation ("CPL") against the property. The plaintiffs were unaware of Soo's claim of a 50% beneficial ownership interest. When the plaintiffs tried to complete the sale by registering the transfer documents in the Land Title Office, they could not due so do to the CPL filed by Soo. The plaintiffs commenced this action for specific performance, and sought summary judgment pursuant to Rule 18A of the *Rules of Court*.

The British Columbia Supreme Court held that the plaintiffs were entitled to an order for specific performance. The plaintiffs argued that Soo's unregistered interest in the property did not preclude the remedy of specific performance. They further submitted that since they had no notice

of the Agreement between the defendants, Law, as the sole owner of the property had authority to sell it as the registered owner. The Court held that the plaintiffs were unable to rely on the protection of section 29 of the Act, which states that a person contracting with a registered owner is not affected by an unregistered interest affecting the land. The Court held that this argument ignored the fact that Soo had obtained a registered interest in the property in the form of a CPL prior to the completion of the contract by the registration of the transfer. The next issue was whether Law had ostensible or apparent authority to sell the property to the plaintiffs. Based on the evidence as a whole, the Court was satisfied that Soo "did clothe Mr. Law with apparent authority to deal with the Sophia Property in this manner". Consequently, Law was entitled to enter into the agreement with the plaintiffs.

Finally, the Court examined the issue of the "uniqueness" of the property to the plaintiffs. The Court noted that the location of the property was the key attribute for the plaintiffs due to its proximity to many amenities that they required. The evidence presented by the plaintiffs satisfied the Court that the property was unique to them because a comparable property that would meet all of the plaintiffs' requirements was not available.

Sihota and Gill v. Soo and Law, 2010 BREG ¶50,584 (B.C.S.C.)

LEGISLATIVE UPDATE

The *Builders Lien Act* was amended by S.B.C. 2010, c. 6, s. 23 and s. 97, Sched. 7, effective July 1, 2010.

The Building Envelope Renovation Regulation, B.C. Reg. 240/2000, was amended by B.C. Reg. 182/2010, s. 1, effective June 25, 2010.

The *Commercial Arbitration Act* was amended by S.B.C. 2010, c. 6, s. 30–31, effective July 1, 2010.

The *Commercial Tenancy Act* was amended by S.B.C. 2010, c. 6, s. 97, Sched. 7, effective July 1, 2010.

The *Court Order Enforcement Act* was amended by S.B.C. 2010, c. 6, ss. 37–40, s. 96, Sched. 6, and s. 98, Sched. 8, effective July 1, 2010.

The *Court Order Interest Act* was amended by S.B.C. 2010, c. 6, s. 97, Sched. 7, effective July 1, 2010.

The *Family Relations Act* was amended by S.B.C. 2010, c. 6, ss. 48–49, effective July 1, 2010.

The Form of Evidence Regulation, B.C. Reg. 316/2007, under the *Homeowner Protection Act*, was amended by B.C. Reg. 134/2010, ss. 1 and 2, effective June 7, 2010.

The *Fraudulent Preference Act* was amended by S.B.C. 2010, c. 6, s. 96, Sched. 6, effective July 1, 2010.

The *Islands Trust Act* was amended by S.B.C. 2010, c. 6, effective June 3, 2010.

The *Land Act* was amended by S.B.C. 2010, c. 6, ss. 9, 10(*b*) and (*c*), and 12, effective June 25, 2010.

The Land Tax Deferment Regulation, B.C. Reg. 57/98, under the *Land Tax Deferment Act*, was amended by B.C. Reg. 121/2010, effective May 5, 2010.

The *Land Title Act* was amended by S.B.C. 2010, c. 6, ss. 13–16, effective June 3, 2010, and s. 97, Sched. 7, effective July 1, 2010. It was also amended by S.B.C. 2010, c. 21, effective June 3, 2010.

The *Land Title Act* was amended by S.B.C. 2010, c. 21, effective June 3, 2010, and by S.B.C. 2010, c. 6, ss. 13–16, effective June 3, 2010, and s. 97, Sched. 7, effective July 1, 2010.

The Land Title Act Regulation, B.C. Reg. 334/79, under the *Land Title Act*, was amended by B.C. Reg. 158/2010, effective July 1, 2010.

The *Land Title Inquiry Act* was amended by S.B.C. 2010, c. 6s. 97, Sched. 7.

The *Law and Equity Act* was amended by S.B.C. 2010, c. 6, s. 68 and s. 97, Sched. 7.

The *Limitation Act* was amended by S.B.C. 2010, c. 6, s. 70, effective July 1, 2010.

The *Local Government Act* was amended by S.B.C. 2010, c. 6, ss. 109, 114–120, 122–123, effective June 3, 2010.

The *Manufactured Home Park Tenancy Act* was amended by S.B.C. 2010, c. 6, s. 72, effective July 1, 2010, and by S.B.C. 2006, c. 35, s. 48(*c*), effective June 25, 2010.

The *Manufactured Home Park Tenancy Act* was amended by S.B.C. 2006, c. 35, s. 48(*c*), effective June 25, 2010. (*Added July 8, 2010.*)

The Notice to Mediate (Residential Construction) Regulation, B.C. Reg. 152/99, was amended by B.C. Reg. 154/2010, ss. 1–5, effective July 1, 2010.

S.C. 2010, c. 12, the *Jobs and Economic Growth Act* (Canada), formerly Bill C-9, received Third Senate Reading and Royal Assent on July 12, 2010. Sections 1862–1882, which amend the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), are in force on Proclamation.

The Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations, SOR/2002-184, under the *Pro-*

ceeds of Crime (Money Laundering) and Terrorist Financing Act, was amended by SOR/2009-265, ss. 3–5, effective July 31, 2010.

The Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations, SOR/2001-317, under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, was amended by SOR/2009-265, ss. 1 and 2, effective July 31, 2010.

The *Property Law Act* was amended by S.B.C. 2010, c. 6, ss. 76–77, effective July 1, 2010.

The *Property Transfer Tax Act* was amended by S.B.C. 2010, c. 6, s. 91, Sched. 1 and s. 93, Sched. 3, effective July 1, 2010.

The Property Transfer Tax Regulation, B.C. Reg. 74/88, under the *Property Transfer Tax Act*, was amended by B.C. Reg. 122/2010, effective March 3, 2010.

The *Residential Tenancy Act* was amended by S.B.C. 2010, c. 6, s. 78, effective July 1, 2010, and by S.B.C. 2006, c. 35, s. 108(*c*), effective June 25, 2010.

The *Strata Property Act* was amended by S.B.C. 2010, c. 6, s. 97, Sched. 7, effective July 1, 2010.

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a Wolters Kluwer business

CCH Canadian Limited
300-90 Sheppard Avenue East
Toronto ON M2N 6X1
416 224 2248 • 1 800 268 4522 tel
416 224 2243 • 1 800 461 4131 fax
www.cch.ca