

The responsibilities under the Indemnity Agreement are joint and several. This means that either party (WDC or RMOW) could hold the entire responsibility with respect to the provisions of the home warranty obligations in the future. Further, the Indemnity Agreement releases the legal right for the RMOW to pursue a claim against the Warranty Provider if WDC fails to comply with the Builder Agreement; if the Warranty Provider enforces any of the covenants or obligations included in the Indemnity Agreement; or if WDC becomes insolvent. Finally, in the event of a default of the Builder Agreement, the Indemnity Agreement also allows the Warranty Provider to take an interest in all current and future personal property of WDC & RMOW.

The current requirement for the RMOW to sign an Indemnity Agreement in support of WDC's planned development of Parcel A is similar to the development of Cheakamus Crossing. On the regular meeting of April 7, 2008 RMOW Council passed the following resolution:

That Council authorize the Mayor and Corporate Officer to execute the guarantees for the Travelers Guarantee Company of Canada for Whistler 2020 Development Corporate projects at the Athletes' Village.

POLICY CONSIDERATIONS

Official Community Plan

Goals, Objectives and Policies

The recommended resolution seeks to, "support a stable Whistler workforce that contributes to a superior quality of experience for our visitors and residents and helps maintain Whistler's competitive position." (Goal 6.2). In particular, the resolution seeks to, "Support housing initiatives that address Whistler's *employee housing* needs..." (Policy 6.2.1.5)

Other Relevant Policies

None identified.

BUDGET CONSIDERATIONS

There are no immediate RMOW budget impacts of signing the Indemnity Agreement, but as outlined above, the execution of the Indemnity Agreement does expose the RMOW to future potential liabilities as outlined in the terms and conditions of the Indemnity Agreement itself. In general terms, the incremental financial exposure to the municipality is tied to the WDC's obligations and responsibilities within the terms of the Builder Agreement. If the RMOW executes the Indemnity Agreement, and the WDC is unable to meet its obligations under the Builder Agreement, the RMOW will have agreed to cover all associated costs related to the provision of the new home warranty insurance terms.

COMMUNITY ENGAGEMENT AND CONSULTATION

There has been no community engagement related to this topic.

SUMMARY

This report seeks Council's authorization to enter into an Indemnity Agreement in support of the WDC's required new home warranty insurance policy obligations associated with the development of Parcel A in Cheakamus Crossing Phase II.

Respectfully submitted,

Ted Battiston
GENERAL MANAGER OF CORPORATE AND COMMUNITY SERVICES