



#102 – 6305 Fraser Street
Vancouver, BC V5W 3A3
Tel: 604-324-7070
Fax: 604-324-3865
E-mail: nancy_toy@telus.net

July 11, 2012

Owners of Strata Plan BCS2943
c/o Mr. Steve Harmaty
1927 West 15th Avenue
Vancouver, BC V6J 2L2

Dear Steve:

Re: Commercial Package Policy 004522831
Location: 1925-1929 West 15th Avenue, Vancouver, BC

We are pleased to enclose the above policy providing renewal of commercial property and liability insurance for a further annual term effective July 17, 2012 along with your paid receipt is enclosed for your record.

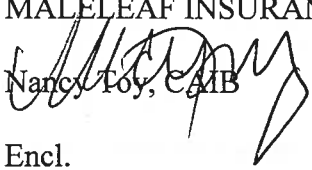
Your insured limits and deductibles are as outlined on the policy declaration. Please ensure that the limits/values are adequate to meet the replacement cost including the increased cost of construction resulting from any applicable by-laws to avoid the under-insured penalty clause in the event of a claim. We do recommend you obtain a professional appraisal to substantiate the insured values.

Please review the policy wordings carefully to familiarize yourself with the terms and exclusions contained therein. If there are any changes in operations, please inform our office immediately.

We trust you will find the enclosed to be in order. Should you have any questions or require any changes, please contact our office.

Thank you for your continued support.

Yours truly,
MALELEAF INSURANCE SERVICES LTD.


Nancy Toy, CMB

Encl.
NT/ct

INSURANCE
ACCOUNT NO.
8887301

STATEMENTS WILL BE PROVIDED FOR YOUR
SUBSEQUENT PAYMENTS.

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About Your Premium Payments

Payment Options

Your insurance premium can be paid through a variety of convenient payment options as listed below. If you'd like to change between our payment plans (Three Pay or Monthly) please contact your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable) before your policy renews.

Three Pay Plan

This payment option allows you to pay your premium in one to three instalments. Where applicable, you can conveniently pay your premium through your financial institution's:

- Internet banking service
- telephone banking service
- automated teller machine (ATM)
- local branch

You will require:

- your account number, and
- the company name as it appears on your statement (i.e. Economical Mutual, Missisquoi Insurance, Perth Insurance, Waterloo Insurance).

Payments are also accepted by **cheque** and can be mailed in the enclosed return mail envelope. Please ensure the statement stub is included. If you have misplaced the envelope, please send your payment to: **The Economical Insurance Group, PO Box 4537, STN A, Toronto, Ontario, M5W 4P3**. Please do not include additional correspondence when sending payments to this address.

Monthly Pay Plan

This payment option allows you to automatically pay your premium in monthly instalments from your Financial Institution account. It can be easily arranged by your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable). Under this payment plan a 3% service charge will be applied to your monthly premium. This equates to a 3% annual percentage rate (APR). No service charges apply to Waterloo Insurance.

About preauthorized payments:

- Monthly withdrawals are made on the day selected.
- New statements are issued to you if additional payments are required or if the withdrawal amount changes.
- Changes to your banking information must be received at least 14 days prior to your withdrawal date. Please ensure you keep banking information up-to-date with us to avoid any possible interruption in coverage.

Additional Information

- Down payments received but not yet applied will show on the next statement.
- Payments are applied to your oldest outstanding account balance at the time of receipt.
- Premium credits may only be issued to the named policyholder or applied to the account balance.
- If a preauthorized payment withdrawal returns, a second attempt to obtain the funds may be made a minimum of three days after our financial institution has been notified. In addition, an NSF charge may apply if the second attempt to withdraw funds is unsuccessful.
- Depending on legislation in your province of residence, a payment not received by the due date, or returned as NSF, may result in cancellation of your policy.
- **QEF34** - The tax on this personal insurance endorsement has been eliminated for all contracts. The premium therefore has been reduced to compensate for the tax exemption.

Policy Changes?

Keeping us informed of changes that may affect your policy is essential. Please remember to notify your independent insurance broker (or Waterloo Insurance Call Centre representative if applicable) immediately if any of the following change on your policy:

- named insureds
- vehicle or property the insurance is for
- address
- banking information (if paid by preauthorized payments)
- contact information
- changes/sale in business (commercial policies)

**EXPRESS Policy****POLICY NO. 004522831****D**

Named Insured and Mailing Address		Broker Name and Address		Broker Code	
OWNERS OF STRATA PLAN BCS 2943 1927 W 15TH AVE VANCOUVER, BC V6J 2L2		MAPLELEAF INSURANCE SERVICES LTD. VANCOUVER, B.C. V5W 3A3 (604) 324-7070		01713	
Total Premium For This RENEWAL		INSURANCE PERIOD		FROM	TO
\$ 2,824		12:01 am Standard Time at the Postal Address of the Named Insured as stated herein.		17 07 2012	17 07 2013
Billing Method		DIRECT BILL		Day Month Year	Day Month Year

Thank you For Renewing Your Trust With The Economical Insurance Group

Since 1871, The Economical Insurance Group has made quality customer service our number one business priority. We renew this promise to you and will continue to strive to meet these expectations by giving you:

RESPECT for the time and effort that you put into your business, that is why we have customized our products to provide the right solutions to fit your insurance needs;

SUPPORT for you and your business when you need it most, from your local insurance broker and our 1300 dedicated and friendly employees across Canada;

QUALITY products and services, priced to give you maximum coverage at a minimum cost.

With our people, innovation and hard work, you can count on us to be:

Right there. Anytime, anywhere! ®

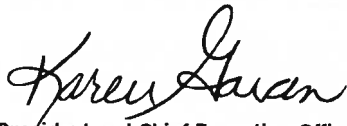
This policy is made and accepted subject to forms 4225 Additional Exclusions; 2180 Standard Conditions and 2184 Statutory Conditions which are hereby specially referred to and made a part of this policy together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto.

In return for the payment of the premium the Policy Number indicated is renewed for Insurance period stated. The wordings attached replace existing Riders. Please contact your Broker if you require an explanation of coverage.

NOTICE TO INSURED

Consumer and previous insurer reports containing personal, credit, factual, investigative or previous claim and loss information about the insured may be sought in connection with this policy of insurance or a renewal, extension or variation thereof.

In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

CANCELLATION OF POLICY

The undersigned Insured named in Policy no. and renewal certificates (if any), hereby acknowledges the cancellation thereof effective as of 20 at 12:01 A.M. standard time and agrees that all liability of the Insurer with respect to accidents, losses, or damage occurring on or after that date is hereby terminated.

Signature of Mortgagee

Signature of Insured

24 HOUR EMERGENCY CLAIMS SERVICE
IN CANADA/U.S.A.: 1 - 800 - 607 - 2424

LOCATION 1925,1927 & 1929 15TH AVE W
VANCOUVER, BC
V6J 2L2

Occupancy - CONDOMINIUMS TRIPLEX
Construction - FRAME

Loss, if any, payable to insured

COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
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A PROPERTY OF EVERY DESCRIPTION - EXPRESS

6557		1,000	1,530,000		Included
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B EXPRESS ON-PREMISES EXTENSION FORM

6558		1,000	500,000		Included
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Note: The limit of coverage for loss of any or all items under this extension shall be an aggregate of \$500,000 per policy.

The EXPRESS On Premises Extension Endorsement includes the following:

- breakdown of EDP equipment, data and media
- accounts receivable
- valuable papers and records
- fine arts (\$75,000 per item)
- master key coverage
- consequential loss assumption including off premises power
- seasonal automatic increase
- contingent liability from enforcement of building by-laws
- building damage by theft
- clean up expense for on premises pollutants (\$25,000 sub-limit)
- debris removal
- automatic inflation protection
- cost of preparing proof of loss
- automatic fire suppression system recharge expense
- fire department service charges
- Eco-Friendly enhancement (\$50,000 sub-limit)

C EXPRESS OFF-PREMISES EXTENSION FORM

6559		1,000	500,000		Included
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Note: The limit of coverage for loss of any or all items under this extension shall be an aggregate of \$500,000 per policy.

The EXPRESS Off Premises Extension Endorsement includes the following:

- removal
- newly acquired building
- contents at newly acquired locations
- property away from location
- building in course of construction
- installation floater

NOTICE TO INSURED

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In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

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Signature of Mortgagee

Signature of Insured

24 HOUR EMERGENCY CLAIMS SERVICE
IN CANADA/U.S.A.: 1 - 800 - 607 - 2424

COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
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D EXPRESS BOILER AND MACHINERY EXTENSION FORM

6560		1,000	1,580,000		Included
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The EXPRESS Boiler and Machinery Extension Endorsement includes the following:

- spoilage
- service interruption and by-laws
- business interruption/extra expense
- hazardous substance cleanup subject to sub-limit of \$100,000
- data coverage subject to sub-limit of \$25,000

E RESIDENTIAL CONDOMINIUM CORPORATION BROAD FORM ENDORSEMENT

6579		1,000	Included		Included
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F EARTHQUAKE ENDORSEMENT

DEDUCTIBLE MINIMUM AMOUNT \$10,000

4033		10 %	Included		Included
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G FLOOD ENDORSEMENT

4094		10,000	Included		Included
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H EXTRA EXPENSE (100%) FORM

6562		1,000	50,000		Included
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I WATER DAMAGE DEDUCTIBLE ENDORSEMENT

6530		2,500	Included		Included
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J PRIVACY BREACH EVENT EXPENSES

4303			10,000		Included
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Loss, if any, payable to insured

OTHER COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
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A COMMERCIAL GENERAL LIABILITY

CONDOMINIUMS TRIPLEX

2294		1,000	2,000,000		Included
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PRODUCTS AND COMPLETED OPERATIONS AGGREGATE

2,000,000

NOTICE TO INSURED

Consumer and previous insurer reports containing personal, credit, factual, investigative or previous claim and loss information about the insured may be sought in connection with this policy of insurance or a renewal, extension or variation thereof.

In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

CANCELLATION OF POLICY

The undersigned Insured named in Policy no. and renewal certificates (if any), hereby acknowledges the cancellation thereof effective as of 20 at 12:01 A.M. standard time and agrees that all liability of the Insurer with respect to accidents, losses, or damage occurring on or after that date is hereby terminated.

Signature of Mortgagee

Signature of Insured

24 HOUR EMERGENCY CLAIMS SERVICE
IN CANADA/U.S.A.: 1 - 800 - 607 - 2424

OTHER COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
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B PERSONAL INJURY LIABILITY

2294			2,000,000		Included
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C MEDICAL PAYMENTS
ANY ONE PERSON

2294			25,000		Included
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D TENANTS LEGAL LIABILITY
ANY ONE LOCATION

2294		1,000	250,000		Included
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E S.P.F. 6 STANDARD NON-OWNED AUTOMOBILE POLICY

6063			2,000,000		Included
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F S.E.F. NO. 96 CONTRACTUAL LIABILITY ENDORSEMENT

6663			Included		Included
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G S.E.F. NO. 99 EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

6664			Included		Included
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H ADVERTISING LIABILITY EXTENSION ENDORSEMENT

2333			2,000,000		Included
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I EMPLOYERS BODILY INJURY LIABILITY COVERAGE EXTENSION ENDORSEMENT
APPLIES TO CLERICAL WORKERS ONLY

2299			2,000,000		Included
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J VOLUNTARY COMPENSATION RIDER (\$100 WEEKLY INDEMNITY LIMIT)

2081			Included		Included
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K EMPLOYEE BENEFITS LIABILITY COVERAGE FORM
DEDUCTIBLE APPLIES PER CLAIM

2311		1,000	2,000,000		Included
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AGGREGATE

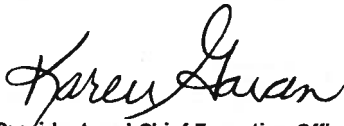
2,000,000

Total Renewal Premium \$ 2,824
THIS POLICY INCLUDES THE FOLLOWING DISCOUNTS:
Claims Free

NOTICE TO INSURED

Consumer and previous insurer reports containing personal, credit, factual, investigative or previous claim and loss information about the insured may be sought in connection with this policy of insurance or a renewal, extension or variation thereof.

In Witness Whereof the INSURER has executed this policy as evidenced by the signature of the authorized representative of the Insurer.



President and Chief Executive Officer

CANCELLATION OF POLICY

The undersigned Insured named in Policy no. and renewal certificates (if any), hereby acknowledges the cancellation thereof effective as of 20 at 12:01 A.M. standard time and agrees that all liability of the Insurer with respect to accidents, losses, or damage occurring on or after that date is hereby terminated.

Signature of Mortgagee

Signature of Insured

24 HOUR EMERGENCY CLAIMS SERVICE
IN CANADA/U.S.A.: 1 - 800 - 607 - 2424

COMMERCIAL BUILDING, EQUIPMENT AND STOCK FORM

WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS DEFINED IN THIS FORM

SECTION I - COVERAGES

INDEMNITY AGREEMENT

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

- (A) the "replacement cost" of the property at the time of loss or damage, unless stated otherwise on the "declarations page";
- (B) the interest of the Insured in the property; or
- (C) the amount of insurance specified on the "declarations page" 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 "declarations page".

SECTION II - PERILS INSURED

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

SECTION III - PROPERTY INSURED

This Form insures the following property, as defined but only those items for which an amount of insurance is specified on the "declarations page".

- (A) "BUILDING"
- (B) "EQUIPMENT"
- (C) "STOCK"
- (D) "CONTENTS OF EVERY DESCRIPTION"
- (E) "PROPERTY OF EVERY DESCRIPTION"

Unless otherwise stated, the insurance in this section applies only at the location(s) specified on the "declarations page".

SECTION IV - EXCLUSIONS

1. PROPERTY EXCLUDED

This Form does not insure loss of or damage to:

- (A) sewers, drains or watermain located beyond the outside bearing walls or foundations of the property insured, but this exclusion does not apply to loss or damage caused directly by "named perils";
- (B) property 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 defined in "named perils", ensues and then only for such ensuing loss or damage;
- (D) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- (E) 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 watercraft, amphibious or air cushion vehicles held for sale, or to unlicensed automobiles or unlicensed trailers used in the business of the Insured when on the premises of the Insured;
- (F) property insured under the terms of any Marine Insurance and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- (G) property on loan or on rental or sold by the Insured under conditional sale, instalment payment or other deferred payment plan, from the time of leaving the Insured's custody, but this exclusion does not apply while such property is in the custody of a carrier for hire for the purpose of delivery at the risk of the Insured;
- (H) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- (I)
 - (i) any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure; or
 - (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 millimetres (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:
 - (i) manually portable gas cylinders;
 - (ii) explosion of natural, coal or manufactured gas; or
 - (iii) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere;
- (J) animals, fish or birds if loss or damage is caused by infection, sickness, disease or internal disorder of any kind.

2. PERILS EXCLUDED

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

- (A) by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Section VI - Definitions, Subsection 10 "Named Perils";
 - (B) by flood, including waves, tides, tidal waves, tsunami, 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 loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment or from a watermain;
- exclusions (A) and (B) do not apply to property in transit;
- (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, unless concurrently and directly caused by a peril not otherwise excluded herein;
 - (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 herein;
 - (D) by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises" unless fire ensues and then only for the loss or 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 loss or damage caused directly by "Named Perils", rupture of pipes or breakage of apparatus not excluded under paragraph (I) of Clause IV. 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 (I) of Clause IV. hereof
- (F) by smoke from agricultural smudging or industrial operations;
- (G) by insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Section IV 2 – P Excluded 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) 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, nuclear explosion or 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 loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment as described in "named perils" of the Definitions Section of this Form;
 - (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 loss or 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 except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders or of tanks 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 test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion; or
 - (f) gas turbines;
 - (iii) settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not otherwise excluded in Section IV 2 - Perils Excluded 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 or
- (N) breakage of any "fine arts" unless caused by fire, earthquake, explosion, falling object striking the exterior of a building, flood, "named perils" or by accident to land, water or air conveyances, or by theft or attempted therat.

THIS FORM DOES NOT PROVIDE INSURANCE FOR:

- (O) 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 damage to the property is insured;
- (P) mysterious disappearance or shortage of "equipment" or "stock" disclosed on taking inventory;
- (Q) loss or damage sustained to "equipment" or "stock" while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of "equipment" or "stock", unless fire or explosion as described in "named perils" of the Definitions Section of this Form ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- (R) loss or damage while "fine arts" are actually being worked upon and directly resulting from or caused by any repairing, restoring or retouching of the property insured unless fire or explosion as described in "named perils" of the Definition Section of this Form ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- (S) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning;
- (T) programming errors or faulty machine instructions; the suspension, lapse or cancellation of any lease, license, contract or order;
- (U) loss or damage caused directly or indirectly by the dumping of "pollutants" at the "premises";
- (V) Pollution Exclusion:

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:
 - (a) 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;
 - (b) to loss or 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".

(W) MISINTERPRETATION OF DATE EXCLUSION

This form does not insure against loss or damage caused directly or indirectly by the failure of any:

- (i) electronic data processing equipment, or other equipment, including micro-chips embedded therein;
- (ii) computer program;
- (iii) software;
- (iv) media;
- (v) data;
- (vi) memory storage system;
- (vii) memory storage device;
- (viii) real time clock;
- (ix) date calculator; or
- (x) any other related component, system, process or device,

to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field.

Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by the following perils, but only to the extent that such loss or damage would otherwise be insured and not excluded under the coverage forms attached to this policy:

(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 or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

- (a)
 - (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) 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;
 - (iv) smelt dissolving tanks;
- (b) 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 loss or damage resulting from the explosion of manually portable gas cylinders;
- (c) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (d) 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; or
- (e) 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; or
- (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 therefrom.

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

- (a) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
- (b) 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 (II); or
- (c) due to theft or attempt thereat.

(V) 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.

(VI) 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 "declarations page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.

(VII) WINDSTORM OR HAIL: There shall in no event be any liability hereunder for 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; or
- (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, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

(VIII) WATER ESCAPE: The term "water escape" means escape of water from any tank, apparatus or pipe.

(IX) THEFT: The term "theft" means the felonious abstraction of property from within the premises by a person making felonious entry therein or exit therefrom.

SECTION V - LIMITATIONS AND CONDITIONS

1. VALUATIONS:

For the purpose of calculating the total value of the property for the application of any co-insurance clause, value reporting and for loss adjustment, the following valuation basis applies:

- (A) on unsold "stock" the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
- (B) on sold "stock" the selling price after allowance for discounts;
- (C) on property of others in the custody or control of the Insured for the purpose of performing work thereon 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;
- (D) on tenant's improvements and records as defined in Section V, Sub Section 3, Special Basis of Settlement (A) and (B);
- (E) on unsold "fine arts" that are considered to be "stock", property of the Insured shall be valued at and insured for amounts indicated on the books and records of the Insured. With respect to property of others in the care, custody and control of the Insured, valuation shall be determined as the amounts agreed upon by the Insured and the owner prior to the loss;
- (F) on sold "fine arts", the selling price after allowance for discounts; and
- (G) 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 loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

2. PREMIUM ADJUSTMENT

(This clause applies only if this Form is on a Reporting Basis and an adjustment rate is shown on the "declarations page.")

- (A) The premium shown on the "declarations page" is provisional only.
- (B) The Insured shall file with the Insurer within 90 days of the expiry or anniversary date of each period of insurance of this Policy a statement for the said period, showing the actual cash value of the stock insured on the last day of each month at each location as calculated by the Insurer's Accountant. The rate applying to each location as stated on the "declarations page" shall be applied on the average amount of the total value declared at each respective location and the earned premium determined.
- (C) If the earned premium so determined exceeds the provisional premium, then the Insured shall pay forthwith the difference in premium to the Insurer.
- (D) If the earned premium is less than the provisional premium then the Insurer shall refund the difference in premium forthwith to the Insured, subject to a minimum retained premium of 50% of the provisional premium.

3. 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 replacement cost of the tenant's improvements immediately prior to the time of destruction or 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 loss or damage to:
 - (I) books of accounts, drawings, card index systems and other records, other than as described in (II) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
 - (II) "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.
- (C) Brands and Labels - In the case of loss or damage to insured property bearing a brand or trademark, the sale of which carries or implies the guarantee of the responsibility of the manufacturers or Insured, the salvage value of such damaged property shall be determined after removal and/or re-identifying such brands or trademarks or other identifying characteristics.
- (D) Replacement Cost:
 - (I) The Insurer agrees to provide replacement cost as the basis of settlement 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; and
 - (c) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Policy on the property to which this endorsement is applicable shall be on the basis of replacement cost as defined herein.

This clause applies separately to each item(s) listed above.

Failing compliance by the Insured with any of the foregoing provisions, settlement shall be made on the basis of the actual cash value of property at the time of loss or damage.

- (II)
 - (a) "REPLACEMENT COST": means the cost of replacing, repairing, constructing or reconstructing (whichever is the least) the property 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.
- (III) 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 condition.
- (IV) EXCLUSIONS:
 - "REPLACEMENT COST" does not apply to:
 - (a) stock;
 - (b) patterns, dies, moulds, and forms which have not been actively used in 24 months;
 - (c) "fine arts";
 - (d) manuscripts and records meaning books of account, drawings, card index systems and other records, "media", data storage devices, and programme devices for electronic electro-mechanical data processing or for electronically controlled equipment; or
 - (e) any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

4. LOCKED VEHICLE WARRANTY

This clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that property insured which is carried in any vehicle shall be contained within a fully enclosed metal body or compartment of the vehicle, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, all points of entry of which shall have been securely locked.

5. PACKING WARRANTY

It is warranted by the Insured that any "fine arts" insured hereunder will be packed and unpacked by competent packers.

6. TERRITORIAL LIMITS

The insured property is covered within the limits of Canada and the continental United States of America (excluding Alaska).

SECTION VI - DEFINITIONS

Whenever used in this Form:

- 1. "Declaration page(s)" means: the declarations page(s) applicable to this Form.
- 2. "Building" means: the building(s) described on the "declaration page" and includes:
 - (A) fixed structures pertaining to the building(s) and located on the "premises";
 - (B) additions and extensions communicating and in contact with the building(s);

- (C) permanent fittings and fixtures attached to and forming part of the building(s);
 - (D) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services; and
 - (E) growing plants, trees, shrubs or flowers inside or outside the "building" used for decorative purposes.
3. **"Equipment"** means:
- (A) contents usual to the Insured's business including furniture, furnishings, fittings, fixtures, machinery, tools, utensils, appliances, "electronic equipment", "media" and "data" other than "building" or "stock" as herein defined;
 - (B) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - (C) tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this Form applies as though such tenant's improvements had been made at the expense of the Insured; or
 - (D) at the option of the Insured, "equipment" is extended to include property belonging to officers and employees of the Insured. Losses, if any, are to be adjusted with and payable to the Insured. The insurance on such personal property shall not attach if it is insured by the owner, unless the Insured is obligated to keep the property insured or is liable for its loss or damage. If the Insured chooses to exercise this option, the value of personal property of officers and employees shall be included in calculating the total value of the property insured.
4. **"Fine Arts"** as described in this Form include paintings, etchings, pictures, tapestries and other bona fide works of art (such as antiques, marbles, bronzes, rare books, antique silver, manuscripts, porcelains, rare glass, figurines and bric a brac) of rarity, historical value or artistic merit but does not include jewellery, gold watches, diamonds or precious metals, money including numismatic property or stamps including philatelic property.
5. **"Stock"** means:
- a) merchandise of every description usual to the Insured's business and includes "fine arts" as described herein that are the property of the Insured or the property of others in the care, custody or control of the Insured, for sale, on consignment to, storage of, or for the purpose of performing work thereon;
 - b) packing, wrapping and advertising materials; or
 - c) similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
6. **"Contents of every description"** means: equipment and stock as defined above.
7. **"Property of every description"** means: building(s), equipment and stock as defined above.
8. **"Premises"** means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described on the "declarations page" and in or on vehicles within 100 metres (328 feet) of such locations.
9. **"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; or
 - (C) any pond or reservoir in which the water is impounded by a dam.
10. **"Named Perils"**
- (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; or
 - (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 loss or 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; or
 - (V) gas turbines.

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

- (I) electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - (II) bursting or rupture caused by hydrostatic pressure or freezing; or
 - (III) 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 therefrom. 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; or
 - (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 Section VI – Definitions, 10 (B); or
 - (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 "declarations page" 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 damage occurs concurrently with and results from an aperture caused by windstorm or hail; or

(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, landslide.

11. **"Pollutants"**: means any solid, liquid, gaseous or thermal irritant, or contaminants including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
12. **"Clean Up"** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
13. **"Electronic Equipment"** means: computers, word processors, computerized production machinery, environment control systems, electronic cash registers, including all of its components, connections and ancillary equipment, and educational and/or training materials in connection therewith.
14. **"Media"** means material on which data is recorded, including but not limited to magnetic tapes, disc packs, paper tapes, cards and the data thereon.
15. **"Data"** means facts, concepts, instructions or computer programmes usable in data processing operations.

EXPRESS ON-PREMISES EXTENSION FORM

WORDS AND PHRASES IN QUOTATION HAVE SPECIAL MEANING AS DEFINED IN THIS FORM

This form provides the following extensions of coverage to Commercial Building, Equipment and Stock Form 6557. The limit for these extensions shall be in addition to the limits of coverage provided in Section I of Form 6557.

The limit of coverage for loss of any or all items under this section shall be an aggregate of \$500,000.

1. Debris Removal:

The Insurer will indemnify the Insured for expenses incurred in the removal from the Insured's "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Form.

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 "declaration pages".

This extension, however, does not insure against direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation resulting from any actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants".

Further, this extension does not insure against direct or indirect loss, damage, 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".

2. "Building" Damage by Theft:

This Form is extended to insure damage (except by fire) to that part of a "building" occupied by the Insured directly resulting from theft or any attempt threat 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 damage and the "building" is not otherwise insured hereunder.

3. Contingent Liability from Enforcement of Building By-laws:

This form shall, as a result of a peril insured against, extend to indemnify the Insured for:

- (A) loss occasioned by the demolition of any undamaged portion of the buildings or structures;
- (B) cost of demolishing, and clearing the site of any undamaged portion of the buildings or structures; or
- (C) any increase in the cost of repairing, replacing, construction or reconstructing the buildings, or structures on the same site or on an adjacent site, of like height, floor area and style, and for the like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:
 - (i) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - (ii) is in force at the time of such loss or damage.

This extension, however, does not insure against:

- (A) direct or indirect loss, damage, cost or expense, arising out of the clean-up, removal, containment, treatment, detoxification, decontamination, stabilization, neutralization, or remediation, resulting from any actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of "pollutants"; or
- (B) direct or indirect loss, damage, 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".

4. Cost of Preparing Proof of Loss:

This form insures fees to substantiate loss, being reasonable fees, charged by independent consultants retained by the Insured for the purpose of producing and/or certifying particulars and details required by the Insurer in connection with an insured loss. Independent Consultants means auditors, accountants, lawyers, architects, engineers, or other professionals, excepting the Insured's own employees or public adjusters.

The coverage provided applies only to fees incurred in establishing the quantum of a loss, liability for which is otherwise accepted by the Insurer.

5. Land and Water Clean up expenses for on premises pollutants.

- A. The Insurer will indemnify the Insured for expenses incurred to "clean up" "pollutants" from land or water at the "premises" provided the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants"
- (i) is occasioned by loss or damage to property insured at the "premises" for which insurance is afforded under the form to which this endorsement is attached;
 - (ii) is sudden, unexpected and unintended from the standpoint of the Insured and
 - (iii) first occurs during the policy period.

Limits of Insurance

- B. The maximum amount of insurance under this endorsement during any one-policy period shall not exceed more than \$25 000 in the aggregate, during each separate twelve month period of this policy.

No Automatic reinstatement

- C. Notwithstanding the Reinstatement Clause in the form to which this endorsement is attached, following a loss under this endorsement the amount of insurance specified on the "Declarations

Page" for this endorsement will be reduced by the amount payable.

Additional Exclusions

- D. The Insurer shall not be liable for:

- (i) expenses for "clean up" away from or beyond the "premises" resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", even if the "pollutants" emanated from the "premises";
- (ii) expenses for "clean up" of any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" that began before the effective date of this policy;
- (iii) fines, penalties, punitive or exemplary damages;

- (iv) expenses incurred for the "clean up" of "pollutants" at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

Additional Policy Conditions

E. Reporting Period

It is a condition precedent to recovery under this endorsement that all expenses insured by this endorsement must be incurred and reported to Insurer within 180 days of the spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of "pollutants" for which "clean up" expenses are being claimed.

F. Other Insurance

The insurance afforded by this endorsement shall apply as excess over any other valid and collectible insurance available to the Insured or any other interested party.

6. Consequential loss assumption including off premises power

The insurance under this Form is extended to include loss, destruction or damage to contents, due to change in temperature, caused by the perils insured against, to the refrigerating or cooling apparatus, connections or supply pipes and apparatus furnishing power thereto, situate on the premises described in the declarations, and/or to off premises public utility plants, substations, transformer or switching stations or transformers and transmission lines furnishing electrical heat, light or power to the premises described in the declarations.

7. Automatic Inflation Protection – It is agreed that, the amount of insurance applicable to "building(s)" shall be increased during the policy period by the proportion by which the latest published Building Construction Index has increased since the last premium due date.

- (A) At the premium due date, the amount of insurance shall be increased automatically in accordance with the latest published Building Construction Index and the appropriate premium charged.
- (B) If the amount of insurance applicable to "building(s)" is changed at the request of the Insured during the policy period, the increase will be calculated from the effective date of such change.
- (C) If the policy insures two or more items, the foregoing shall apply separately to each item to which this extension applies.
- (D) In this extension:
- (i) "Building Construction Index" means the Construction Building Material Price Indexes (non-residential) published by Statistics Canada; and
- (ii) "Premium Due Date" means the inception, renewal or anniversary date of the policy.

8. Seasonal Automatic Increase: - When a limit of liability is shown in the declarations for "stock" or "equipment" (as defined) the limit of liability for such coverages is automatically increased by 25% to provide for seasonal variations. However, this increase shall not apply unless the limit of liability shown in the declarations is 100% or more of the Insured's average monthly values for the 12 months immediately preceding the date of loss, or in the event the Insured has been in business for less than 12 months, such shorter period of time.

9. Valuable Papers and Records: (Only applicable where this Section insures "equipment") - for the extra expense necessarily incurred in the cost of compiling books of account, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic "data" processing, all the property of the Insured; when such records are damaged by a peril insured against.

10. Automatic Fire Suppression System Recharge Expense:

This Form insures any automatic fire suppression system recharge expense incurred by the Insured due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the premises of the Insured where such discharge or leakage is caused by or results from a peril insured against under this Form.

11. Fire Department Service Charges:

This Form insures the liability of the Insured assumed by contract or agreement prior to loss or damage, for fire department charges incurred when the fire department is called to save or protect property insured from a fire.

We Insure

12. "Fine Arts"

- (A) Unscheduled "fine arts" not considered to be merchandise as set out under the definitions of "stock" under the Commercial Building, Equipment and Stock Form 6557 are insured for not more than \$75,000 on any one item. Further, any property scheduled as "fine arts" in the declarations attached hereto, for not more than the amount set opposite the respective articles and only:
- (i) while the property is at the location(s) specified in the declarations;
- (ii) while in transit between the specified locations if more than one stipulated herein; and
- (iii) elsewhere within the territorial limits of Canada and the Continental United States of America (excluding the premises of fair grounds or of any National or International exposition unless endorsed hereon) provided the "fine arts" are not considered to be personal property and are owned by the business of the Insured as specified in the declarations.
- (B) Any article in the declarations prefixed with the letter "V" is valued at and insured for the amount appearing opposite thereto. Notwithstanding the foregoing the Insurer may elect to repair any damaged article or replace any lost or damaged article with another of like quality and value.

13. Master Key Coverage:

Due to the theft of the original keys, this form insures the cost of replacing or re-adjusting locks to a master key that controls all doors at the location(s) shown on the "declarations page".

14. Accounts Receivable: (Only applicable where this Section insures "stock", or "equipment")

- (A) all sums due the Insured from customers, provided the Insured is not able to effect collection thereof as the direct result of loss of or damage to records of accounts receivable by a peril insured against contained on the Insured's premises described herein;
- (B) interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- (C) collection expense in excess of normal collection cost and made necessary because of such loss or damage; or
- (D) other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

Additional Exclusions

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

- (A) loss due to bookkeeping, accounting or billing errors or omissions;

- (B) loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder; or
- (C) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding.

Additional Conditions

(A) Recoveries

After payment of loss all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Insurer by the insured up to the total amount of loss paid by the Insurer; but all recoveries in excess of such amounts shall belong to the insured.

(B) Adjustment of loss

In the event that the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date loss occurs, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- (i) **determine** the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- (ii) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Insurer, as compared with such average for the same months of the preceding year;
- (iii) the amount determined under (A) above, increased or decreased by the percentage calculated under (B) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs; and
- (iv) the amount determined under (C) above, shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

In determining the amount of the Insurer's liability for any loss hereunder there shall be deducted from the total amount of accounts receivable the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. On deferred payment accounts receivable, unearned interest and service charges shall be deducted.

(C) Insured's Duties When Loss Occurs.

Upon the occurrence of any loss which may result in a claim hereunder, the Insured shall: File detailed proof of loss, duly sworn to, with the Insurer promptly on expiration of ninety days from the date on which the records of accounts receivable were lost or damaged.

Upon the Insurer's request, the Insured shall submit to examination by the Insurer, subscribe the same, under oath if required, and produce for the Insurer's examination all pertinent records, all at such reasonable times and places as the Insurer shall designate, and shall co-operate with the Insurer in all matters pertaining to loss or claims with respect thereto, including rendering of all possible assistance to effect collection of outstanding accounts receivable.

(D) Arbitration

If the Insured and the Insurer fail to agree as to the amount of loss, each shall, on the written demand of either made within sixty days after receipt of proof of loss by the Insurer, select a competent and disinterested arbitrator, and the arbitration shall be made at a reasonable time and place. The arbitrators shall first select a competent and disinterested umpire, and failing for fifteen days to agree upon such umpire, then, on the request of the Insured or the Insurer, such umpire shall be selected by a judge of a court of record in the country or area in which such arbitration is pending. The arbitrators shall then arbitrate the loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Insurer shall each pay his or its chosen arbitrator and shall bear equally the expenses of the umpire and the other expenses of the arbitration.

The Insurer shall not be held to have waived any of its rights by any act relating to arbitration.

15. "Equipment", "Data" and Media Breakdown

(A) Systems Breakdown

This insurance is extended to include direct physical loss or damage to electronic "data" processing equipment, "data" and media caused by:

- (i) Mechanical breakdown or machinery disturbance.
- (ii)
 - (a) Short circuit or other electrical disturbance; or
 - (b) electrical or magnetic injury.

Coverages (a) and (b) above, apply only if the cause of such injury, erasure, interruption of power supply, power surge, blackout or brown-out originates within the insured premises or within 100 feet (30.5m) thereof.

- (iii) Faulty construction, error in design, or actual work performed upon property insured. (This coverage does not apply to loss for damage to "data" or media).

This extension provides no insurance for:

- (i) accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except while they may exist as electronic "data" and then only in that form;
- (ii) any "data" processing media which cannot be replaced with other of like kind and quality;
- (iii) any loss that is covered by a manufacturer's warranty or service contract; or
- (iv) expense or cost arising out of: preventative maintenance; repair of defects due to wear and tear; repair of defects and damages occurring during normal operations with no external influence; operating checks.

Valuation

For the purposes of calculating the total value of the property and for loss adjustment, the following valuation basis applies: "Equipment" - the Insurer shall not be liable beyond the replacement cost of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of the replacement cost of property similar in kind to that insured at the place of and immediately preceding the time of such loss or damage.

"Media" - the cost of repairing or replacing with material of like kind and quality.

"Data" - the actual reproduction cost, but only where the "data" is in a format which can be transferred to media by electronic means or by keyboard entry, and there shall be no coverage hereunder for the cost of assembling or re-creating such "data".

16. Eco-Friendly Enhancement:

(A) Insurance is extended to include:

- (I) Any increase in the direct costs to repair or replace damaged property insured using "environmentally-friendly" material or mode of construction or "energy-efficient" materials or modes of construction;
- (II) Additional fees incurred by the insured for an accredited professional certified by Canada Green Building Council/LEED Canada[®] participate in the design and construction for repairing or rebuilding physically damaged insured property as "environmentally-friendly" or "energy-efficient"; and
- (III) The additional cost incurred by the insured for certification or re-certification of the repaired or replaced insured property as "environmentally friendly" or "energy-efficient".

Coverage under sub-paragraphs (I), (II) and (III) is subject to the following provisions:

- (a) Replacement shall be at the option of the insured and effected by the Insured with due diligence and dispatch;
- (b) Settlement for the increased costs of repair or replacement of insured property shall be made only when the repair or replacement has been effected by the Insured, and in no event shall it exceed the amount actually expended;
- (c) This endorsement applies to "building" and "equipment";
- (d) Failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this endorsement had not been in effect.

(B) Limits of Liability:

The insurer shall not be liable under this endorsement for more than \$50,000, regardless of the number of insured items to which this form attaches.

(C) Exclusions:

This endorsement does not apply:

- (I) to "stock", raw materials, finished goods, merchandise, production machinery and equipment, electronic data processing equipment not used in the support of real property, molds and dies, property in the open, property of others for which the insured is legally liable, or personal property of employees and officers;
- (II) to any increase in the cost of repair or replacement of insured property occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law;
- (III) in instances where no "environmentally-friendly" or "energy-efficient" equivalent exists. In those instances, we will pay only to replace with standard materials, modes of construction, equipment and products.

(D) Definitions:

"Energy-efficient" means those products or modes of construction that are ENERGY STAR[®] or Canada Green Building Council/LEED Canada[®] rate accredited.

"Environmentally-friendly" means materials or modes of construction that are Canada Green Building Council/LEED[®] Canada accredited.

EXPRESS OFF-PREMISES FORM

This Form provides the following extensions of coverage to Commercial Building, Equipment and Stock Form 6557. The limit for these Extensions shall be in addition to the limits of coverage provided in Section I. of Form 6557.

The limit of coverage for loss of any or all items under this section shall be an aggregate of \$500,000.

(I) Removal:

If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further loss or 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 10 days only, or for the unexpired term of the Policy if less than 10 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.

(II) "Equipment" and "Stock" other than at a specified location including:

- (a) while in transit; or
- (b) in the custody of a salesperson;

however, there shall be no liability under this item at any job site, or to any location owned or rented by the Insured, but this does not include premises;

- (i) you have paid a fee to rent for the purposes of a trade show, craft show, exhibition, or similar type of event,
- (ii) you are dwelling in, whether temporary or permanent.

(III) Newly Acquired Buildings and Contents at Newly Acquired Locations - Insurance is provided for:

- (a) any newly Acquired Building, owned by the Insured, and used for similar occupancy or warehouse purposes; and
- (b) Stock and Equipment at any new location owned, rented or controlled by the Insured;

If the Building or Stock and Equipment are situated within the territorial limits of Canada, and have been acquired by the Insured after the inception date of this policy.

This coverage shall cease 60 days from the date of such acquisition, or at the inception of more specific insurance, or at expiration of this policy, whichever occurs first.

When such Building or Stock and Equipment are to be insured under this Section beyond a period of 60 days, premium therefore shall be payable from the date of acquisition.

(IV) Buildings in Course of Construction - subject to all its terms and conditions this clause insures new additions, new buildings and new structures intended for similar occupancy by our insured. This coverage shall cease 60 days from the date construction begins, or at the inception of more specific insurance, or at expiration of this policy, whichever occurs first.

(V) Installation Floater - This clause extends insurance to cover supplies, machinery, equipment and materials (the property of the Insured or for which the Insured is legally liable) which the Insured has contracted to install or which will be used in completing an installation contract, anywhere in Canada, but only while such property is in transit to the premises for installation or while thereat awaiting installation or while being installed, it being agreed that coverage on all property ceases when:

- (a) the insured's interest ceases; or
- (b) the property installed has been accepted; or
- (c) thirty (30) days after completion of the installation; or
- (d) this policy expires;

whichever shall first occur.

This Extension of Coverage does not insure:

- (a) loss or damage to any installation or part thereof from the commencement of use for purposes for which it was intended.
- (b) against loss or damage covered under any guarantee or warranty (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is insured under this policy;
- (c) property while located on any premises owned, leased or occupied by the insured;
- (d) loss or damage caused by delay, deterioration, loss of market, loss of use;
- (e) loss by explosion to any pressure vessel or internal combustion engine in which the explosion originates;
- (f) loss or damage to electrical apparatus (including wiring) caused by artificial electricity unless fire or explosion ensues and then only for loss or damage caused by such ensuing fire or explosion;
- (g) loss or damage by theft resulting from infidelity, or any dishonest act of the Insured, the Insured's employees or agents or any person or persons to whom the insured property is entrusted (bailees for hire excepted);
- (h) any loss caused directly or indirectly by inherent vice, latent defect, faulty materials or workmanship or error in design unless fire or explosion ensues, and then only for loss or damage caused by such ensuing fire or explosion.
- (i) contractors' and sub-contractors' tools and equipment;
- (j) bridges, viaducts, docks, piers, wharves, tunnels or dams, unless otherwise specifically endorsed hereon;
- (k) accounts, bills, currency, deeds, evidences of debt, money, notes, securities, manuscripts, records, or other documents, provisions, motor vehicles, trailers and other conveyances or their appurtenances or accessories.

EXPRESS BOILER AND MACHINERY EXTENSION FORM

SECTION I - INSURING AGREEMENT

In consideration of the premium, the Insurer agrees with the Insured that if there is a "Breakdown" occurring during the Period of Coverage to the "Insured Equipment" while the "Insured Equipment" is connected ready for use at a location specified in the Declarations and subject to all the terms, provisions and conditions (including Statutory Conditions) of the policy, except as they may be varied herein, and to the Declarations, Exclusions and Conditions applicable to this Rider, as follows:

- a) to pay for loss
 - (i) to the "Insured Equipment" and
 - (ii) to other "Insured Property" directly damaged by the "Breakdown";
- b) to pay for loss of perishable "Insured Property" that spoils solely as a result of the "Breakdown";
- c) if Business Interruption/Extra Expense is covered by the policy to which this Rider is attached, to pay for the Business Interruption/Extra Expense which results solely from the "Breakdown".

SECTION II - EXCLUSIONS

This Rider does not apply:

- a) to loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused;
- b) to loss caused by or resulting from:
 - (i) war, including undeclared or civil war;
 - (ii) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (iii) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these;but unless associated with the foregoing, loss from a "Breakdown" of "Insured Equipment" arising out of any strike, riot, civil commotion, acts of sabotage, vandalism or malicious acts by others is covered;
- c) to loss caused by or resulting from pollution, contamination or damage by a "Hazardous Substance", however caused, except as provided in Condition 7;
- d) to loss from a "Breakdown" caused by or resulting from:
 - (i) earth movement, including but not limited to earthquake, landslide, mud flow, subsidence, volcanic eruption, tidal wave or tsunami;
 - (ii) wind, including but not limited to cyclone, tornado or hurricane;
 - (iii) fire, smoke or combustion explosion; or
 - (iv) water or other means used to extinguish a fire;
- e) to loss caused by or resulting from:
 - (i) fire, smoke or combustion explosion that occurs at the same time as a "Breakdown" or that ensues from a "Breakdown". However, with respect to any "Insured Equipment" which is an electrical or electronic machine or apparatus, fire damage within the said machine or apparatus which occurs at the same time as a "Breakdown" or that ensues from a "Breakdown" is covered;
 - (ii) flood, however, if a "Breakdown" of "Insured Equipment" results from a flood, damage or expense caused by the "Breakdown" is covered;
 - (iii) lightning, if coverage for that cause of loss is provided by any other insurance in effect at the time of the loss;
 - (iv) escape of water resulting from a "Breakdown" unless:
 - (a) coverage is not provided by any other insurance in effect at the time of the loss, and
 - (b) the water escapes from "Insured Equipment" that normally contains water or steam;
 - (v) damage to "Data", except as provided in Condition 8;
- f) to loss from:
 - (i) delay or interruption of business except as may be provided in Insuring Agreement Section I(c);
 - (ii) any other indirect result of a "Breakdown" except as may be provided in Insuring Agreement Section I(b) and (c);
- g) to loss caused by or resulting from the partial or total failure, malfunction, or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit, or other similar device due to:
 - (i) the erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
 - (ii) any error in creating, amending, entering, deleting, or using "Data";
 - (iii) the inability to receive, transmit, or use "Data"; or
 - (iv) the impact of any virus or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks, or similar facility, or of any internet address, website, or similar facility;however, loss that ensues solely from the "Breakdown" of any other "Insured Equipment" is covered.
- h) to loss caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to, or terminate "Terrorism". Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

As used herein, "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s), or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- i) to loss covered under the Property Commercial Building, Equipment and Stock form or under any extension endorsement attached thereto.

SECTION III - CONDITIONS

1. LIMIT OF LIABILITY

The Insurer's total liability from any "One Breakdown" under Insuring Agreement Section I(a) and (b) shall not exceed the Limit of Liability as specified in the Declarations as applicable to this Rider.

2. BUSINESS INTERRUPTION/EXTRA EXPENSE

If the policy to which this Rider is attached insures against Business Interruption/Extra Expense, but not otherwise, this Rider also covers such Business Interruption/Extra Expense which results solely from a "Breakdown" of "Insured Equipment" subject to all the terms, provisions and conditions of the Business Interruption/Extra Expense coverages forming a part of this policy, and subject to the following additional provisions:

- (i) Notice of "Breakdown" and Commencement of Liability

The Insured shall immediately give notice of "Breakdown" to any office of the Insurer and that notice must be confirmed in writing. The commencement of the Insurer's liability under this coverage shall be (1) the time of the "Breakdown" or (2) twenty-four hours before the notice of "Breakdown" is received, whichever is later.

(ii) Limit of Insurance

Under Insuring Agreement Section I (c), the Insurer's liability for Business Interruption/Extra Expense shall be separate from and in addition to the Limit of Liability specified in the Declarations applicable to this Rider. This liability, however, is not to exceed the limit of Business Interruption/Extra Expense specified for this coverage in the policy.

3. EXPEDITING EXPENSES

If there is a "Breakdown" of "Insured Equipment", the Insurer shall pay the reasonable extra cost to:

- (i) make temporary repairs;
- (ii) expedite permanent repairs; or
- (iii) expedite permanent replacement;

of the "Insured Equipment" or other "Insured Property" which is directly damaged by the "Breakdown".

4. BYLAWS

If prior to the time of a "Breakdown" of "Insured Equipment" there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of "Insured Property" the Insurer shall be liable under this Rider for:

- (i) the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling;
- (ii) if Business Interruption/Extra Expense is provided by this Rider, but not otherwise, the increase in Business Interruption/Extra Expense caused solely as a result of the law, by-law, ordinance, regulation, rule or ruling.

5. PROFESSIONAL FEES/AUDITORS FEES

If the policy to which this Rider is attached covers Professional Fees or Auditors Fees, but not otherwise, this Rider also covers such Professional or Auditors Fees subject to the limit specified for this coverage in the policy.

6. SERVICE INTERRUPTION

If there is a "Breakdown" of equipment not owned or operated by the Insured, the Insurer shall be liable:

- (i) for loss of perishable "Insured Property" which spoils; and
- (ii) only if Business Interruption/Extra Expense insurance is provided by this Rider, for Business Interruption/Extra Expense;

but only if the equipment is:

- (i) of a type described in the definition of "Insured Equipment";
- (ii) located on or within one thousand (1000) meters of the Insured's premises;
- (iii) owned by the building owner at the premises of the Insured or by a public utility company; and
- (iv) used to supply steam, gas, air, water, refrigeration, electricity, air conditioning, heating or communication services to the Insured's premises.

7. HAZARDOUS SUBSTANCES

If a "Hazardous Substance" is involved in or released by a "Breakdown" of "Insured Equipment", the Insurer shall be liable to pay:

- (i) the increase in cost to repair, replace, clean up or dispose of, affected "Insured Property"; and
- (ii) if Business Interruption/Extra Expense coverage is provided by this Rider, the increase in Business Interruption/Extra Expense loss because of the presence of "Hazardous Substances";

however, in no event shall the Company be liable for loss in excess of \$100,000.

As used in this coverage, increase in cost or in loss is that cost or loss beyond that for which the Insurer would have been liable had no "Hazardous Substance" been present.

8. DATA COVERAGE

If, as a result of a "Breakdown" of "Insured Equipment", "Data" is lost or damaged, the Insurer shall be liable for:

- (i) the cost of gathering or reproducing the "Data"; and
- (ii) the Business Interruption/Extra Expense resulting from the loss or damage to the "Data" only if Business Interruption/Extra Expense is provided by this Rider,

however, in no event shall the Insurer be liable for loss in excess of \$25,000.

The Insurer shall not be liable for "Data" which is lost or damaged as a result of programming errors of any kind, including the inability of software to correctly read, recognize, save, process, or interpret any date or time.

9. BASIS OF SETTLEMENT

a) Property Damage

Under Insuring Agreement 1(a), the Insurer agrees to pay for "Insured Property" which is damaged, as follows:

- (i) on "Media", the cost of blank material;
- (ii) on exposed film, records, manuscripts and drawings, the cost of blank material plus the cost of transcription;
- (iii) on any heat exchanger that forms part of forced air heating equipment that is five (5) years old or more from the date of purchase new, its Actual Cash Value;
- (iv) on all other "Insured Property", the lesser of the cost at the time of the "Breakdown"
 - a) to repair; or
 - b) to replace with similar property of like kind, capacity, size, quality and function.

The Insurer shall not be liable:

- (i) for the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- (ii) for more than the cost to replace the property with other property of like kind, capacity, size, quality and function;
- (iii) for more than the cost to replace the property at the same or adjacent site; nor
- (iv) for loss or damage to property which is useless or obsolete to the Insured.

If the damaged property is not repaired or replaced within 12 months after the date of the "Breakdown", the Insurer's liability will only be for Actual Cash Value of the damaged property. Actual Cash Value is the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused. In determining depreciation consideration will be given to such items as the age, condition, and normal life expectancy of the property.

b) Environmental and Efficiency Improvements

Under insuring Agreement I(a), if "Insured Equipment" requires replacement due to a "Breakdown", the Insurer shall pay for the additional cost to replace with equipment that is better for the environment, or more efficient than the equipment that is being replaced. However, the Insurer will not pay more than 125% of what the cost would have been to replace with like kind, capacity, size, quality and function.

This provision does not apply to any property insured on an Actual Cash Value basis.

c) Spoilage

The Insurer shall pay under Insuring Agreement Section I(b) the amount that is spent to replace perishable "Insured Property" which spoils solely as a result of the "Breakdown" of "Insured Equipment". If the "Insured Property" is not replaced, the Insurer shall only pay for the Actual Cash Value of the property.

10. DEDUCTIBLE

From the total amount of loss, damage and expense for which the Insurer is liable following any "One Breakdown" of "Insured Equipment" shall be subtracted the Deductible specified in the Declarations. The deductible applicable to "Production Machines or Apparatus" shall be \$1,000 or that amount shown as deductible in the Declarations for this coverage whichever is higher.

11. INSPECTION

The Insurer or its Reinsurer shall have the right to make inspections of "Insured Equipment" at any reasonable time. Neither this right to make inspections nor making them is an undertaking to the Insured or others that the "Insured Equipment" is safe and not hazardous or injurious to health.

12. SUSPENSION

Upon the discovery of "Insured Equipment" in or exposed to a dangerous condition any representative of the Insurer or its Reinsurer may immediately suspend the Insurance against loss from the "Breakdown" of that equipment (which will include any insurance applying to the interest of any Mortgagee specified in the policy). Notice of suspension shall be given either at the Mailing Address specified in the Declarations, or at the location of the equipment. The Insurer or its Reinsurer agrees to furnish a copy of the Suspension Notice to the Mortgagee. Once coverage has been suspended, it can only be reinstated by an endorsement issued to form part of this policy. The Insured shall be allowed a pro-rata refund of premium for that equipment for the period that coverage is suspended.

13. SPECIAL PROVISIONS

The Insurer shall not pay for any loss or damage caused by or resulting from the "Breakdown" of any:

- (i) equipment of a type defined as "Insured Equipment" manufactured by the Insured for sale; nor
- (ii) "Insured Equipment" while such "Insured Equipment" is undergoing any pressure test, an insulation "Breakdown" test or is being dried out.

SECTION IV - DEFINITIONS

1. **"Insured Equipment"** means any equipment owned, leased, operated or controlled by the Insured as described below:

- a) Any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping and its accessory equipment, any heat exchanger that forms part of forced air heating equipment, but not including:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired pressure vessel that does not contain steam or water; nor
 - (iii) any buried piping, any drainage piping, any sprinkler piping and its accessory equipment;
- b) Any mechanical or electrical equipment, including "Production Machines or Apparatus", used for the generation, transmission or utilization of mechanical or electrical power, but not including:
 - (i) any vehicle or mobile equipment; nor
 - (ii) any lifting or safety cables, anchorages, car buffers or counterweight buffers forming part of an elevator system; nor;
- c) Any electronic machine, device or instrument or fibre optic cable used for research, diagnosis, treatment, communication, word processing, data processing, duplicating, monitoring or scanning.

2. **"Insured Property"** means property of the Insured or property of others in the Insured's care, custody or control and for which the Insured is legally liable.

3. **"Breakdown"** means a sudden and accidental failure of equipment resulting in physical damage to the equipment which requires the repair or replacement of the equipment or a part of the equipment.

"Breakdown" does not mean:

- (i) depletion, deterioration, corrosion or erosion of material;
- (ii) wear and tear;
- (iii) vibration or misalignment;
- (iv) the functioning of any safety device or protective device; nor
- (v) the failure of a structure or foundation supporting the equipment or a part of the equipment.

4. **"One Breakdown"** means if either the "Breakdown" of "Insured Equipment" causes the "Breakdown" of other "Insured Equipment" or a series of "Breakdowns" occur at the same time as a result of the same cause, they will all be considered as "One Breakdown".

5. **"Hazardous Substance"** means

- (i) any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment, or
- (ii) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus, mildew, whether or not allergenic, pathogenic or toxigenic.

6. **"Data"** means facts, concepts, information, or software in a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment.

7. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

8. **"Production Machine(s) or Apparatus"** means any equipment which processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished product, and any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus, including
- (i) any pump, compressor, fan, blower, engine or turbine;
 - (ii) any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
 - (iii) any electrical equipment; and
 - (iv) any electronic equipment used solely to start, stop, control or monitor such production machine.

RESIDENTIAL CONDOMINIUM CORPORATION BROAD FORM ENDORSEMENT

THE INSURER AGREES WITH THE NAMED INSURED:

This form provides the following Extension of Coverage to Commercial Building, Equipment and Stock Form attached to this policy.

Unless specifically noted otherwise, all terms, provisions, conditions and definitions of the Commercial, Building, Equipment and Stock Form shall have full effect and be applicable to this form.

Words and Phrases in Quotation Marks Have Special Meaning as Defined in this Form and The Commercial Building, Equipment and Stock Form.

I) Property Excluded

This Form does not insure loss of or damage to:

- (a) "building" or "contents", if all "units" are to the knowledge of the "Condominium Corporation" vacant or unoccupied for more than 30 consecutive days;
- (b) property belonging to the owners of individual "units";
- (c) improvements and betterments to individual units made or acquired by the owners of such "units";

II) 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) **Trustee Fees:** Where, pursuant to the Declaration and The Insurance Trust Agreement, the Insurance Trustee shall be entitled to levy and shall levy a fee or fees against The "Condominium Corporation" or any of the "Unit" Owners, and such fee or fees shall arise pursuant to loss otherwise insured by this Policy, the Insurer will indemnify the Insured for the amount of such fee or fees, subject to a limit of \$50,000. any one loss or occurrence under this Section and provided the amount of the fee or fees levied does not exceed the lesser of 1.25% of the sum insured or 1.25% of the loss sustained and otherwise payable under this Policy without regard to the benefit under this endorsement.
- (b) **Common Expense:** The Insurer agrees to indemnify The "Condominium Corporation" for the loss of such obligatory contribution toward common expense as may be assessed from time to time by the Condominium Corporation against all "unit" owners, provided that the Insurer shall be liable under this extension for not more than the pro-rata share of such expense during the time the unit or units remain unoccupied and untenable following an occurrence; but in no event shall the limit of liability as stated in this Policy be exceeded.
- (c) **Property of Others:** Where the "Condominium Corporation" accepts "contents" from others for custody or safe-keeping, and thereby becomes responsible for such property, the Insurer will indemnify the "Condominium Corporation" under the Section subject always to a limit of \$1,000. for each owner of such "contents" and a limit in any one occurrence of \$25,000. For the purpose of this extension only, and no other, Item 1(b) of "Property Excluded" is waived.

III) Breach of Conditions

It is further agreed that this insurance shall not be prejudiced by:

- (a) any act or neglect of any occupants or owners of the "building" or any part thereof when such act or neglect is not within the control of the "Condominium Corporation", or
- (b) failure of the "Condominium Corporation" to comply with any warranty or condition herein with regard to any portion of the "premises" over which "Condominium Corporation" has no control.

IV) Subrogation

Except with respect to arson, fraud or vehicle impact, the Insurer agrees with the Insured to waive its right of subrogation as to any claim against:

- (a) the "Condominium Corporation", its Directors, Property Managers, agents and employees; and
- (b) the "unit" owners and, if residents of a "unit" owner's household, his or her "spouse", the relatives of either and any other person under the age of 21 in the care of a "unit" owner or his or her "spouse".

Independent contractors shall not be considered agents or employees of the "Condominium Corporation", its Directors, Property Managers, or of the "unit" owners. Any release from liability entered into by the Insured prior to loss does not affect the right of the Insured to recover.

V) Loss Adjustment

The "Condominium Corporation" has the exclusive right to adjust any loss with the Insurer, and the owner of a damaged "unit" is bound by such adjustment, provided, however, that the said "Condominium Corporation", may in writing, authorize an owner to adjust any loss to his "unit" with the Insurer.

VI) Loss Payable

Loss, if any, shall be payable in accordance with the provisions of the provincial legislation under which the "Condominium Corporation" is constituted. If the legislation has no such provision, loss, if any, shall be payable as stated on the "Declarations Page".

VII) Waiver of Insurer's Option to Repair

Where, after a loss, a valid determination is made in accordance with provincial legislation not to repair or rebuild and any relevant statutory requirements in connection with such determination have been complied with, or where, by virtue of such legislation, the Court has made an order directing the application of insurance monies, the Insurer waives its option to repair and settlement of the loss shall be on an actual cash value basis.

VIII) Termination

In those jurisdictions where provincial legislation under which the "Condominium Corporation" is constituted prescribes different policy termination conditions from those contained in the Statutory Conditions or General Conditions of this policy as the case may be, such prescribed conditions shall apply.

IX) Definitions

Whenever used in this form:

- a) **"Condominium Corporation"** means a Corporation constituted under provincial legislation relating to condominiums or co-ownership by declaration and includes a strata corporation and in Quebec means the meeting of co-proprietors duly constituted.
- b) **"Contents"** means personal property not included in paragraph (a) owned by the "Condominium Corporation" and similar property belonging to other persons which the Insured is under obligation to keep insured or for which the Insured is legally liable, all while situated on the "premises".
- c) **"Spouse"** includes either of two persons who are living together in a conjugal relationship or have so lived together continuously for a period of three years or, if they are the natural or adoptive parents of a child, for a period of one year.
- d) **"Unit"** means the unit as defined in provincial legislation relating to condominiums or co-ownership by declaration and includes a strata lot, and in Quebec exclusive portion as so defined.

EXTRA EXPENSE (100%) FORM

1. INDEMNITY AGREEMENT

This Form insures, up to the amount stated in the Declarations, the necessary "extra expense" incurred by the Insured in order to continue as nearly as practicable the "normal" conduct of the Insured's business following damage to or destruction by the perils insured against to the building(s) or additions thereto or contents thereof, commencing with the date of the loss and not limited by the date of expiration of this Form, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the described building(s) or additions thereto or contents thereof as may be destroyed or damaged.

2. AMOUNT OF INSURANCE

The liability shall in no event exceed the amount of insurance stated on the Declarations Page.

3. RESUMPTION OF OPERATIONS

As soon as practicable after any loss, the Insured shall resume complete or partial business operations of the property described and, in so far as practicable, reduce or dispense with such extra expenses as are being incurred.

4. INTERRUPTION BY CIVIL AUTHORITY

This Form is extended to include the actual loss as insured hereunder during the period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority, but only when such order is given as a direct result of damage to neighbouring premises by a peril insured against.

5. ADDITIONAL EXCLUSIONS

The Insurer shall not be liable for:

A)

- (i) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures unless the liability is otherwise specifically assumed by endorsement hereon;
- (ii) any increase of loss caused by delays or loss of time due to the presence of strikers or other persons or to labour disturbances on or about the premises interfering with the rebuilding, repairing, or replacing the property damaged or destroyed or the resumption or continuation of business or free access to or control of the premises or due to the action of sympathetic strikers elsewhere;
- (iii) loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (iv) loss due to the suspension, lapse or cancellation of any lease or license, contract or order;
- (v) the cost of compiling books of account, abstracts, drawings, card index systems or other records including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing.

B) Misinterpretation of Date Exclusion

The Insurer shall not be liable for loss resulting from loss or damage caused directly or indirectly out of the failure of any:

- (i) electronic data processing equipment, or other equipment, including micro-chips embedded therein;
- (ii) computer program;
- (iii) software;
- (iv) media;
- (v) data;
- (vi) memory storage system;
- (vii) memory storage device;
- (viii) real time clock;
- (ix) date calculator; or
- (x) any other related component, system, process or device,

to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by the following perils, but only to the extent that such loss or damage would otherwise be insured and not excluded under the coverage forms attached to this policy:

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 loss or 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;
- ADDITIONAL EXCLUSIONS (continued)
- (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 therefrom.

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 (B);
- (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 "Declarations Page" 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 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, landslide.

H) **WATER ESCAPE:** The term water escape means escape of water from any tank, apparatus or pipe.

I) **THEFT:** The term theft means the felonious abstraction of property from within the premises by a person making felonious entry therein or exit therefrom.

6. WAIVER OF TERM OR CONDITION

No term or condition of this Policy 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 this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.

7. DEFINITIONS

(a) "Extra Expense" means the excess (if any) of the total cost incurred for the purpose of continuing the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no loss occurred: The cost in each case to include expense of using other property or facilities of other concerns or other similar necessary emergency expenses. In no event, however, shall the Insurer be liable under this Form for loss of income nor for "extra expense" in excess of that necessary to continue as nearly as practicable the "normal" conduct of the Insured's business, nor for the cost of repairing or replacing any of the described property that has been damaged or destroyed by the perils insured against, except cost in excess of the "normal" cost of such repairs or replacements necessarily incurred for the purpose of reducing the total amount of "extra expense"; liability for such excess cost however, shall not exceed the amount by which the total "extra expense" otherwise payable under this Form is reduced. The Insurer shall also be liable for "extra expense" incurred in obtaining property for temporary use during the "period of restoration" necessarily required for the conduct of the Insured's business; Any salvage value of such property remaining after resumption of "normal" operations shall be taken into consideration in the adjustment of any loss hereunder.

(b) "Normal" means the condition which would have existed had no loss occurred.

WATER DAMAGE DEDUCTIBLE ENDORSEMENT

Attached to and forming part of the Commercial Building Equipment and Stock Form or Commercial Condominium Form as stated on the Declarations Page(s).

Each insured claim for water damage to "building", "equipment" or "stock" at the "premises" that is insured by this Policy, except claims for "flood" that are insured under a Flood Endorsement forming part of this Policy, shall be adjusted separately and from the amount so determined the deductible amount specified on the "declarations page" for the Water Damage Deductible Endorsement shall be deducted.

For the purpose of this endorsement, "flood" shall mean 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.

I/We hereby agree that I/we have received the above endorsement and that it is acceptable and understood by me/us.

Date: _____

Signature of Named Insured or Authorized Signatory: _____

Print Name and Title: _____

Policy Number: _____

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.

6530 (10/2010)

PRIVACY BREACH EVENT EXPENSES COVERAGE

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN THIS FORM

A. INDEMNITY AGREEMENT

The Insurer will provide "Privacy Breach Management Services" and pay "Privacy Breach Expenses" that the Insured becomes obligated to pay as a direct result of a "claim" for an actual or alleged "Privacy Breach", subject to the limit of insurance shown on the Declaration Page if all of the following conditions have been met;

1. The Insured has experienced a "Privacy Breach"; **and**
2. Such "Privacy Breach" is first discovered by the Insured during the coverage period of this endorsement; **and**
3. The Insured, when applying for this insurance, did not have any knowledge of circumstances which may give rise to a claim under this endorsement; **and**
4. Such "Privacy Breach" is first reported to the Insurer as soon as practicable after the date it is first discovered by the Insured, but in no event later than 30 days after it is first discovered; **and**
5. The "Privacy Breach" must involve "Private Personal Data" that was held in Canada by the Insured or on the Insured's behalf;

B. PERILS INSURED

This Form, except as herein provided, insures "Privacy Breach" resulting from any of the following;

- a) "Accidental Communication",
- b) "Accidental Publication",
- c) "DNS Cache Poisoning",
- d) "DNS Redirection",
- e) "Lost Data",
- f) "Lost Documents",
- g) "Lost Hardware",
- h) "Lost Media"

C. COVERAGE

Subject to the conditions outlined in Section A. Indemnity Agreement, the Insurer agrees to provide the following coverage:

1. "Privacy Breach Expenses"

The Insurers will pay reasonable and necessary direct expenses incurred for the following "Privacy Breach Expenses" up to the limit of insurance provided by Section E. Limits of Insurance.

- a) "Privacy Breach Notification Expenses";
- b) "Crisis Management Service Expenses";
- c) "Identity Restoration Case Management Service Expenses";
- d) "Computer and Network Forensic Consulting Service Expenses"; and
- e) "Data Breach Reward Expenses".

2. "Privacy Breach Management Services"

In addition to, and not subject to the limits shown on the "Declaration Page", the Insurer agrees to provide "Privacy Breach Management Services", as defined in this endorsement. The following Breach Response Consulting Services will be made available to the Insured through the Designated Service Provider selected by the Insurer to

assist the Insured in:

- a) Determining the severity of a privacy breach;
- b) Structuring the overall response to a privacy breach;
- c) Assessing what if any, remediation support products or services should be offered to affected individuals;
- d) Developing and drafting any required breach notifications;
- e) Assessing the need or value of a public relations response.

D. EXCLUSIONS

This Form does not insure against expenses incurred resulting directly or indirectly from:

- a) Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by the Insured, any partners, directors or trustees or employees acting alone or in collusion with others; or whether occurring during or outside of the hours of employment.
- b) Any fines, penalties or surcharges or fees from affected financial institutions, provincial or federal regulators and or courts of law.
- c) Criminal investigations or proceedings, or any civil investigations or proceedings initiated by a government agency or authority;
- d) Except as provided under "Computer and Network Forensic Consulting Service Expenses", any expense to investigate or correct a deficiency in the Insured's systems, employee management, vendor management, internal systems, procedures, computer network or system firewalls, computer network or system antivirus or any other physical or procedural security which may have contributed to the "Privacy Breach".
- e) Costs or losses by a victim of "Privacy Breach" except as provided under "Privacy Breach Expenses";
- f) "Privacy Breach" or "Privacy Breach Expenses" arising out of the failure to apply or the improper application of necessary software patches;
- g) "Privacy Breach" arising out of any virus, worm, trojan, bot or any other malicious code, software, spyware or malware that was, on the date the data breach occurred, named and recognized by the CERT Coordination Centre, and any other industry acceptable third party antivirus, antimalware or other solution that monitors malicious code activity;
- h) A "Privacy Breach" which occurred prior to the inception of this coverage, whether known to the Insured or not.
- i) Reimbursement, compensation, benefits, fees or expenses of the Insured or any employees of the Insured.
- j) Any other expenses such as expenses to reissue credit or debit cards or any other expenses not provided for under "Privacy Breach Expenses" described above.
- k) Any expense or other loss caused by or resulting from delay, loss of use, loss of existing or prospective markets, diminished value or any other consequential loss.
- l) Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance.
- m) Costs incurred from third party liability claims or defense costs.

E. LIMITS OF INSURANCE

The most the Insurer will pay for all insured expenses in any one "Privacy Breach" is the limit shown on the "Declaration Page".

All incidents of "Privacy Breach" that are discovered at the same time or arise from the same cause or from a series of similar causes will be considered one "Privacy Breach". All theft of "Private Personal Data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "privacy breach".

Regardless of when expenses are incurred, we will not pay "Privacy Breach Expenses" in excess of the Limit of Insurance that is applicable to the policy period when the "Privacy Breach" was first discovered.

F. DEFINITIONS

- a) "Accidental Communication" means the inadvertent disclosure by the Insured, of "Private Personal Data", of one or more data subjects through E-mail, Fax, or other method of electronic or manual communication.
- b) "Accidental Publication" means the inadvertent publication by the Insured, of "Private Personal Data" of one or more data subjects through E-mail, Fax, or other method of electronic or manual communication.
- c) "Claim" means the discovery by the Insured of a "Privacy Breach".
- d) "Computer and Network Forensic Consulting Service Expenses" are those reasonable and necessary digital forensic services required to determine the scope and extent of any unauthorized disclosure, release or theft of electronic information resulting from a "Privacy Breach" or breach of privacy regulations.
- e) "Crisis Management Service Expenses" means the reasonable and necessary costs and fees incurred by the Insured for the retention of a public relations consultant provided such action is necessary to avoid or mitigate damage to the Insured's brand(s) and the cost of effecting notification on a wide scale of the data breach via the media.
- f) "Data Breach Reward Expenses" means any money that the Insured pays for information which leads to the arrest and conviction of an individual(s) who commits or attempts to commit a "Privacy Breach" covered by this Form.
- g) "Declaration Page" means the Declarations Page applicable to this form.
- h) "DNS Cache Poisoning" means changing or adding records in the resolver caches, either on the client or the server, so that a DNS query for a domain returns an IP address for an attacker's domain instead of the intended domain.
- i) "DNS Redirection" means redirecting the nameserver of an attacker's domain to the nameserver of the target domain, then assigning that nameserver an IP address specified by the attacker.
- j) "Identity Restoration Case Management Service Expenses" means where available and warranted, expenses incurred to provide victims with;
 - i. Credit, fraud, public records or other monitoring services for a period of up to one year and
 - ii. Identity fraud education and resolution assistance.
- k) "Lost Data" means the loss or theft of electronic records which contain "Private Personal Data", but does not include destruction of such data.
- l) "Lost Document" means the loss or theft of non-digitized records which contain "Private Personal Data", but does not include destruction of such data.
- m) "Lost Hardware" means the loss or theft of hardware such as servers, laptop computers, PDA's, Cell Phones or other electronic devices that contain in its memory "Private Personal Data", but does not include destruction of such devices or the memory contained therein.
- n) "Lost Media" means the loss or theft of electronic media such as hard drives, zip disks, floppy disks, CD-ROMs, DVD ROMs, magnetic tapes, or any other form of electronic media and storage that contain "Private Personal Data" but does not include the destruction of such devices or the data contained therein.
- o) "Private Personal Data" means an individual's name or first initial and last name in combination with their social insurance number, bank account number, credit and debit card account numbers, PIN numbers or transaction history, driver's license number, medical diagnosis, patient history and medications and any other applicable private information that may be defined by Federal or Provincial statutes or regulations.
- p) "Privacy Breach" means the loss, theft, accidental release or accidental publication of "Private Personal Data" entrusted to the Insured if such loss, theft, accidental release or accidental publications has or could reasonably result in the fraudulent use of such information.
- q) "Privacy Breach Expenses" means "Privacy Breach Notification Expenses", "Crisis Management Service Expenses", "Identity Restoration Case Management Service Expenses" and "Computer and Network Forensic Consulting Service Expenses".
- r) "Privacy Breach Management Services" means consulting services to assist the Insured in:
 - i. Determining the severity of a privacy breach;
 - ii. Structuring the overall response to a privacy breach;
 - iii. Assessing what if any, remediation support products or services should be offered to affected individuals;
 - iv. Developing and drafting any required breach notifications;
 - v. Assessing the need or value of a public relations response.
- s) "Privacy Breach Notification Expenses" means necessary expenses incurred by the Insured in order to fulfill a government mandated order, requirement or request to notify individuals affected by a "Privacy Breach".

ALL OTHER POLICY TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

S.P.F. No. 6

STANDARD NON-OWNED AUTOMOBILE POLICY

WHEREAS AN APPLICATION HAS BEEN MADE BY THE APPLICANT (HEREINAFTER CALLED THE INSURED) TO THE INSURER FOR A CONTRACT OF AUTOMOBILE INSURANCE AND THE SAID APPLICATION FORMS PART OF THIS CONTRACT OF INSURANCE AND IS AS FOLLOWS:

ITEMS	APPLICATION											
1.	FULL NAME AND						POSTAL ADDRESS OF APPLICANT (INCLUDING COUNTY OR DISTRICT)					
As Per Policy Declaration Page												
2.	POLICY PERIOD FROM	As Per Policy Declaration Page				TO	As Per Policy Declaration Page				ALL TIMES ARE LOCAL TIMES AT THE APPLICANT'S ADDRESS STATED HEREIN	
3.	THE AUTOMOBILES IN RESPECT OF WHICH INSURANCE IS TO BE PROVIDED ARE THOSE NOT OWNED IN WHOLE OR IN PART BY, NOR LICENSED IN THE NAME OF THE APPLICANT, USED IN THE APPLICANT'S BUSINESS OF:											
As Per Policy Declaration Page												
4.	THE APPLICANT'S PARTNERS, OFFICERS, EMPLOYEES AND AGENTS AS OF THE DATE OF THIS APPLICATION ARE AS FOLLOWS:											
LOCATION	PARTNERS, OFFICERS AND EMPLOYEES WHO REGULARLY USE AUTOMOBILES NOT OWNED BY THE APPLICANT IN HIS BUSINESS						ALL OTHER PARTNERS, OFFICERS AND EMPLOYEES			ALL APPLICANT'S AGENTS		
	CLASS "A1" PRIVATE PASSENGER			CLASS "A2" COMMERCIAL			CLASS "B"			CLASS "C"		
	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM	NUMBER	RATE	PREMIUM
Insured, if any	covered			covered			covered			covered		
5.	"HIRED AUTOMOBILES" – THE AUTOMOBILES HIRED BY THE APPLICANT ARE AS FOLLOWS:											
	TYPE OF AUTOMOBILE						ESTIMATED COST OF HIRE		RATES PER \$100 OF COST PER HIRE		ADVANCE PREMIUM	
	Insured to be reported, if any											
THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.												
6.	"AUTOMOBILES OPERATED UNDER CONTRACT" ON BEHALF OF THE APPLICANT ARE AS FOLLOWS:											
	TYPE OF AUTOMOBILE AND DESCRIPTION OF USE						ESTIMATED CONTRACT COST		RATES PER \$100 OF CONTRACT COST		ADVANCE PREMIUM	
	Insured to be reported, if any											
THE ADVANCE PREMIUM IS SUBJECT TO ADJUSTMENT AT THE END OF THE POLICY PERIOD AS PROVIDED IN THE POLICY.												
7.	THIS APPLICATION IS MADE FOR INSURANCE AGAINST THE PERILS MENTIONED IN THIS ITEM AND UPON THE TERMS AND CONDITIONS OF THE INSURER'S CORRESPONDING STANDARD POLICY FORM AND FOR THE FOLLOWING SPECIFIED LIMIT.											
INSURING AGREEMENT		PERILS				LIMIT				COMBINED PREMIUMS		
SECTION A THIRD PARTY LIABILITY		LEGAL LIABILITY FOR BODILY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY OF OTHERS NOT IN THE CARE, CUSTODY OR CONTROL OF THE APPLICANT.				\$ Refer to Form No. 6063 in the coverage summary of the Policy Declaration Page. (EXCLUSIVE OF INTEREST AND COSTS) FOR LOSS OR DAMAGE RESULTING FROM BODILY INJURY TO OR THE DEATH OF ONE OR MORE PERSONS, AND FOR LOSS OR DAMAGE TO PROPERTY, REGARDLESS OF THE NUMBER OF CLAIMS ARISING FROM ANY ONE ACCIDENT.				\$ Included		
ENDORSEMENTS		Refer to Form No. 6063 in the coverage summary of the Policy Declaration Page								\$ Included		
MINIMUM RETAINED PREMIUM		\$ Refer to Form No. 6063 on the Policy Declaration Page								TOTAL PREMIUM		\$ Included
8.	HAS ANY INSURER CANCELLED, DECLINED OR REFUSED TO RENEW OR ISSUE, AUTOMOBILE INSURANCE TO THE APPLICANT WITHIN THREE YEARS PRECEDING THIS APPLICATION? IF SO, STATE NAME OF INSURER. No											
9.	STATE PARTICULARS OF ALL ACCIDENTS OR CLAIMS ARISING OUT OF THE USE OR OPERATION IN HIS BUSINESS OF NON-OWNED AUTOMOBILES BY THE APPLICANT WITHIN THE THREE YEARS PRECEDING THIS APPLICATION.											
	INJURY TO PERSONS						DAMAGE TO PROPERTY OF OTHERS					
	None						None					
10.	ALL THE STATEMENTS IN THIS APPLICATION ARE TRUE AND THE APPLICANT HEREBY APPLIES FOR A CONTRACT OF AUTOMOBILE INSURANCE TO BE BASED ON THE TRUTH OF THE SAID STATEMENTS.											
11.	WHERE, (a) an applicant for a contract gives false particulars of the described automobile to be insured to the prejudice of the insurer, or knowingly misrepresents or fails to disclose in the application any fact required to be stated therein; or (b) the insured contravenes a term of the contract or commits a fraud; or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited.											

INSURING AGREEMENT

Now therefore, in Consideration of the payment of the premium specified, and of the statements contained in the application and subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated.

SECTION A -THIRD PARTY LIABILITY

The Insurer agrees to indemnify the Insured against the liability imposed by law upon the Insured for loss or damage arising from the use or operation of any automobile not owned in whole or in part by or licensed in the name of the Insured, and resulting from

Bodily Injury to or the death of any person or damage to property of others not in the care, custody or control of the Insured:

Provided always the Insurer shall not be liable under this policy:

- (a) for any liability which arises from the use or operation of any automobile while personally driven by the Insured if the Insured is an individual; or
- (b) *for any liability imposed upon any person insured by this policy;
 - (1) by any worker's compensation law; or
 - (2) by any law for bodily injury to or the death of the Insured or any partner, officer or employee of the Insured while engaged in the business of the Insured; or
- (c) for any liability assumed by any person insured by this form voluntarily under any contract or agreement; or
- (d) for loss or damage to property carried in or upon an automobile personally driven by any person insured by this form or to any property owned or rented by, or in the care, custody or control of any such person;
- (e) for any amount in excess of the limit stated in Item 7 of the application, and expenditures provided for in the Additional Agreements of this policy, subject always to the provisions of the section of the Insurance Act (Automobile Insurance Part) relating to the nuclear energy hazard.

* Not applicable in the Province of Ontario

ADDITIONAL AGREEMENTS OF INSURER

Where indemnity is provided by this policy, the Insurer further agrees:

- 1. upon receipt of notice of loss or damage caused to persons or property to serve any person insured by this policy by such investigation thereof, or by such negotiations with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer; and
- 2. to defend in the named and on behalf of any person insured by this policy and at the cost of the Insurer any civil action which may at any time be brought against such person on account of such loss or damage to persons or property; and
- 3. to pay all costs taxed against any person insured by this policy in any civil action defended by the Insurer and any interest accruing after entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability; and
- 4. in case the injury be to a person, reimburse any person insured by this policy for outlay for such medical aid as may be immediately necessary at the time of such injury; and
- 5. be liable up to the minimum limit(s) prescribed for that province or territory of Canada in which the accident occurred, if that limit(s) is higher than the limit stated in section A of Item 7 of the application; and
- 6. not set up any defense to a claim that might not be set up if the form were a motor vehicle liability policy issued in the province or territory of Canada in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this form every person insured by this policy

- (a) by the acceptance of this policy, constitutes and appoints the Insurer his irrevocable attorney to appear and defend in any province or territory of Canada in which action is brought against the Insured arising out of the use or operation of an automobile with respect to which insurance is provided hereunder;
- (b) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this form.

GENERAL PROVISIONS AND DEFINITIONS

1. Additional Insureds

The Insurer agrees to indemnify in the same manner and to the same extent as if named herein as the Insured, every partner, officer or employee of the Insured who, with the consent of the owner thereof, personally drives (a) in the business of the Insured stated in Item 3 of the application, any automobile not owned in whole or in part by or licensed in the name of (i) the Insured, or (ii) such additional Insured person, or (iii) any person or persons residing in the same dwelling premises as the Insured or such additional insured person, or (b) any automobile hired or leased in the name of the Insured except an automobile owned in whole or in part or licensed in the name of such additional insured person.

2. Territory

This form applies only to the use or operation of automobiles within Canada or the United States of America or upon a vessel plying between ports of those countries.

3. Hired Automobiles Defined

The term "Hired Automobiles" as used in this form means automobiles hired or leased from others with or without drivers, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

4. Automobiles Operated under Contract Defined

The term "Automobiles Operated under Contract" as used in this form shall mean automobiles operated in the business of the Insured stated in Item 3 of the application where the complete supervision, direction and control of such automobiles remain with the owner thereof, but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

5. Two or More Automobiles

When two or more automobiles are insured hereunder the terms of this form shall apply separately to each, but a motor vehicle and a trailer or trailers attached thereto shall be held to be one automobile as respects third party liability.

6. Premium Adjustment

The Advance Premium stated in Item 5 of the application is computed on the estimated total "cost of hire" for the Policy Period. The words "cost of hire" as used herein mean the entire amount incurred for "Hired Automobiles" and drivers when such automobiles are hired with drivers or the amount incurred for hired automobiles and the wages paid to drivers when such drivers are employees of the Insured.

The Advance Premium stated in Item 6 of the application is computed on the estimated total "contract cost" for the Policy Period. The words "contract cost" as used herein mean the entire amount paid by the Insured for "Automobiles Operated under Contract" to the owners thereof.

The Advance Premiums are subject to adjustment at the end of the Policy Period when the Insured shall deliver to the Insurer a written statement of the total amounts expended for cost of hire during the Policy Period. If such amounts exceed the estimates stated in the application, the Insured shall immediately pay additional premium at the rates stated therein; if less, the Insurer shall return to the Insured the unearned premium when determined but the Insurer shall, in any event, receive or retain not less than the Minimum Retained Premium stated therein.

The Insurer shall have the right and opportunity, whenever the Insurer so desires, to examine the books and records of the Insured to the extent they relate to the premium bases or the subject matter of this policy.

STATUTORY CONDITIONS

The insurance provided under this Coverage is subject to the "Automobile Statutory Conditions" approved by the Superintendent of Insurance for the Province in which this policy is issued and upon request the Company will make available a complete copy of same.

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

6063 (09/2008)

page 3

S.E.F. NO. 96

CONTRACTUAL LIABILITY ENDORSEMENT

(for attachment only to a Standard Non-Owned Automobile Policy S.P.F. 6)

It is understood and agreed that exclusion (c) of the Insuring Agreement of the Non Owned Automobile Liability Form to which this endorsement is attached is amended to read as follows:

(c) For any liability assumed by any person insured by this policy voluntarily under any contract or agreement other than those stated below:

ALL WRITTEN CONTRACTS including any other written agreement assuming the liability of others except:

1. any contract or agreement assuming the legal liability of the automobile owner or lessee;
2. any contract or agreement wherein the Insured has assumed liability for the sole negligence of the indemnitee;
3. the leasing of an automobile(s) for a period in excess of thirty (30) days.

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

6663 (09/2008)

S.E.F. NO. 99

EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

(for attachment only to a Standard Non-Owned Automobile Policy S.P.F. 6)

In consideration of the premium for which this form is issued, it is understood and agreed that Item 3 (Hired Automobiles Defined) of General Provisions and Definitions of the Standard Non-Owned Automobile Liability Form is hereby amended to read as follows:

The term "Hired Automobile" as used in the Standard Non-Owned Automobile Liability Form means:

- (a) Automobiles hired or leased from others with drivers, or
- (b) hired or leased by the named Insured from others without driver

for periods not exceeding 30 days, used under the control of the Insured in the business stated in Item 3 of the application but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured or any partner, officer or employee of the Insured.

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

ADVERTISING LIABILITY EXTENSION ENDORSEMENT

This Endorsement Changes The Form. Please Read It Carefully

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM

SECTION I - COVERAGES of the Commercial General Liability Form is extended to include Coverage E.

Advertising Liability as follows:

COVERAGE E. ADVERTISING LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "advertising liability" to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D and E. We will have the right and duty to defend any "action" seeking those "compensatory damages" but:
 - 1) The amount we will pay for "compensatory damages" is limited as described in SECTION III - LIMITS OF INSURANCE;
 - 2) We may investigate and settle any claim or "action" at our discretion; and
 - 3) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlement under COVERAGES A, B, D or E or Medical Expenses under COVERAGE C.
- b. This insurance applies to "advertising liability" only if caused by an offence:
 - 1) Committed in the "coverage territory" during the policy period; and
 - 2) Committed in the course of advertising your goods, products or services.

2. Exclusions

This insurance does not apply to:

- (a) Advertising Liability
 - 1. Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
 - 2. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - 3. Arising out of the wilful violation of a penal statute or ordinance committed by or with the consent of the insured; or
 - 4. For which the Named Insured has assumed liability in a contract or agreement, except this exclusion does not apply to liability for damages that the insured would have in the absence of such contract or agreement.
- (b) Advertising Liability arising out of:
 - 1. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - 2. The failure of goods, products or services to conform with advertised quality or performance;
 - 3. The wrong description of the price of goods, products or services; or
 - 4. An offence committed by an insured whose business is advertising, broadcasting, publication or telecasting;
 - 5. The distribution or display of "data", by means of an internet website, the internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".
- (c) Pollution Liability - See Common Exclusions;
- (d) Nuclear Energy Liability - See Common Exclusions;
- (e) War Risks - See Common Exclusions;
- (f) Professional Liability - See Common Exclusions.
- (g) Data - See Common Exclusions.
- (h) Terrorism - See Common Exclusions.

3. Limits of Insurance

The Advertising Liability Limit is the most we will pay under Coverage E for "compensatory damages" because of "advertising liability" arising out of any one "occurrence".

4. Additional Definitions

For the purpose of this endorsement only:

- (a) "**Action**" means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage", "personal injury" or "advertising liability" to which this insurance applies are alleged. "Action" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
- (b) "**Advertising liability**" means liability arising out of one or more of the following offences:
 - (i) Oral and written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - (ii) Oral or written publication of material that violates a person's right of privacy;
 - (iii) Misappropriation of advertising ideas or style of doing business; or
 - (iv) Infringement of copyright, title or slogan.

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

EMPLOYERS BODILY INJURY LIABILITY COVERAGE EXTENSION ENDORSEMENT

This Endorsement Changes the Form. Please Read It Carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM

The following changes are made in your form, but only with respect to claims or "actions" because of "bodily injury" to an employee of the insured arising out of and in the course of employment by the insured in the business described in the Declarations:

1. SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, EXCLUSION d. is deleted.
2. This extension of insurance does not apply to "Bodily Injury" to an employee while employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers.

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

2299 (03/2010)

VOLUNTARY COMPENSATION EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY FORM

The Insurer agrees subject to the exclusions of the Employer's Liability Extension Endorsement attached to and forming part of this policy and to the conditions, limitations and other terms of this endorsement and the Commercial General Liability Form:

INSURING AGREEMENT

To pay voluntarily the benefits herein set out either to or on behalf of an employee of the Named Insured on account of "bodily injury" accidentally suffered by such employee and arising out of and in the course of his or her employment by the Named Insured, whether or not such "bodily injury" could give rise to liability imposed by law upon the Named Insured.

Provided always that:

- (a) if the injured employee or any person claiming by, through or under the injured employee shall refuse to accept the voluntary compensation benefits offered under the provisions of the preceding paragraph, then the Insurer shall be permitted, at any time in its discretion and without notice, to withdraw such offer to pay the said benefits, under which circumstances the Insurer will no longer be bound by the undertakings expressed in the said preceding paragraph. If any claim or demand is made upon, or any "action" instituted against the Named Insured for damages for such injuries, such claim, demand or "action" shall be considered a refusal to accept such voluntary compensation benefits and such refusal shall abrogate in its entirety the Insurer's agreement to pay such voluntary compensation benefits. In such event the obligation of the Insurer as expressed in the Employer's Liability Extension Endorsement provided by this policy, shall be available to the Named Insured and shall be and remain the obligation of the Insurer as fully and completely as if this endorsement had not been written;
- (b) the benefits herein contained shall not be payable unless at the time of the accident the employee was engaged in duties coming within the scope of the business described in the Commercial General Liability Declarations under the item entitled "Business Description";
- (c) a full legal release of all claims of such employee or any person claiming by, through or under such employee, against the Named Insured is executed and delivered and that any rights of such employee or person against anyone other than the Named Insured be subrogated and assigned in full (excluding all services available under any Hospital Insurance Act) to the Insurer;
- (d) the Insurer shall have the right to examine the person of the insured employee when and as often as may be required while the claim is pending and also in the case of death of the injured employee to make an autopsy subject to the law.

DEFINITION

The term "weekly indemnity" referred to in this endorsement shall mean two-thirds of the employee's weekly wage at the date of the accident, but not exceeding in any event the amount per week for this endorsement as noted on the Commercial General Liability Declarations.

SCHEDULE OF BENEFITS

PART 1 - LOSS OF LIFE:

In the event of death resulting from such "bodily injury" within a period of twenty-six (26) weeks after the date of the accident the Insurer will pay:

- (a) to dependents of the said employee who were wholly dependent upon the said employee, an amount equal to one hundred (100) times the weekly indemnity, in addition to the benefits provided under Part 2 up to the date of death.
- (b) the actual funeral expenses not exceeding, however, the sum of one hundred and twenty-five dollars (\$125.00).

PART 2 - TEMPORARY TOTAL DISABILITY

If such "bodily injury" shall within fourteen (14) days from the date of the accident totally and continuously disable the employee and prevent the employee from performing any and every duty pertaining to any occupation or employment the Insurer will pay weekly indemnity for the period of such disability, or for twenty-six (26) weeks whichever is the lesser period.

Provided however, that if the period of such disability is less than six (6) weeks, no benefit under this Part shall be payable for the first seven (7) days of such disability.

PART 3 - PERMANENT TOTAL DISABILITY

If within twenty-six (26) weeks from the date of the accident and as a direct result of such "bodily injury" the employee shall be deemed permanently and totally disabled and prevented from performing any and every duty pertaining to any occupation or employment, by medical evidence satisfactory to the Insurer, the Insurer will pay, in addition to the benefits provided under Part 2, weekly indemnity for a further period of one hundred (100) weeks.

PART 4 - DISMEMBERMENT BENEFITS

If such "bodily injury" shall within twenty-six (26) weeks from the date of the accident result in any one or more of the incapacities listed in the "Schedule of Incapacities" the Insurer will pay weekly indemnity for the number of weeks shown opposite the incapacity in the said schedule in addition to the benefits payable under Part 2, but in no event shall it be payable in addition to the benefits provided by Parts 1 and 3.

The total amount payable under this Part for one or more incapacities shall not exceed one hundred (100) times the weekly indemnity.

SCHEDULE OF INCAPACITIES
Loss or Total irrecoverable Loss of Use of:

DIVISION A

	No. of weeks
1. Arm	
(a) at/or above elbow.....	100
or	
(b) below elbow.....	80
or	
2. Hand at wrist.....	80
or	
3.*	
(i) Thumb	
(a) at or above the second phalangeal joint.....	25
or	
(b) below the second phalangeal joint, involving a portion of the second phalange.....	18
(ii) Index Finger	
(a) at or above the second phalangeal joint.....	25
or	
(b) at or above the third phalangeal joint.....	18
or	
(c) below the third phalangeal joint, involving a portion of the third phalange.....	12
(iii) Any other Finger	
(a) at or above the second phalangeal joint.....	15
or	
(b) at or above the third phalangeal joint.....	8
or	
(c) below the third phalangeal joint, involving a portion of the third phalange.....	5

Note: For a combination of two or more of the items marked*, we will not pay more than 80 times the weekly indemnity.

DIVISION B

	No. of weeks
1. Leg	
(a) at/or above knee.....	100
or	
(b) below Knee.....	75
or	
2. Foot at ankle.....	75
or	
3.**	
(i) Great Toe	
(a) at or above the second phalangeal joint.....	15
or	
(b) below the second phalangeal joint, involving a portion of the second phalange.....	8
(i) Any other Toe	
(a) at or above the second phalangeal joint.....	10
or	
(b) at or above the third phalangeal joint.....	5
or	
(c) below the third phalangeal joint, involving a portion of the third phalange.....	3

Note: For a combination of two or more of the items marked**, we will not pay more than 35 times the weekly indemnity.

DIVISION C

1.	
(i) One Eye.....	50
or	
(ii) Both eyes.....	100

DIVISION D

1.	
(i) Hearing of one ear.....	25
or	
(ii) Hearing of both ears.....	100

PART 5 - MEDICAL, SURGICAL, HOSPITAL, ETC. EXPENSES

If such "bodily injury" shall necessitate medical or surgical treatment or confinement to hospital, the Insurer will pay IN ADDITION TO ALL OTHER BENEFITS provided in this endorsement:

- (a) the cost of the necessary medical, surgical, pharmaceutical and hospital services in accordance with the scale of charges provided by the Worker's Compensation Commission of the jurisdiction in which the accident occurred, incurred during a period not exceeding twenty-six (26) weeks from the date of the accident; and in addition,
- (b) the cost of supplying or the reasonable renewing of prosthetic or orthopaedic appliances as may be necessary for a period not exceeding fifty-two (52) weeks from the date of the accident.

The liability of the Insurer shall be limited to that portion of all such expenses incurred by or on behalf of the injured employee the payment of which is not prohibited by law.

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

EMPLOYEE BENEFITS LIABILITY COVERAGE FORM
LIMITED FORM - EXCLUDING FIDUCIARY LIABILITY
PROVIDES CLAIMS MADE COVERAGE. PLEASE READ THE ENTIRE FORM CAREFULLY

Various provisions in this form restrict coverage. Read the entire form carefully to determine rights, duties, and what is and is not covered.

Throughout this form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "Insured" means any person or organization qualifying as such under SECTION II -- WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI -- DEFINITIONS.

SECTION I -- COVERAGES

EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as "damages" sustained by an employee, former employee, prospective employee or the beneficiaries or legal representatives thereof and caused by any negligent act, error or omission of the Insured, or any other person for whose acts you are legally liable in the "administration" of your "Employee Benefit Program." No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

This insurance applies to any negligent act, error or omission which results in a claim first made against the Insured during the policy period providing the Insured, at the effective date of this insurance, had no knowledge of or could not have reasonably foreseen any circumstances which might result in a claim or "suit". The negligent act, error or omission must take place in the "coverage territory".

We will have the right and duty to defend any "suit" seeking those "damages". But:

- (1) The amount we will pay for "damages" is limited as described in SECTION III -- LIMITS OF INSURANCE;
 - (2) We may, at our discretion, investigate any negligent act, error or omission and settle any claim or "suit" that may result; and
 - (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this Coverage Part.
- b. This insurance applies to a negligent act, error or omission only if a claim for "damages" because of the negligent act, error or omission is first made in writing against any Insured during the policy period.
- (1) A claim by a person or organization seeking "damages" will be deemed to have been made when notice of such claim is received and recorded by any Insured or by us, whichever comes first.
 - (2) All claims for "damages" causing loss to the same person or organization as a result of a negligent act, error or omission will be deemed to have been made at the time the first of those claims is made against any Insured.

2. Exclusions

This insurance does not apply to:

- a. any dishonest, fraudulent, criminal or malicious act, libel, slander or humiliation;
- b. bodily injury to sickness, disease, or death, of any person, or to injury to or destruction of or loss of use of any tangible property;
- c. failure of performance of "contract" or negligence by any Insurer or health maintenance organization, including financial failure or insolvency of any "Employee Benefit Program;"
- d. your failure to comply with any law, regulation or executive order, including, but not limited to, any claim based upon the violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, or amendments thereto or any regulations as are promulgated there under;
- e. any claim based upon.
 - (1) failure of any "Employee Benefit Program" to perform as represented by an Insured;
 - (2) advice given by an Insured to an employee to participate or not to participate in any Employee Benefit Program;
 - (3) the investment or non-investment of funds.
- f. **Data**
Legal liability arising from:
 - erasure, destruction, corruption, misappropriation, misinterpretation of "data";
 - erroneously creating, amending, entering, deleting or using "data";
Including any loss of use arising there from;
 - arising out of the distribution or display of "data", by means of an Internet website, the Internet, an intranet, extranet, or similar device or system designed or intended for electronic communication of "data".
- g. **Terrorism**
Legal liability arising directly or indirectly, in whole or in part, out of "Terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to, or terminate "Terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to produce the injury, "damages", expenses or costs.
- h. **Fungi and Fungal Derivatives**
Legal liability:
 - a. arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spores" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spores"; or
 - b. arising out of any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
 - c. any obligation to pay damages, share damages with, or repay someone else who must pay damages because of such injury or damage referred to in (a) or (b) above.

This exclusion applies regardless of the cause of the loss or damage, other causes of the injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

For the purpose of this exclusion, the following definitions are added:

"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.

"Spores" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from, or arising out of any "Fungi".

i. Asbestos

Legal liability:

- a. arising directly or indirectly from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of asbestos in any form; or
- b. arising out of any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (a) above; or
- c. any loss, cost or expense incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean-up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with, dispose of, or assess the presence or effects of asbestos.

This exclusion applies regardless of the cause of the loss or damage, other causes of injury, damage, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
4. All costs taxed against the Insured in the "suit".
5. Pre-judgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limit of insurance.

SECTION II -- WHO IS AN INSURED

1. Each of the following is an Insured:
 - a. You.
 - b. A partnership or joint venture, you are an Insured. Your members, your partners and their spouses are also insured but only with respect to the conduct of your business.
 - c. An organization other than a partnership or joint venture, you are an Insured. Your executive officers and directors are Insureds, but only with respect to their duties as your officers or directors. Your stockholders are also Insureds, but only with respect to their liability as stockholders.
 - d. Your employees provided they are authorized to act in the administration of your "Employee Benefit Programs."

SECTION III -- LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The limits of liability shown in the Declarations applicable to Each Claim is the most we will pay for all damages arising out of any covered claim.

The limit of liability shown in the Declarations as Aggregate is subject to the above a provision respecting Each Claim, the most we will pay hereunder for all losses.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV -- DEDUCTIBLE

1. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of the deductible amount stated in the Declarations, and the limits of insurance applicable to each claim for such coverage will be reduced by the amount of such deductible amount.
2. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend any "suits" seeking those damages; and
 - b. Your duties in the event of a negligent act, claim or suitapply irrespective of the application of the deductible amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SECTION V -- EMPLOYEE BENEFITS LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured will not relieve us of our obligations under this Coverage Part.

2. Duties in the event of "Negligent Act", Claim or "Suit".

- a. The Insured must see to it that we are notified as soon as practicable of any negligent act, error or omission which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "negligent act" took place;
 - (2) The names and addresses of any insured persons and witnesses; and
 - (3) The nature of any injury or damage arising out of the negligent act, error or omission.

Notice of a negligent act, error or omission hereunder will be treated as a claim first made during the policy period.

- b. If a claim is received by any Insured you must:

- (1) Immediately record the specifics of the claim and the date received; and
- (2) Notify us as soon as practicable.
- c. You and any other involved Insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a "suit";
 - (2) Authorize us to obtain records and other information.
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the Insured because of injury or damage to which this insurance may also apply.
- d. No Insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

3. Other Insurance

- a. The Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase or that would be covered but for exhaustion of the amount of insurance applicable to such claims.
- b. As respects all other situations we will share with all the other insurance by the method described below:
 - (1) If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each Insurer contributes equal amounts until it has paid its applicable limit of insurance, or none of the loss remains, whichever comes first.
 - (2) If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each Insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all Insurers.

4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or bring us into a "suit" asking for damages from an Insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but we will not be liable for damages that are not due under the terms of this Coverage Part or that are in excess of the limits of insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured, and the claimant or the claimant's legal agent.

5. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are correct and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

6. Transfer of Rights of Recovery Against Others to Us

If the Insured has rights to regain all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring "suit" or transfer those rights to us and help us enforce them.

SECTION VI -- EXTENDED REPORTING PERIOD

If this Coverage Part is cancelled or not renewed, you have the right, upon payment of an additional premium of 25% of the annual premium for this Coverage Part, to an extended reporting period with respect to any claim which shall be first made against the Insured during the period of twelve calendar months after the date of such cancellation or non-renewal, but only with respect to any "wrongful act" committed before the date of such cancellation or non-renewal. A claim first made during the Extended Reporting Period will be deemed to have been made on the last day of the policy period. The first named Insured shown in the Declarations must give us a written request for this extension, together with payment of the appropriate premium, within sixty (60) days after the effective date of cancellation or non-renewal.

SECTION VII -- DEFINITIONS

1. "Administration" means:
 - a. giving counsel to employees with respect to the "Employee Benefit Programs;"
 - b. interpreting the "Employee Benefit Programs;"
 - c. handling of employee records in connection with the "Employee Benefit Programs;"
 - d. effecting enrolment, termination or cancellation of employees under the "Employee Benefit Programs;" provided all such acts are authorized by you.
2. "Contract" means a policy of insurance issued to the Named Insured by an Insurer or an agreement or arrangement entered into between the Named Insured and a health maintenance organization.
3. "Coverage territory" means Canada and the United States of America (including its territories and possessions).
4. "Data" means representations of information or concepts, in any form.
5. "Employee Benefit Programs" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, salary continuation plans, social security, disability benefits insurance, savings, vacation plans or any other similar "Employee Benefit Programs".
6. "Suit" means a civil proceeding in which "damages" because of a negligent act, error or omission to which this insurance applies is alleged. "Suit" includes an arbitration proceeding alleging such "damages" to which you must submit or submit with our consent.
7. "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to; the use of violence or force; or threat of violence or force, committed by, or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

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



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June 22, 2012

Owners of Strata Plan BCS 2943
c/o Mr. Steve Harmaty
1927 West 15th Avenue
Vancouver, BC
V6J 2L2

Dear Steve:

Re: Commercial Policy No. 004522831D
Insured: Owners of Strata Plan BCS 2943
Effective: 07/17/2012 to 07/17/2013

Please be advised that your commercial policy is due for renewal on July 17, 2012. Your insurance company, The Economical Insurance Group, have provided the following renewal terms for the next one year term.

Location: 1925, 1927 & 1929 West 15 th Ave, Vancouver, BC				
Coverage	Limit	Deductible	Form	Co-Ins.
Property of Every Description	\$ 1,530,000	\$ 1,000		SA
Boiler & Machinery	Included	\$ 1,000		
Earthquake	Included	Min \$ 10,000		
Flood	Included	\$ 10,000		
Water Damage/ Sewer Back up	Included	\$ 2,500		
Commercial General Liability	\$ 2,000,000	\$ 1,000		
Non-Owned Automobile	\$ 2,000,000			
Endorsement: - Subject to Data/ Terrorism/ Mold & Asbestos Exclusion Endorsement				
TOTAL INSURANCE PREMIUM: \$2,824.00				

If you agree to the renewal offer, please remit your premium, payable to **Mapleleaf Insurance Services Ltd.**, with the enclosed invoice. This offer to renew is withdrawn if the premium is not paid by the renewal date.

In addition, if you have any questions or require changes on the above offer, please call the office.

Thank you very much for letting us to serve you.

Yours truly,
MAPLELEAF INSURANCE SERVICES LTD.

Nancy Toy, CAIB