



2021

TRIPLEGUARD™

BUILDING INSURANCE

POLICY WORDING

Policy Number 82070796

Issued by Aviva Insurance Company of Canada



SECTION II

**COMMERCIAL BUILDING INSURANCE BROAD FORM,
EXTENDED RENTAL INCOME AND EQUIPMENT BREAKDOWN COVERAGE**

DECLARATIONS

In consideration of the premium charged here under, the **INSURER** does hereby agree to indemnify the **INSURED** for loss as hereinafter set forth, subject to the limit(s) of liability cited.

INSURED: As may appear on each Memorandum of Insurance and as set out in the applicable policy section.

The names of the Insured hereunder are as shown in the records of the Master Policyholder. The Insurer permits insurance to be issued in the name of additional interests as may be requested by Eligible Persons.

“Insured” means the Insured named on the Memorandum of Insurance and any corporation, including any subsidiary, affiliated or associated corporation, through which all or any part of the dental practice of an Insured named on the Memorandum of Insurance is carried on, where such named Insured has an interest, but only to the extent of such named Insured's financial interest and only at the location specified in the Memorandum of Insurance.

LOCATION: As may appear on each Memorandum of Insurance

PERIOD OF INSURANCE: **FROM:** As may appear on each Memorandum of Insurance

TO: 1st January, 2022, 12:01a.m. Standard Time at the mailing address of the Insured.

DEDUCTIBLE: As may appear on each Memorandum of Insurance

PREMIUM: As may appear on each Memorandum of Insurance

LOSS PAYABLE: Loss hereunder, if any, is payable to the Insured except as may appear on each Memorandum of Insurance.

SCHEDULE OF COVERAGES

LIMITS OF LIABILITY

SECTION II

BUILDING

- Operation of Building Owner covered
- Loss Payee
- Co-insurance
- Limit
- Deductible
- Optional coverage -
 - Flood – Deductible
 - Earthquake - Deductible
 - Sewer back-up - Sub-limit and deductible
 - Replacement Cost on Building
 - By Laws Coverage
 - Signs – Deductible and limit
 - Glass - Deductible

EXTENDED RENTAL INCOME

- Co-insurance
- Limit
- Deductible
- Operation of Building Owner covered
- Optional coverage -
 - Flood – Deductible
 - Earthquake - Deductible

EQUIPMENT BREAKDOWN

- Limit
- Deductible

COMMERCIAL GENERAL LIABILITY

Limit – Included as per Section I (D) Commercial General Liability TRIPLEGUARD™ PLAN

\$ Included	EACH OCCURRENCE
\$ Included.	AGGREGATE PRODUCTS-COMPLETED OPERATIONS
\$ Included	PERSONAL INJURY
\$ Included	MEDICAL PAYMENTS (ANY ONE PERSON)
\$ Included	TENANTS' LEGAL LIABILITY

SECTION II

(A) - COMMERCIAL BUILDING BROAD FORM

WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 17

1. INDEMNITY AGREEMENT

In the event that any of the property insured be lost, destroyed or damaged by the perils insured against, the Insurer will indemnify the Insured against such direct physical loss or direct physical damage to an amount not exceeding whichever is the least of:

- a) the actual cash value of the property at the time of physical loss or physical damage;
- b) the interest of the Insured in the property;
- c) the amount of the insurance specified on the "Memorandum of Insurance" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the Insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Memorandum of Insurance".

2. PROPERTY INSURED

A) This form insures "BUILDING" at the location specified but only if an amount of insurance is specified on the "Memorandum of Insurance":

B) This form also insures "Building" but only those items for which an amount of insurance is specified on the "Memorandum of Insurance".

TEMPORARY LOCATIONS: "Building" other than at a specified location except while in transit, but there shall be no liability under this item at any location owned, rented or controlled in whole or in part by the Insured.

NEWLY ACQUIRED LOCATION: "Building" at any acquired location that is owned, rented or controlled by the Insured in whole or in part. This limit of insurance attaches at the time of the acquisition and extends for a period of 30 days or to the date of issuance of a Memorandum of Insurance adding such location to the Insured's coverage under this form whichever first occurs.

The insurance in this Clause 2.B. applies only while the described property is within Canada and the continental United States of America (excluding Alaska).

3. DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Memorandum of Insurance" in any one occurrence, except Earthquake deductibles. Earthquake deductibles are applied as per below:

- (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess

of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the Named Insured have any other valid policy with Aviva, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

4. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified on the "Memorandum of Insurance" and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent with this form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the "Memorandum of Insurance", and failing so to do, shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

5. PERILS INSURED

This form, except as herein provided, insures against all risks of direct physical loss of or direct physical damage to the property insured.

6. EXCLUSIONS

A) PROPERTY EXCLUDED

This form does not insure loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by "Named Perils";
- b) any building at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 17(e) ensues and then only for such ensuing loss or damage;
- d) growing plants, trees, shrubs or flowers all while in the open except as provided in the Extensions of Coverage Clause 7(d);
- e) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by "Named Perils" or from theft or attempt thereat;
- f) money, bullion, precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "premises" of the Insured;
- h) property insured under the terms of any Marine Insurance, and property while waterborne;
- i) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- j) (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:

- (1) manually portable gas cylinders;
- (2) explosion of natural, coal or manufactured gas;
- (3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

B) PERILS EXCLUDED

This form does not insure against loss or damage caused directly or indirectly:

- a) by earthquake, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17(e);

- b) by flood, including waves, tides, tidal waves, tsunamis or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing physical loss or physical damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 17(e) or leakage from a watermain;
- c) (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 6.B. hereof;

(ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 6.B. hereof;
- d) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises", unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire;
- e) by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to physical loss or physical damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (j) of Clause 6.A. hereof, theft or attempt thereof or accident to transporting conveyance. Damage to pipes caused by freezing is insured provided such pipes are not excluded in paragraph (j) of Clause 6.A. hereof;
- f) by smoke from agricultural smudging or industrial operations;
- g) by rodents, insects or vermin, but this exclusion does not apply to the physical loss or physical damage caused directly by a peril not otherwise excluded in Clause 6.B. hereof;
- h) by delay, loss of market, or loss of use or occupancy;
- i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- j) (i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law mandatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;

(ii) by contamination by radioactive material;
- k) by any dishonest or criminal act on the part of the Insured or any other party of interest employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this form;
- l) to "buildings" by:
 - (i) snowslide, landslide, subsidence or other earth movement, except for ensuing physical loss or physical damage which results directly from fire explosion, smoke or leakage from fire protective equipment, all as described in Clause 17(e);
 - (ii) explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire:
 - a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;

- b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such-pressure;
 - c) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to physical loss or physical damage resulting from the explosion of manually portable as cylinders or of tanks having an internal diameter of 610 millimeters (34 inches) or less used for the heating and storage of hot water for domestic use;
 - d) moving or rotating machinery or parts thereof;
 - e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - f) gas turbines;
- (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 6B hereof;
- m) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

NOR DOES THIS FORM INSURE:

- n) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this form, resultant direct physical damage to the property is insured;
- o) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;
- p) loss or damage to property occasioned by or happening through their undergoing any process involving the application of heat unless fire or explosion as described in Clause 17(e) ensues and then only for such ensuing physical loss or physical damage;
- q) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

C) POLLUTION EXCLUDED

This form does not insure against:

- a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense or any resulting "clean up", but this exclusion does not apply:
 - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;
 - (ii) to physical loss or physical damage caused directly by a peril not otherwise excluded under this form;
- b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

7. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this form and are subject to all conditions of this form.

a) Removal: If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further physical loss or physical damage thereto, that part of the insurance under this form that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.

b) i) Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by physical loss or physical damage to such property, for which direct physical loss or direct physical damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.

ii) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon a location specified on the "Memorandum of Insurance".

Extensions of coverage b(i) and b(ii) do not apply to costs or expenses:

- (a) to "clean up" "pollutants" from land or water; or
- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying the Co-insurance Clause.

- c) "Building" Damage By Theft : This form is extended to insure physical damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt thereat and from vandalism or malicious acts committed on the same occasion, provided the Insured is the owner of such "building" or is liable for such physical damage and the "building" is not otherwise insured hereunder. This extension of cover shall be limited to a maximum recovery of twenty-five hundred dollars (\$2,500) in respect of any one loss. Glass and lettering or ornamentation thereon is excluded from this extension.
- d) Growing Plants, Trees, Shrubs or Flowers In The Open: This form is extended to insure physical loss or physical damage to growing plants, trees, shrubs or flowers in the open caused directly by "Named Perils" (with the exception of windstorm or hail as described in clause 17(e) or from theft or attempt thereat. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500.) for each growing plant, tree, shrub or flower in the open including debris removal expense.

8. PERMISSION

Permission is hereby granted:

- a) for other insurance concurrent with this form;
- b) to make additions, alterations or repairs;
- c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

9. BREACH OF CONDITION

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

10. REINSTATEMENT

Loss under any item of this form shall not reduce the applicable amount of insurance.

11. SUBROGATION

The Insurer, upon making any payment or assuming liability therefore under this form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this policy.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the physical loss or physical damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the physical loss or physical damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

12. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any:

- a) sprinkler or other fire extinguishing system; or
- b) fire detection system; or
- c) intrusion detection system;

and shall also notify forthwith the Insurer of the cancellation, non-renewal or suspension of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

13. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this form.

14. VALUATIONS

For the purpose of calculating the total value of the property for the application of Co-Insurance, value reporting and for loss adjustment, the following valuation basis applies:

- a) on property of others in the custody or control of the Insured - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
- b) on tenant's improvements and records - as defined in paragraphs (a) and (b) of Clause 15;

- c) on all other property insured under this form and for which no more specific conditions have been set out – the actual cash value at the time the physical loss or physical damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

15. SPECIAL BASIS OF SETTLEMENT

a) Tenant's Improvements: The liability of the Insurer shall be determined as follows:

- (i) if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or physical damage;
- (ii) if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.

b) Records: The liability of the Insurer for physical loss or physical damage to media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

The above shall be the basis to be adopted for the purpose of applying Co-Insurance.

16. PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the owner of the property.

17. DEFINITIONS

Wherever used in this form:

a) "Building" means the building(s) described on the "Memorandum of Insurance" and includes:

- (i) fixed structures pertaining to the building(s) and located on the "premises";
- (ii) additions and extensions communicating and in contact with the building(s);
- (iii) permanent fittings and fixtures attached to and forming part of the building(s);
- (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
- (v) growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".

b) "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.

c) "Memorandum of Insurance" means the Memorandum of Insurance applicable to this form.

d) "Fire Protective Equipment" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

- (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;

(ii) any watermains or appurtenances located outside the described "premises" and forming a part of the public water distribution system;

(iii) any pond or reservoir in which the water is impounded by a dam.

e) "Named Perils" means:

A) FIRE OR LIGHTNING

B) EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

(i) a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;

b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;

c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;

d) smelt dissolving tanks;

(ii) other vessels and apparatus, and pipes connected therewith, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure except that liability is specifically assumed for direct physical loss or physical damage resulting from the explosion of manually portable gas cylinders;

(iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;

(iv) any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;

(v) gas turbines;

The following are not explosions within the intent or meaning of this section:

a) electric arcing or any coincident rupture of electrical equipment due to such arcing;

b) bursting or rupture caused by hydrostatic pressure or freezing;

c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

C) IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms "Aircraft" and "Spacecraft" include articles dropped there from.

There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

(i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;

(ii) to aircraft, spacecraft or land vehicles causing the loss;

(iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

D) RIOT, VANDALISM OR MALICIOUS ACTS: The term Riot includes open assemblies of strikers inside or outside the "premises" who have quitted work and of locked-out employees.

There shall in no event be any liability hereunder for loss or damage:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (ii) due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under Clause 17(B)(i);
- (iii) due to theft or attempt thereat.

E) SMOKE: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.

F) LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Memorandum of Insurance" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

G) WINDSTORM OR HAIL: There shall in no event be any liability hereunder for loss or damage:

- (i) to the interior of the "buildings" insured or their contents unless physical damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow- load, ice-load, tidal wave, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslip.
- f) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- g) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "Memorandum of Insurance" and in or on vehicles within 100 meters (328) feet) of such locations.

Endorsement No. 1 to Section II

REPLACEMENT COST ENDORSEMENT
(applicable to (A) – Commercial Building Broad Form)

The following extension, which is subject to all terms and provisions of Section II of the Master Policy, except as specifically modified hereunder, applies only to those buildings which are insured under Section II of the Master Policy, and for which a limit of insurance is indicated under the Memorandum of Insurance. The Memorandum of Insurance must indicate that Replacement Cost coverage is an extension offered for Building coverage. If Replacement Cost coverage is not indicated on the Memorandum of Insurance this coverage does not apply.

1. The Insurer agrees to amend the basis of settlement from actual cash value to replacement cost subject to the following provisions:
 - (a) replacement shall be effected by the Insured with due diligence and dispatch;
 - (b) settlement on a replacement cost basis shall be made only when replacement has been effected by the Insured and in no event shall it exceed the amount actually and necessarily expended for such replacement;
 - (c) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect;
 - (d) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Master Policy on the property to which this endorsement is applicable shall be on the basis of replacement cost as defined herein;
2. Any reference to actual cash value in a co-insurance clause in Section II of the Master Policy is deemed to be a reference to replacement cost of the property insured.
3. In this endorsement:
 - (a) "replacement cost" means the cost of replacing, repairing, constructing or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation; and
 - (b) "replacement" includes repair, construction or re-construction with new property of like kind and quality.
4. In the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
5. EXCLUSIONS
This endorsement does not apply to:
 - (a) media, data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment;
 - (b) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 2 to Section II

BUILDING BY-LAWS
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which a limit of insurance is indicated under the Memorandum of Insurance. If Building By Laws coverage is not indicated on the Memorandum of Insurance this coverage does not apply.

The coverage provided under this form shall, without increasing the amount of insurance, and only as a result of a peril insured against, extend to indemnify the Insured for:

- 1) loss occasioned by the demolition of any undamaged portion of the buildings or structures, or
- 2) cost of demolishing, and clearing the site of, any undamaged portion of the buildings or structures, or
- 3) any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy;

arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of law which

- 1) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
- 2) is in force at the time of such loss or damage.

The Insurer shall not be liable under this extension for losses occasioned by the enforcement of any by-law or ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 3 to Section II

BACKING-UP OF SEWERS EXTENSION
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which a Sewer Back-Up Deductible and sub-limit is indicated under the Memorandum of Insurance. If a Sewer Back-Up Deductible and a sub-limit is not indicated on the Memorandum of Insurance this coverage does not apply.

It is agreed that without increasing any existing Limit of Liability, the following extension is provided:

This form is extended to insure against physical loss or physical damage caused directly by the backing-up of sewers, sumps, septic tanks or drains.

The Insurer is liable for the amount by which the physical loss or physical damage caused by any of the perils insured against under this endorsement exceeds in any one occurrence the deductible specified on the Memorandum of Insurance.

The Insurer is not liable for loss or damage caused by any of the perils insured against in any one occurrence in excess of the sub limit specified in the Memorandum of Insurance.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 4 to Section II

EARTHQUAKE ENDORSEMENT
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which an Earthquake Deductible is indicated under the Memorandum of Insurance. If an Earthquake Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This insurance is hereby extended to include physical loss or physical damage caused directly by the peril of earthquake subject to the following conditions:

EARTHQUAKE

1. For the purpose of this endorsement, earthquake shall include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within any one hundred and sixty-eight (168) consecutive hours during the term of this policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, this Insurer shall not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this policy.

DEDUCTIBLE CLAUSE

1. (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

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- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

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- (c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or

less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the Named Insured have any other valid policy with Aviva, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

EXCLUSIONS

3. This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, flood of any nature, waves, tidal waves, tsunamis, high water, waterborne objects or ice.

EXTENSIONS OF COVERAGE

4. The Insurer shall be liable for physical loss or physical damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from an earthquake.

PRO RATA CLAUSE

5. The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the policy covers two or more items this provision shall apply to each item separately.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 5 to Section II

FLOOD EXTENSION
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which a Flood Deductible is indicated under the Memorandum of Insurance. If a Flood Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This Section II is extended to include physical loss of or physical damage to the property insured herein caused directly by the peril of Flood.

"Flood" means waves, tides, tidal waves, tsunamis, and the rising of, the breaking out or the overflow of any body of water, whether natural or man made.

Each claim for physical loss or physical damage will be adjusted separately and from the amount so determined there shall be deducted the amount of the Flood Deductible of \$ As Shown on the Memorandum of Insurance.

EXCLUSIONS

This endorsement does not insure loss or damage caused directly or indirectly by:

- (a) water which backs up through sewers, sumps, septic tanks, or drains;
- (b) water below the surface of the ground including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows, or other openings in such sidewalks, driveways, foundations, walls, or floors;
- (c) any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, leakage from fire protective equipment, leakage from a watermain, theft, riot, vandalism, or malicious acts.

EXTENSION

The Insurer shall be liable for physical loss or physical damage to the property insured caused by wind, hail, rain, or snow entering a building through an opening in the roof or walls directly resulting from a flood.

PRO-RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance against the peril of fire on the same property. If the policy covers two or more items, this provision shall apply to each item separately.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 6 to Section II

STATED AMOUNT CO-INSURANCE CLAUSE
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which the Stated Amount Co-Insurance Clause and limit is indicated under the Memorandum of Insurance. If the Stated Amount Co-Insurance Clause and limit is not indicated on the Memorandum of Insurance this coverage does not apply.

EFFECTIVE UNTIL THIS DATE: The expiration date on the Memorandum of Insurance.

AMOUNT OF INSURANCE REQUIRED: \$ The amount of Insurance applicable to Building coverage

- a) In consideration of a statement of values filed and attested by the Insured, the following clause (paragraph b) is substituted for the Co-insurance Clause cited under Section II of this Master Policy and shall be effective until 12:01 a.m. Standard Time on the date indicated above, and no longer.
- b) It is part of the consideration of this Master Policy and the basis upon which the rate of premium is fixed that the Insured shall maintain insurance by - or concurrent in form, range and wording with - this Master Policy on the property hereby insured, so that the total amount of insurance on the said property shall not be less than the amount indicated above (including the amount of insurance effected by this Master Policy) and that, failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the said property equal to the amount indicated above and, in that capacity, shall bear their proportion of any loss that may occur.
- c) On the date and time above specified, the terms and conditions of this endorsement shall cease to be in effect, and the terms and conditions of the Co-insurance Clause cited in this Master Policy shall then apply.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

Endorsement No. 7 to Section II

SIGN ENDORSEMENT
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which Sign Coverage and a limit is indicated under the Memorandum of Insurance. If Sign Coverage and a limit is not indicated on the Memorandum of Insurance this coverage does not apply.

PROPERTY INSURED

Subject to the amount of insurance specified on the "Memorandum of Insurance", Section II of this form insures signs which are the property of the Insured, or for which the Insured is responsible.

PERILS INSURED

This form insures against all risks of direct physical loss or direct physical damage except as herein provided.

EXCLUSIONS

This form does not insure:

- (a) loss or damage caused by wear and tear or mechanical breakdown, gradual deterioration, inherent vice or latent defect;
- (b) loss or damage caused by electrical currents other than lightning, unless fire or explosion ensues and then only for the physical loss or physical damage caused by such ensuing fire or explosion;
- (c) loss or damage sustained while the property insured is actually being worked upon, including installation, repair or maintenance, and where any loss or damage is due thereto, unless fire or explosion ensues and then only for the physical loss or physical damage caused by such ensuing fire or explosion;
- (d) loss or damage caused by marring or denting unless directly caused by fire, explosion, theft, collision, upset or overturn of a transporting conveyance;
- (e) loss or damage caused by strikers, locked out workmen or persons taking part in labor disturbances, or riots, or civil commotions;
- (f) property illegally acquired, kept, stored or transported, or property seized or confiscated for breach of any law or by order of any public authority;
- (g) loss or damage caused by the neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against or when the property is endangered by fire in neighboring premises;
- (h) loss or damage caused by dampness of atmosphere or extremes of temperature;
- (i) loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military power;
- (j) loss or damage caused directly or indirectly:

- i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results from fire, lightning or explosion of natural, coal or manufactured gas;
- ii) by contamination by radioactive material.

POLLUTION EXCLUDED

This form does not insure against:

- i) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - 1) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;
 - 2) to physical loss or physical damage caused directly by a peril not otherwise excluded under this form;
- ii) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

DEDUCTIBLE CLAUSE:

Each claim for physical loss or physical damage shall be adjusted separately and from the amount of each such claim the sum of as per "Memorandum of Insurance" will be deducted.

SPECIAL CONDITIONS

CO-INSURANCE CLAUSE

The Insurer shall not be liable for a greater proportion of any loss or damage to the property insured than the amount of insurance bears to the amount produced by multiplying the co-insurance percentage specified on the "Memorandum of Insurance" by the actual cash value of said property at the time such loss shall happen. If the insurance under this form applies to two or more items, the foregoing shall apply to each item separately.

TERRITORIAL LIMITS

This insurance applies only to physical loss, destruction or physical damage occurring within the limits of Canada and the continental United States of America.

REINSTATEMENT

Loss under this form shall not reduce the applicable amount of insurance.

DEFINITIONS

Wherever used in this form:

- a) "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- b) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

Endorsement No. 8 to Section II

BLANKET GLASS ENDORSEMENT
(applicable to (A) – Commercial Building Broad Form)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which Glass is indicated under the Memorandum of Insurance. If Glass it is not indicated on the Memorandum of Insurance this coverage does not apply.

Coverage is provided for the Insured named in the "Memorandum of Insurance" from the inception date shown on the Memorandum of Insurance, at 12.01 a.m. Standard Time at the address of the Insured.

The glass is located at the address shown in the "Memorandum of Insurance".

Business conducted where the glass is located is that usual to the business of the Insured (unless otherwise stated below).

INSURING AGREEMENT:

When coverage is designated in the Memorandum of Insurance, this policy shall provide cover for direct physical loss or direct physical damage to Exterior Glass, including encasing frames and all lettering, ornamentation, foil or tape thereon caused by breakage or by chemicals accidentally or maliciously applied. Such insurance shall also include the expense of boarding up damaged openings, installing temporary plates and removing or replacing obstructions when necessary.

DEDUCTIBLE CLAUSE:

Each claim for physical loss or physical damage shall be adjusted separately and from the amount of each such claim the sum of as per "Memorandum of Insurance" will be deducted.

EXCLUSIONS

The Insurer shall not be liable for loss or damage

- a) caused by fire in the Insured's premises or elsewhere;
- b) while the premises containing such glass is, to the knowledge of the Insured, vacant or unoccupied for more than thirty (30) consecutive days or being a manufacturing premises ceases to be operated and continues to be out of operation for more than thirty (30) consecutive days,
- c) or increased costs of repair due to the operation of any law regulating the zoning, demolition, repair or construction of buildings.
- d) caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- e) caused directly or indirectly:
 - i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - ii) by contamination by radioactive material;

POLLUTION EXCLUDED:

This form does not insure against:

i) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:

1) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this form;

2) to physical loss or physical damage caused directly by a peril not otherwise excluded under this form;

ii) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

LIMITS OF INDEMNITY:

The Insurer's liability is limited to the actual cost of replacement, including installation charges, of such glass, lettering, ornamentation, tape and foil at the time of the breakage, not exceeding the Limit of Insurance (if any).

This endorsement is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term or condition of this Master Policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

All of the Standard Conditions set forth hereunder apply with respect to all of the perils insured under this Glass Endorsement and/or endorsements attached to Section II of this Master Policy except as these Standard Conditions may be modified or supplemented by the riders and/or endorsements attached.

STANDARD CONDITIONS/EXTENSIONS

1. Ownership of Property Insured:

The property covered hereby may be owned by the Insured or held by the Insured in any capacity, whether or not the Insured is liable for such physical loss or physical damage as is covered hereby.

2. Payments and Replacements:

The Insurer shall replace, without necessary delay, any broken glass and any lettering or ornamentation, tape or foil thereon insured hereunder, or pay for the same in money within the limits provided herein, as the Insurer may elect. In either case the broken glass shall be the property of the Insurer. Whenever necessary, the Insured, at the Insured's own expense, shall remove and replace any fixtures or other obstructions to the replacement of the glass.

3. Scratching, Defacement and Disfigurement:

Section II of this policy is extended to indemnify the Insured for all permanent physical damage to the exterior glass, lettering, ornamentation, tape or foil insured hereunder caused by accidental or malicious scratching, defacement or disfigurement, provided such glass, lettering, ornamentation, tape or foil so damaged is thereafter unfit for use for the purpose for which it was being used immediately preceding the occurrence of such physical damage.

4. Safety Glazing Material:

Section II of this policy is extended to include the amount of loss occasioned by operation of statute, ordinance or building code which requires use of safety glazing material in hazardous locations in replacement of the damaged property insured. The Insurer's liability under this extension shall not exceed the minimum cost to replace the damaged property with the safety glazing material which meets the applicable statute, ordinance or building code.

5. Definitions:

Wherever used in this endorsement:

- a) "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- b) "Memorandum of Insurance" means the Memorandum of Insurance applicable to this Form.
- c) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

Endorsement No. 9 to Section II

Glass and Signs Coverage Amendment Endorsement

The endorsement is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under this Section II.

In the event that an Insured dentist occupies 100% of a building, any losses for Glass and Signs will be covered under Section I - TripleGuardTM of the policy. There will be no coverage for Glass and Signs under Section II.

In the event that an Insured dentist occupies less than 100% of a building, insurance for Glass and Signs will be covered under Section II and not under Section I TripleGuardTM, but only if coverage for Glass and Signs is indicated on the Memorandum of Insurance. If Glass and Signs coverage is not indicated on the Memorandum of Insurance there is no coverage under Section II of the policy, but the Insured dentist may claim under Section I of the policy with respect to signs, glass and skylights forming part of or contained in or on the premises in the insured building which is occupied by the Insured as a dental office.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

SECTION II

B- EXTENDED RENTAL INCOME (BROAD FORM PERILS)

Words and phrases that appear in quotation marks have special meaning as defined in Clause 17.

If Extended Rental Income is not indicated on the Memorandum of Insurance this coverage does not apply.

1 INDEMNITY AGREEMENT

The Insurer shall pay to the Insured the loss of "Rental Income" suffered during the "Indemnity Period" as a direct result of "Damage", in accordance with the terms and conditions of this Form.

2 LIMITS OF INSURANCE

The Insurer, regardless of the number of persons and interests insured under this Form, shall not be liable for more than the applicable amount of insurance specified in the "Memorandum of Insurance".

3 CO-INSURANCE

The Insurer shall not be liable for a greater proportion of any loss than the amount of insurance specified on the "Memorandum of Insurance" bears to 100% of the "Annual Rental Income" or a proportionately increased multiple thereof where the maximum "Indemnity Period" exceeds twelve (12) months.

4 PERILS INSURED

The perils insured against are all risks except as otherwise excluded in this Form.

5A EXCLUSIONS

The Insurer shall not be liable for loss of "Rental Income" resulting from loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communication towers, antennae (including satellite receivers) and equipment attached thereto, street clocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to physical loss or physical damage caused directly by "Named Perils";
- b) any building at a location which to the knowledge of the Insured is vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- c) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion as described in Clause 17 (e) ensues and then only for such ensuing physical loss or physical damage;
- d) growing plants, trees, shrubs or flowers, all while in the open;
- e) animals, fish or birds, but this exclusion does not apply to physical loss or physical damage caused directly by "Named Perils" or from theft or attempt thereat;
- f) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- g) automobiles, watercraft, amphibious or air cushion vehicles, aircraft, spacecraft, trailers, motors and other accessories attached to or mounted on such property, but this exclusion shall not apply to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the "Premises" of the Insured;

- h) property insured under the terms of any Marine Insurance, and property while waterborne;
- i) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- j) i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure;
- ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less used for the storage of hot water for domestic use);

caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:

- 1) manually portable gas cylinders;
- 2) explosion of natural, coal or manufactured gas;
- 3) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.

5B PERILS EXCLUDED

The Insurer shall not be liable for loss of "Rental Income" resulting from loss or damage caused directly or indirectly:

- a) by earthquake, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17 e);
- b) by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing physical loss or physical damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 17 e) or leakage from a watermain;
- c) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- d) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in Clause 5.B. hereof;
- e) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "Premises", unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire;
- f) by dampness or dryness of atmosphere, changes of temperature, freezing (except with respect to insured water pipes), heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, pollution, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to physical loss or physical damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph j) of Clause 5.A. hereof or theft or attempt thereat;
- g) by smoke from agricultural smudging or industrial operations;
- h) by rodents, insects or vermin, but this exclusion does not apply to physical loss or physical damage caused directly by a peril not otherwise excluded in Clause 5.B. hereof;

- i) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- j) caused by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing physical loss or physical damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- k) caused by contamination by radioactive material;
- l) by any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (Bailee's for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Form;
- m) by snowslide, landslide, subsidence or other earth movement, except for ensuing physical loss or physical damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 17 e);
- n) by explosion (except with respect to explosion of natural, coal, or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the physical loss or physical damage caused directly by such ensuing fire:
 - i) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to physical loss or physical damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimeters (24 inches) or less used for the heating and storage of hot water for domestic use;
 - iv) moving or rotating machinery or parts thereof;
 - v) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - vi) gas turbines;
- o) by settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Clause 5B hereof;

Nor shall the Insurer be liable for loss of "Rental Income" resulting directly or indirectly from:

- p) wear and tear, gradual deterioration, latent defect, inherent vice, or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Form, loss of "Rental Income" resulting from resultant physical damage to the property is insured;
- q) loss, destruction or damage to property occasioned by or happening through their undergoing any process involving the application of heat unless fire or explosion as described in Clause 17 (e) ensues and then only for loss of "Rental Income" resulting from such ensuing physical loss or physical damage;

r) disturbance or erasure of electronic recordings by electric or magnetic injury except lightning.

6 DETERMINATION OF PAYMENT

This insurance, subject to the limit of the amount of insurance stated on the "Memorandum of Insurance", is limited to (a) Loss of "Rental Income" and (b) Increase in Cost of Operations and the amount payable will be

- a) IN RESPECT OF LOSS OF "RENTAL INCOME": The amount by which the "Rental Income" during the "Indemnity Period" shall, in consequence of the "Damage", fall short of the "Expected Rental Income";
- b) IN RESPECT OF INCREASE IN COST OF OPERATIONS: The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the loss of "Rental Income", which but for that expenditure would have taken place during the "Indemnity Period" in consequence of the "Damage", but not exceeding the reduction of "Rental Income" thereby avoided;

less any sum saved during the "Indemnity Period" in respect of such charges and expenses payable out of "Rental Income" as may cease or be reduced in consequence of the "Damage".

7 INTERRUPTION BY CIVIL AUTHORITY

This Form subject to its terms and conditions, is extended to insure the loss of "Rental Income" suffered by the Insured during the period of time, not exceeding two weeks, while access to the "Premises" is prohibited by order of civil authority, but only when such order is given as a direct result of physical damage to any property within a 500m radius of the "Premises" by a peril insured against under this Form. The Insurer's maximum limit of liability under this extension shall not exceed \$10,000.

8 ACCOUNTANTS' FEES

The Insurer will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or other proofs, information or evidence as may be required by the Insurer for the purpose of investigating or verifying any claim hereunder and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

The amount payable under this clause shall in no case exceed \$2,000.00 (or such other amount specified on the "Memorandum of Insurance" for accountants' fees).

9 PERMISSION

Permission is hereby granted:

- a) for other insurance concurrent with this Form;
- b) to make additions, alterations or repairs;
- c) to do such work and to keep and use such articles, materials, and supplies in such quantities as are usual or necessary to the Insured's business.

10 BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

11 REINSTATEMENT

Loss under any item of this Form shall not reduce the applicable amount of insurance.

12 SUBROGATION

The Insurer, upon making any payment or assuming liability therefor under this Form shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual, or other interest with respect to which insurance is provided by this Form.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the physical loss or physical damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the physical loss or physical damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to physical damage shall not affect the right of the Insured to recover.

13 PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any

- a) sprinkler or other fire extinguishing system; or
- b) fire detection system; or
- c) intrusion detection system;

and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

14 ALTERNATE ACCOMMODATION

If during the "Indemnity Period" alternate accommodation shall be provided elsewhere than at the "Premises", either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such accommodation shall be brought into account in arriving at the "Rental Income" during the "Indemnity Period".

15 OBLIGATION TO MINIMIZE LOSS

In the event of "Damage" in consequence of which a claim is or may be made under this Form, the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the "Business" or to avoid or diminish the loss.

16 PREMIUM ADJUSTMENT

If within 12 months after the expiry or anniversary date of this policy the Insured shall file with the Insurer a premium adjustment application Form showing that 100% of "Rental Income" as defined herein, certified by the Insured's auditors as earned during the Insured's financial year most nearly concurrent with the annual term of the policy (or a proportionately increased multiple thereof where the maximum "Indemnity Period" exceeds twelve (12) months)

was less than the total amount of insurance and "Rental Income" under this Form,

then the Insurer will allow in respect of the difference a return of premium not exceeding 50% of the premium paid by the Insured under this Form in respect of such "Rental Income".

The Insurer reserves the right to inspect the Insured's books and records which relate to this insurance for verification of any statement filed for the purpose of adjusting the premium of this insurance.

17 DEFINITIONS

- a) "Business" means the business of the Insured as specified on the "Memorandum of Insurance".
- b) "Damage" means the direct physical loss of or damage to insured property at the "Premises" from a Peril Insured.
- c) "Memorandum of Insurance" means the Memorandum of Insurance applicable to this Form.
- d) "Indemnity Period" means the period beginning with the occurrence of the "Damage" and, ending not later than 12 consecutive calendar months, (or such other period if so specified on the "Memorandum of Insurance" as the maximum indemnity period) thereafter during which the results of the "Business" shall be affected in consequence of the "Damage". However, if media for programming records pertaining to, electronic data processing or electronically controlled equipment including data thereon be lost or damaged by a peril insured against then the "Indemnity Period" in respect thereof shall not extend beyond:
 - i) 30 consecutive days after the occurrence of such "Damage"; or
 - ii) the date upon which liability ceases under this Form for loss arising from other property lost or damaged by the same occurrence; whichever shall be the later.
- e) "Named Perils" means:
 - i) Fire or Lightning
 - ii) Explosion: Except with respect to explosion of natural, coal, or manufactured gas, there shall in no event be any liability hereunder for loss of "Rental Income" resulting from loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or Controlled by the Insured:
 - 1) a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
 - d) smelt dissolving tanks;
 - 2) other vessels and apparatus, and pipes connected therewith, other than manually portable gas cylinders, while under pressure, or while in use or in operations provided their maximum normal internal working pressure exceeds 103kilopascals (15 pounds per square inch) above atmospheric pressure;
 - 3) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - 4) any vessels and apparatus, and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property that has been damaged by such explosion;
 - 5) gas turbines.

The following are not explosions within the intent or meaning of this section:

- a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - b) bursting or rupture caused by hydrostatic pressure or freezing;
 - c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
- iii) Impact by Aircraft, Spacecraft or Land Vehicle: The terms aircraft and spacecraft include articles dropped there from. There shall in no event be any liability hereunder for loss of "Rental Income" due to cumulative damage or for loss of "Rental Income" resulting from loss or damage:
- a) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - b) to aircraft, spacecraft or land vehicles causing the loss;
 - c) caused by any aircraft or spacecraft when being taxied or moved inside or outside of buildings.
- iv) Riot, Vandalism or Malicious Acts: The term riot includes open assemblies of strikers inside or outside the "Premises" who have quitted work and of locked-out employees. There shall in no event be any liability hereunder for loss of "Rental Income" resulting from loss or damage due to:
- a) cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - b) flood or release of water impounded by a dam;
 - c) any explosion other than any explosion in respect of which there is insurance under Clause 17 e) ii);
 - d) theft or attempt thereat.
- v) Smoke: means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for loss of "Rental Income" due to cumulative damage.
- vi) Leakage from Fire Protective Equipment: means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "Premises" described on the "Memorandum of Insurance" or for adjoining premises and physical loss or physical damage caused by the fall or breakage or freezing of such equipment. Fire Protective Equipment includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
- a) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - b) any watermains or appurtenances located outside of the described "Premises" and forming a part of the public water distribution system;
 - c) any pond or reservoir in which the water is impounded by a dam.
- vii) Windstorm or Hail: There shall in no event be any liability hereunder for loss of "Rental Income" resulting from loss or damage:
- a) to the interior of the buildings insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - b) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.
- f) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the

location(s) described on the "Memorandum of Insurance".

- g) "Rental Income" means the sum of the money paid or payable to the Insured by tenants in respect of rental of the "Premises" plus a fair rental value of the proportion(s), if any, of the building(s) occupied by the Insured.
- h) "Annual Rental Income" means the "Rental Income" during the twelve months immediately before the date of the "Damage" to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting "Rental Income" either before or after the "Damage" or which would have affected the "Rental Income" had the "Damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "Damage" would have been obtained during the relative period after the "Damage".
- i) "Expected Rental Income" means the "Rental Income" during the period corresponding with the "Indemnity Period" in the twelve months immediately before the date of the "Damage" to which such adjustments shall be made as may be necessary to provide for trends and variations in or other circumstances affecting "Rental Income" either before or after the "Damage" or which would have affected the "Rental Income" had the "Damage" not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the "Damage" would have been obtained during the relative period after the "Damage".

Endorsement No. 10 to Section II

**EARTHQUAKE ENDORSEMENT
(applicable to (B) – Extended Rental Income)**

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which an Earthquake Deductible is indicated under the Memorandum of Insurance. If an Earthquake Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This endorsement modifies the coverage provided under the Rental Income form to which it is attached as follows:

This insurance is hereby extended to include loss, as insured by the form to which this endorsement is attached, resulting from physical loss or physical damage caused directly by the peril of earthquake subject to the following conditions:

I. EARTHQUAKE

For the purpose of this endorsement, earthquake shall include snowslide, landslide, or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Each loss caused by earthquake shall constitute a single claim hereunder, provided that more than one earthquake shock occurring within a period of one hundred and sixty-eight consecutive hours during the term of this policy shall be deemed a single earthquake within the meaning hereof. Notwithstanding the foregoing, this Insurer shall not be liable for any loss resulting from loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by any earthquake shock occurring after the expiration of this policy.

2. DEDUCTIBLE CLAUSE

- (a) Earthquake deductible applicable to Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 10% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (b) Earthquake deductible applicable to Quebec and the Province of British Columbia, excluding Cresta zones 1-4 in the Province of British Columbia:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds

5% of the amount of insurance as shown on the Memorandum of Insurance subject to a \$100,000 minimum deductible in any one occurrence.

- (c) Earthquake deductible applicable to the rest of Canada excluding the Provinces of British Columbia and

Quebec:

When the amount of insurance as shown on the Memorandum of Insurance at the time of loss is \$500,000 or less, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance.

When the amount of insurance as shown on the Memorandum of Insurance at the time of the loss is in excess of \$500,000, the Insurer is liable for the amount by which the physical loss or physical damage caused by earthquake exceeds 5% of the amount of insurance as shown on the Memorandum of Insurance at the time of the loss subject to a \$50,000 minimum deductible in any one occurrence.

Should the Named Insured have any other valid policy with Aviva, where insurable property is also insured with earthquake coverage at the insured location shown on the Memorandum of Insurance, only one deductible would apply per earthquake occurrence; whichever deductible is greater.

This deductible clause supersedes the provisions of any other deductible clause stated elsewhere in the Memorandum of Insurance.

3. EXCLUSIONS

This endorsement does not cover loss resulting from loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism or malicious acts, flood of any nature, waves, tidal waves, tsunamis, high water, waterborne objects or ice.

4. EXTENSIONS OF COVERAGE

The Insurer shall be liable for physical loss resulting from physical loss or physical damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from earthquake.

5. PRO RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured bears to the total amount of insurance covering the peril of fire on the same property. If Section II of the policy covers two or more items this provision shall apply to each item separately.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 11 to Section II

FLOOD INSURANCE ENDORSEMENT
(applicable to (B) – Extended Rental Income)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which a Flood Deductible is indicated under the Memorandum of Insurance. If a Flood Deductible is not indicated on the Memorandum of Insurance this coverage does not apply.

This endorsement modifies the coverage provided under the Rental Income form to which it is attached as follows:

This insurance is hereby extended to include physical loss, as insured by the form to which this endorsement is attached, resulting from physical loss or physical damage caused directly by the peril of flood subject to the following conditions:

1. FLOOD

For the purpose of this endorsement flood shall mean the rising of, the breaking out or the overflow of any body of water whether natural or man-made and includes waves, tides, tidal waves, and tsunamis.

2. DEDUCTIBLE

The Insurer is liable for the amount by which the loss resulting from physical loss or physical damage caused by flood exceeds in any one occurrence the amount of the deductible \$ **As Shown on the Memorandum of Insurance.**

3. EXCLUSIONS

This endorsement does not insure loss resulting from loss or damage caused directly or indirectly by:

- a) water which backs up through sewers, sumps, septic tanks, or drains;
- b) water below the surface of the ground including that which exerts pressure on or flows, seeps, or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows, or other openings in such sidewalks, driveways, foundations, walls, or floors;
- c) any of the following perils whether or not caused by or attributable to flood: fire, explosion, smoke, leakage from fire protective equipment, leakage from a watermain, theft, riot, vandalism, or malicious acts.

4. EXTENSIONS

The Insurer shall be liable for physical loss resulting from physical loss or physical damage to the property insured caused by wind, hail, rain, or snow entering a building through an opening in the roof or walls directly resulting from a flood.

5. PRO-RATA CLAUSE

The Insurer shall only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance against the peril of fire on the same property. If Section II of the policy covers two or more items, this provision shall apply to each item separately.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

Endorsement No. 12 to Section II

BACKING-UP OF SEWERS EXTENSION
(applicable to (B) – Extended Rental Income)

The following extension is subject to all terms and provisions of Section II except as specifically modified hereunder and applies only to those buildings which are insured under Section II of the Master Policy and for which a Sewer Back-Up Deductible and sub-limit is indicated under the Memorandum of Insurance. If a Sewer Back-Up Deductible and sub-limit is not indicated on the Memorandum of Insurance this coverage does not apply.

This endorsement modifies the coverage provided under the Rental Income form to which it is attached as follows:

It is agreed that without increasing any existing Limit of Liability, the following extension is provided:

This policy is extended to insure against physical loss, as Insured by the form to which this endorsement is attached, resulting from physical loss or physical damage caused directly by the backing-up of sewers, sumps, septic tanks or drains.

The Insurer is liable for the amount by which the loss resulting from physical loss or physical damage caused by any of the perils insured against under this endorsement exceeds in any one occurrence the deductible specified on the Memorandum of Insurance.

The Insurer is not liable for loss resulting from loss or damage caused by any of the perils insured against in any one occurrence in excess of the sub-limit specified in the Memorandum of Insurance.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect.

SECTION -II

(C) EQUIPMENT BREAKDOWN FORM

OBJECTS INSURED

Coverage is provided only if a limit of Insurance is shown on the Memorandum of Insurance for Equipment Breakdown Coverage comprising of Boilers, Pressure Vessels, Mechanical and Electrical Equipment, Air Conditioning Units and Refrigerating Units, Data Processing, Computing and Electronic Equipment all as defined in Definitions 2A, 2B, 2C and 2D.

INSURING AGREEMENTS

In the event of loss from an Accident, as defined herein, to an Insured Object, and subject to all the terms, provisions and conditions (Including Statutory Conditions), of Section II of the policy to which this Form is attached, the Insurer agrees to indemnify the Insured as follows:

COVERAGE A. LOSS TO PROPERTY OF INSURED

TO PAY for loss to the property of the Insured and property of others in the care, custody or control of the Insured for which the Insured is legally liable, directly damaged by an Accident (or, if the Insurer so elects, to repair or replace such physically damaged property), as defined herein.

COVERAGE B. EXPEDITING EXPENSES

TO PAY for the reasonable extra cost of temporary repair and of expediting the repair of such physically damaged property directly damaged by an Accident, including overtime and the extra cost of express or other rapid means of transportation.

COVERAGE C. BUSINESS INTERRUPTION/EXTRA EXPENSE

If Business Interruption/Extra Expense is covered by Section II of the policy to which this Form is attached, to pay the Insured for loss due to Business Interruption/Extra Expense which results solely from an Accident as defined herein. The amount payable shall be separate from and in addition to the Limit of Liability specified on the Memorandum of Insurance applicable to this Form. This liability, however, shall not exceed the limit of Business Interruption/Extra Expense specified for this coverage in the policy.

COVERAGE D. CONSEQUENTIAL DAMAGE

TO PAY for loss to Perishable Property due to spoilage resulting solely from an Accident.

EXCLUSIONS

This Master Policy does not apply:

1. To loss or damage
 - a. from fire or smoke concomitant with or following an Accident or from the use of water or other means to extinguish fire;
 - b. from an Accident caused directly or indirectly by fire or smoke or from the use of water or other means to extinguish fire;
 - c. from a combustion explosion outside the object concomitant with or following an Accident;

- d. from an Accident caused directly or indirectly by a combustion explosion outside the object;
 - e. from flood unless an Accident ensues and the Insurer shall then be liable only for physical loss or physical damage from such ensuing Accident;
 - f. from an Accident caused directly or indirectly by earthquake, including snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock;
 - g. from wind, including but not limited to cyclone, tornado or hurricane;
 - h. from a sudden and accidental explosion of gas or unconsumed fuel within the furnace of any Object or within the gas passages therefrom to the atmosphere;
 - i. caused by or resulting from lightning, if coverage for that cause of loss is provided by any other policy of insurance in effect at the time of loss;
 - j. to Property of Insured damaged by water, resulting from an Accident if coverage is provided by any other insurance in effect at the time of the loss;
 - k. to Data used with electronic computer or electronic data processing equipment unless a Limit of Insurance is shown on the Memorandum of Insurance applicable to this Form, nor
 - l. from any other indirect result of an Accident.
2. To loss or damage from an Accident caused directly or indirectly by war, bombardment, invasion, insurrection, rebellion, revolution, military or usurped power, enemy attack including any action or measure taken in resisting, combatting, or delaying the enemy by operations of armed forces while engaged in hostilities, whether war be declared or not, or by the explosion of a concentration of munitions or explosives being manufactured, stored or transported in Canada.
3. To loss or damage, whether it be direct or indirect, proximate or remote:
- a. from an Accident caused directly or indirectly by nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled;
 - b. from nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, caused directly or indirectly by, contributed to or aggravated by an Accident, nor shall the Insurer be liable for any loss covered in whole or in part by any contract of insurance, carried by the Insured, which also covers any hazard or peril of nuclear reaction or nuclear radiation.
4. To any increase in loss:
- a. necessitated by any ordinance, law, regulation, rule or ruling, regulating or restricting repair, alteration, use, operation, construction or installation, except as provided in Extensions of Coverage.
 - b. as a result of damage, contamination or pollution by a Hazardous Substance except as provided in Extensions of Coverage.

DEFINITIONS

1. ACCIDENT

"Accident" shall mean a sudden and accidental breakdown of the Object, as defined herein, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but "Accident" shall not mean or include:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any structure or foundation supporting the Object or any part thereof; nor
- e. the functioning of any safety device or protective device.

Subject to Exclusion 2. of this policy, any Accident arising out of strike, riot, civil commotion, acts of sabotage, vandalism or malicious mischief shall also be considered "Accidental" within the terms of the Definition of Accident.

2. OBJECT

"Object" shall mean any equipment or apparatus described below, subject to the exclusions specified herein:

A. Any boiler, fired pressure vessel, metal unfired vessel or any A.S.M.E. approved fibreglass reinforced plastic vessel normally subject to vacuum or internal pressure other than static pressure of contents, metal piping and its accessory equipment, but "Object" shall not mean or include:

- 1. any refractory or insulating material, non-metallic lining or covering, or boiler setting.
- 2. any oven, stove, furnace or incinerator, nor
- 3. any sewer piping, buried piping which is not contained within a duct, tunnel or runway, piping forming a part of a sprinkler system or water piping other than:
 - a) feed water piping between any boiler and its feed pumps or injectors,
 - b) boiler condensate return piping;
 - c) any arrangement of piping used in conjunction with a hot water heating system, together with valves, radiators and fittings connected to such system.
- 4. any refrigerating or air conditioning vessels and piping.

B. Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power, but "Object" shall not mean or include:

- 1. any structure or foundation other than the bedplate of a machine,
- 2. any oven, stove, furnace or incinerator,
- 3. any vehicle, aircraft, or any floating vessel or structure,
- 4. any elevator, escalator, conveyor, crane or hoist, but not excluding any electrical equipment mounted on, or forming a part of any such machine or apparatus,
- 5. any data processing, calculating or computing equipment, or any electronic machine, device or instrument,
- 6. any X-ray machine, electron microscope, laser, particle accelerator, Beta gauge, spectrograph, or any equipment or apparatus utilizing radioactive materials.
- 7. any refrigerating unit or air conditioning unit including all compressors, driving motors, fans, blowers and all other ancillary equipment.

C. Any refrigerating unit or air conditioning unit, including:

1. any refrigerating or air conditioning vessels and piping;
2. any water piping connected to and forming a part of refrigerating or air conditioning vessels and piping;
3. all compressors, driving motors, fans, blowers and all other auxiliary equipment.

D. Any electronic machine, device or instrument used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

3. HAZARDOUS SUBSTANCES

A Hazardous Substance is any substance declared by a Governmental Agency to be hazardous to health or the environment.

4. DATA

Data means facts, information, knowledge or software in a machine readable form capable of being processed by data processing or other computerized equipment.

5. MEDIA

Media means material on which data is recorded, such as magnetic tapes, hard discs or floppy discs.

EXTENSIONS OF COVERAGE

The following Extensions of Coverage are subject to the conditions and limitations of Section II of the policy.

1. HAZARDOUS SUBSTANCES

If property of the Insured, as defined in Coverage A, is damaged, contaminated or polluted by a Hazardous Substance as a result of an Accident to insured equipment, the Insurer shall be liable for:

- a. the increase in cost for the clean-up, repair or replacement or disposal of the property,
- b. the increase in the Business Interruption/Extra Expense which results from the presence of the Hazardous Substance,

but, the total amount payable under this extension shall not exceed \$50,000, such amount being in addition to the Property Damage Limit on the Memorandum of Insurance of the policy.

2. BY-LAWS

If Property of Insured is physically damaged as a result of an Accident to insured equipment, the Insurer shall be liable for any increase in the cost of repairing, replacing, or constructing or reconstructing (including the necessary demolition and site clearance costs), occasioned by the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which is in force at the time of the Insured loss and which regulates zoning, or the demolition, repair or construction of the physically damaged property.

If Business Interruption/Extra Expense is covered by this Form, the Insurer shall be liable for the increase in Business Interruption/Extra Expense which results solely from the enforcement of the by-law, regulation, ordinance or law.

3. PROFESSIONAL FEES

If Professional Fees are covered by the policy to which this Form is attached, but not otherwise, the Insurer shall be liable for Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

4. SERVICE INTERRUPTION

If an Accident occurs to equipment not owned or operated by the Insured, the Insurer shall be liable for any resulting Business Interruption/Extra Expense loss provided that:

- a. the equipment satisfies the Definition of Object,
- b. the equipment is located within three hundred (300) meters of the Insured location,
- c. the equipment is used to supply electricity, steam, water, gas, heating, air conditioning, refrigeration or telephone services to the Insured location,
- d. the equipment is owned by the building owner at the premises of the Insured or by a public utility Insurer.

The Insurer shall also be liable for loss to Perishable Property due to spoilage.

5. DATA COVERAGE

If, as a result of an Accident to insured equipment, data is physically lost or physically damaged, the Insurer shall be liable for:

- a. the cost of gathering or reproducing the data;
- b. the business interruption/extra expense resulting from the loss or damage to the data;

but, the total amount payable under this Extension shall not exceed the amount specified for Data on the Memorandum of Insurance applicable to this Form, such amount being in addition to the other Limits specified.

The Insurer shall not be liable for data which is lost or damaged as a result of programming errors.

POLICY CONDITIONS AND LIMITATIONS

1. DEDUCTIBLE (Applicable to Coverages A,B,C and D)

From the total amount of loss and expense for which the Insurer is liable with respect to an Accident as described herein there shall first be deducted the Deductible specified on the Memorandum of Insurance.

2. ELECTRICAL EQUIPMENT

As respects any electrical equipment forming a part of any insured Object, Exclusion 1a of Section II of the policy is changed to read "from fire or smoke outside said electrical equipment concomitant with or following an Accident or from the use of water or other means to extinguish fire".

3. INSPECTION

The Insurer shall be permitted but not obliged to inspect, at all reasonable times, any Object designated and described in the policy. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that such Object is safe or healthful.

4. NOTICE OF ACCIDENT AND COMMENCEMENT OF LIABILITY

When an Accident occurs, written notice shall be given by or on behalf of the Insured to the Insurer or any of its authorized agents as soon as practicable. The Insured shall give like notice of any claim made on account of such Accident. The Insurer shall have reasonable time and opportunity to examine the property and the premises of the Insured before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made by the Insured in such form as the Insurer may require. The Insured upon request of the Insurer shall render every assistance facilitating the investigation and adjustment of any claim, submitting to examination and interrogation by any representative of the Insurer.

With respect to Coverage C (Business Interruption/Extra Expense) the commencement of the Insurer's liability shall be (1) the time of the Accident or (2) twenty-four hours before the Notice of Accident is received, whichever is later.

5. OTHER INSURANCE

In the event a recoverable loss exists, should a dispute arise between Property and Boiler Insurers as to which Insurer is liable or as to the proportion of loss to be paid by each Insurer, the IBC Agreement "Respecting Disputed Losses Between Property Insurance and Boiler and Machinery Insurance Policies" shall apply with respect to those participating Insurers who are signatories to this Agreement, or have agreed in writing to be bound by its contents. It is hereby understood and agreed that the IBC Property/Boiler Disputed Loss Agreement supersedes and replaces any master or individual Insurers "Joint Loss" Agreement previously issued.

6. REPAIR OR REPLACEMENT

The Insurer shall be liable for loss from any one Accident on property of the Insured as specified in Coverage A of the Insuring Agreements of this Form, for the amount actually expended by the Insured to repair or replace the damaged property, subject to the Property Damage Limit and the following provisions:

- a. The damaged property shall be repaired or replaced within twelve months from the date of the Accident unless such period is extended with written consent of the Insurer.
- b. The Insurer's liability for any repair or replacement shall be limited to the smaller of
 - i) the cost at the time of the Accident to repair the damaged property; or

ii) the cost at the time of the Accident to replace the damaged property on the same site with property of like kind, capacity, size and quality; provided that in the event the replacement is by property of a better kind, quality or of larger capacity or size, the liability of the Insurer shall not exceed the amount that would be paid if the replacement had been made by property of like kind, capacity, size and quality.

c. The Insurer shall not be liable for

i) loss or damage to property useless to the Insured or obsolete to the Insured;

ii) the cost of repairing or replacing any part or parts of an Object which is in excess of the cost of repairing or replacing the entire Object.

d. If any damaged property is not repaired or replaced the Insurer's liability as respects such property shall be limited to its Actual Cash Value at the time of the Accident.

7. PROPERTY VALUATION

i) As respects media, the Insurer's liability shall be limited to the cost of blank material.

ii) As respects exposed film, records, manuscripts and drawings, the Insurer's liability shall be limited to the cost of blank material plus the cost of transcription.

iii) The Insurer's liability as respects Perishable Property of the Insured physically damaged or physically destroyed shall be limited to the actual cash value thereof at the time of the Accident, with proper deductions for depreciation, however, caused.

8. SUSPENSION

Upon the discovery of a dangerous condition with respect to any Object, any representative of the Insurer may immediately suspend the insurance with respect to an Accident to said Object by written notice mailed or delivered to the Insured at the address of the Insured, as specified in the Memorandum of Insurance for Section II of this policy, or at the location of the Object, as specified for it in the Memorandum of Insurance. Insurance so suspended may be reinstated by the Insurer, but only by the issuance of a new Memorandum of Insurance. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

Endorsement No. 13 to Section II

FUNGI and FUNGAL DERIVATIVES EXCLUSION ENDORSEMENT

This endorsement modifies the coverage provided in those forms shown on the "Schedule of Coverages" under Section II – Equipment Breakdown.

1. The Equipment Breakdown form of the policy does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any fungi or spores unless such fungi or spores are directly caused by or directly result from an Accident otherwise insured and not otherwise excluded by Section II of this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of fungi, or spores.

2. The Insurer shall not be liable for "Extra Expense", loss of "Business Income", loss of "Rental Income", loss of "Gross Profit", loss of "Gross Earnings", loss of "Gross Rentals", loss of "Gross Rent and Rental Value" or any other loss attributable to any interruption of business, provided such coverage is currently included in Section II of the policy to which this endorsement is attached, resulting from loss or damage consisting of or caused directly or indirectly, in whole or in part, by any fungi or spores unless such fungi or spores are directly caused by or directly result from an Accident otherwise insured and not otherwise excluded by Section II of this policy.

3. The definition of Hazardous Substances is deleted in its entirety and replaced with the following:

A Hazardous Substance is:

- (a) any substance declared by a Governmental Agency to be hazardous to health or the environment,
- (b) any Fungi or Spores.

4. The following definitions are added

Wherever used in this endorsement, or wherever used in any other endorsement or in Section II of this policy to which this endorsement is applicable, the following terms shall mean:

- (a) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "Fungi" or "Spores" or resultant mycotoxins, allergens, or pathogens.
- (b) "Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the policy shall have full force and effect

SECTION -II
GENERAL CONDITIONS
(Province of Quebec)

Section II of this Master Policy is subject to the Civil Code of Quebec.
Preference to Civil Code articles in some instances is for easier reading only and should not be construed as exact quotations.
For all coverages except where inapplicable.

1. STATEMENTS

1.1 Representation of risk (Article 2408)

The client, and the Insured if the Insurer requires it, is bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

1.2 Material change in risk (Articles 2466 and 2467)

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

1.3 Misrepresentations or concealment (Articles 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1.1 and in the first paragraph of section 1.2 by the client or the Insured nullifies the contract at the instance of the Insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer would not have covered the risk if he had known the true facts, the Insurer remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

1.4 Warranties (Article 2412)

Any increase in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer or until such breach has been remedied by the Insured.

2. GENERAL PROVISIONS

2.1 Insurable interest (Articles 2481 and 2484)

(Applicable only to property insurance)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate physical damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest as null.

2.2 Changes (Article 2405)

The terms of this policy shall not be waived or changed except by endorsement.

2.3 Assignment (Articles 2475 and 2476)

This policy may be assigned only with the consent of the Insurer and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a co-insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

2.4 Books and records

The Insurer and its authorized representatives shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

2.5 Inspection

The Insurer and its authorized representatives shall have the right but are not obligated to make inspections of the risk, give the Insured reports on the conditions found and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the premises, property or operations are safe or healthful or comply with laws, codes or standards.

2.6 Currency

All limits of insurance, premiums and other amounts in this policy are in Canadian currency.

3. LOSSES

3.1 Notice of loss (Article 2470)

The Insured shall notify the Insurer of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice. In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer.

3.2 Information to be provided (Article 2471)

The Insured shall inform the Insurer as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the physical damage, the location of the insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfil such obligation, he is entitled to a reasonable time in which to do so. If the insured fails to fulfil his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3.3 False representation (Article 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates. However, if the occurrence of the event insured against entails the loss of both movable and immovable property, or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

3.4 Intentional Fault (Article 2464)

The Insurer is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.

Where the Insurer is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

3.5 Notice to police

(Applicable to property insurance only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

3.6 Safeguarding and examination of property (Article 2495)

(Applicable to property insurance only)

At the expense of the Insurer, the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer and his representatives to visit the premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

3.7 Admission of liability and cooperation (Article 2504)

The Insured shall cooperate with the Insurer in the processing of all claims.

No transaction made without the consent of the Insurer may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

3.8 Right of action (Article 2502)

(Applicable to liability insurance only)

The Insurer may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss; the Insurer has a right of action against the Insured in respect of facts that occurred after the loss.

4. COMPENSATION AND SETTLEMENT

4.1 Basis of settlement (Articles 2490, 2491 and 2493)

(Applicable to property insurance only)

Unless otherwise provided, the Insurer shall not be liable for more than the actual cash value of the property at the time of the loss as normally determined.

In unvalued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

4.2 Pair and set

(Applicable to property insurance only)

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

4.3 Parts

(Applicable to property insurance only)

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4.4 Replacement (Article 2494)

(Applicable to property insurance only)

Subject to the rights of preferred and hypothecary creditors, the Insurer reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

4.5 Time of payment (Articles 2469 and 2473)

The Insurer shall pay the indemnity within sixty days after receiving the notice of loss or, at this request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

4.6 Property of others

(Applicable to property insurance only)

Where a claim is made as a result of physical loss of or physical damage to property not owned by the Insured, the Insurer reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

4.7 Waiver

Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of the policy by any act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

4.8 Action against Insurer

The Insured may not bring any action to recover the amount of a claim under this policy unless the requirements of this policy have been complied with nor until the amount of the loss has been ascertained by arbitration or by judgment against the Insured or by agreement between the parties with the written consent of the Insurer.

4.9 Limitation of actions (Article 2925)

Every action or proceeding against the Insurer under this policy shall be commenced within three years from the date the right of action has arisen.

4.10 Subrogation (Article 2474)

Unless otherwise provided, the Insurer shall be subrogated to the extent of the amount paid or the liability assumed therefor under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

5. OTHER INSURANCE

5.1 Property insurance (Article 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the insurer or insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except in respect of specified insurance, which constitutes primary insurance.

5.2 Liability insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insured's liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- Contribution by equal share:

If all of such other collectible insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributed an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

- Contribution by limits :

If any such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

CANCELLATION (Articles 2477 and 2479)

This policy may be cancelled at any time:

(a) By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.

(b) By the Insurer giving written notice to each Named Insured.

Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) and (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words "Premium actually paid" mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

GENERAL POLICY CONDITIONS

(Provinces other than Quebec)

including Statutory Conditions, Exclusions and Standard Mortgage Clause

This Master Policy is made and accepted subject to the provisions, stipulations and conditions printed herein which are hereby specially referred to and made a part of this Master Policy together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto. No term or condition of a contract shall be deemed to be waived by the Insurer in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of a contract by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or to the investigation or adjustment of any claim under the contract. By the acceptance of this Master Policy the Insured acknowledges the cancellation, from the effective date of this Master Policy, of any previous Policy, or the renewal thereof, which is stated as being replaced.

STATUTORY CONDITIONS

MISREPRESENTATION

1. If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstances that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract shall be void as to any property in relation to which the misrepresentation or omission is material.

PROPERTY OF OTHERS

2. Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

CHANGE OF INTEREST

3. Insurer is liable for physical loss or physical damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

MATERIAL CHANGE

4. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen (15) days of the receipt of the notice pay to the Insurer an additional premium, and in default of such payment the contract shall no longer be in force and the Insurer shall return the unearned portion, if any, of the premium paid.

TERMINATION OF INSURANCE

5. (1) A Memorandum of Insurance may be cancelled at any time at the request of the Insured named thereon and the Insurer shall, upon surrender of the Memorandum of Insurance, refund the excess of paid premium above the earned premium computed in accordance with the customary pro rata table and procedure for the time the Memorandum has been in force.

- (2) A Memorandum of Insurance may be cancelled at any time by the Insurer giving to the Insured named thereon 15 days notice of cancellation by registered mail except that in the event of non-payment of premium, fraud or misrepresentation by the Insured, cancellation may be effected by the Insurer giving to the Insured 15 days notice of cancellation by registered mail or 5 days written notice of cancellation personally delivered.
- (3) The notice period for cancellation by registered mail commences on the day following the receipt of the registered letter at the post office to which it is addressed.

REQUIREMENTS AFTER LOSS

6. (1) Upon the occurrence of any physical loss of or physical damage to the insured property, the Insured shall, if such physical loss or physical damage is covered by the contract, in addition to observing the requirements of Conditions 9, 10 and 11,
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurance and the names of other Insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property insured, since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value: if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and cost of that property, and
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers, verified by statutory declaration, and furnish a copy of the written portion of any other contract. If required by the insurer and if practicable
- (2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall not be considered proofs of loss within the meaning of Conditions 12 and 13.

FRAUD

7. Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

WHO MAY GIVE NOTICE AND PROOF

8. Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

SALVAGE

9. (1) The Insured, in the event of any physical loss or physical damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

ENTRY, CONTROL, ABANDONMENT

10. After physical loss or physical damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the physical loss or physical damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the physical loss or physical damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

APPRAISAL

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

WHEN LOSS PAYABLE

12. The loss shall be payable within sixty (60) days after completion of the proof of loss, unless the contract provides for a shorter period.

REPLACEMENT

13. (1) The Insurer, instead of making payment may repair, rebuild, or replace the property damaged or lost by giving written notice of its intention to do so within thirty (30) days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild or replace the property within forty-five (45) days after receipt of the proofs of loss and shall thereafter proceed with all due diligence to the completion thereof.

ACTION

- 14 Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract shall be absolutely barred unless commenced within one year next after the physical loss or physical damage occurs.

NOTICE

15. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition the expression "registered" means registered in or outside Canada.

Endorsement No. 14 to Section II
Attached to Policy Number 82070796

Amendment of Statutory Conditions

This endorsement modifies the insurance provided by the policy section to which it is attached as follows:

1. The "Statutory Conditions" set out in this policy are renamed "Policy Conditions" and now apply, as modified or supplemented in forms or endorsements attached to this policy, as "Policy Conditions" to all coverages and all perils (including fire) insured by this policy.
2. Condition 14 of the said conditions is restated as follows:

Action

14. Where permitted by law, every action or proceeding against the Insurer for the recovery of a claim under or by virtue of this contract shall be absolutely barred unless commenced within one year * next after the physical loss or physical damage occurs, except in the Provinces of British Columbia and Ontario.

In the Province of British Columbia, every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commence within the time set out in the Insurance Act.

In the Province of Ontario the action shall be commenced within the time period prescribed by s. 4 of the Limitations Act 2002, S.O. 2002, Chapter 24 Schedule B.

* two years in the Province of Manitoba and Yukon Territory.

3. Condition 5 of the said conditions is amended as follows;

Termination

5. (2) A Memorandum of Insurance may be cancelled at any time by the Insurer giving to the Insured:

- (i) fifteen (15) days' written notice of cancellation by registered mail or personally delivered if the contract is terminated for non-payment of premium; or
- (ii) thirty (30) days' written notice of cancellation by registered mail or personally delivered if the contract is terminated for any other reason other than non-payment of premium.)

Where any portion of this endorsement is found to be invalid, unenforceable or contrary to statute the remainder shall remain in full force and effect.

Endorsement No. 15 to Section II
Attached to Policy Number 82070796

Amendment of General Conditions

This endorsement modifies the insurance provided by the policy section to which it is attached as follows:

6. Cancellation (Articles 2477 and 2479)

(b) By the Insurer giving written notice to each Named Insured. The termination takes effect:

- (1) if the policy is cancelled for non-payment of premium, 15 days after notice is received by the Insured at the Insured's last known address;
- (2) if the policy is cancelled for any other reason, 30 days after notice is received by the Insured at the Insured's last known address.

Standard Mortgage Clause (approved by the Insurance Bureau of Canada)

This clause is only applicable where the **Interest of the Mortgagee** is on the Building(s), and does not apply to any other type of property insured under the policy. This clause also only applies to those mortgages who are specifically listed on the Memorandum of Insurance as loss payees.

It is hereby provided and agreed that:

Breach of Conditions by Mortgagor, Owner or Occupant

This insurance and every documented renewal thereof – AS TO THE INTEREST OF THE MORTGAGEE ONLY THEREIN – is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the mortgagee or, owner or occupant insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of the risk;

PROVIDED ALWAYS that the Mortgagee shall notify forthwith the Insurer (if known) of any vacancy of non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard THAT SHALL COME TO HIS KNOWLEDGE; and that every increase of hazard (not permitted by the policy) shall be paid for by the Mortgagee – on reasonable demand – from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

Right of Subrogation

Whenever the Insurer pays the Mortgagee any loss award under this policy and claims that – as to the Mortgagor or the Owner – no liability therefore existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all securities held as collateral to the mortgage dept.

Other Insurance

If there be other valid and collectible insurance upon the property with loss payable to the Mortgagee – at law or inequity – then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.

Who May Give Proof of Loss

In the absence of the Insured, or the inability, refusal or neglect of the Insured, to give notice of loss or deliver the required Proof of Loss under the policy, the Mortgagee may give the notice upon becoming aware of the loss and deliver as soon as practicable the Proof of Loss.

Termination

The term of this mortgage clause coincides with the term of the policy:

- (i) PROVIDED ALWAYS that the Insurer reserves the right to cancel the Insured's coverage under the policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision, and
- (ii) PROVIDED ALWAYS that, in the province of Quebec, the Insurer reserves the right to cancel the Insured's coverage under the Master Policy as provided by Article 2477 of the Civil Code of the Province of Quebec but agrees that the Insurer will neither terminate nor alter the Insured's coverage under the Master Policy to the prejudice of the Mortgagee without days notice to the Mortgagee by registered letter.

Foreclosure

Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

SUBJECT TO THE TERMS OF THIS MORTGAGE CLAUSE (and these shall supersede any policy provisions in conflict therewith BUT ONLY AS TO THE INTEREST OF THE MORTGAGEE), loss under this policy is made payable to the Mortgagee.



You can reach **CDSPI Advisory Services** Inc. at:

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