

1 PROPERTY INSURED

This form insures, up to the amount shown on the Declarations Page and subject to the provisions herein, the Insured's interest in the unit owned by him excluding improvements or betterments made by him, to the extent that it is not so insured by the Condominium Corporation or to the extent that the insurance placed by the Condominium Corporation is not effective or is inadequate.

In the event of loss or damage to the property insured herein during the term of this policy by the peril(s) insured against, the liability of the Insurer shall be determined as follows:

- a) If the property is repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual expense (if any) incurred by the Insured or such repairs or replacement with material of like kind and quality without deduction for depreciation, less any recovery for the benefit of the Insured for loss or damage to the unit owned by the Insured, from any insurance covering the collective interests of the units owners.
- b) If the property is not repaired or replaced with due diligence and dispatch, the Insurer shall pay the actual cash value of the damaged or destroyed unit, less any recovery for the benefit of the Insured for loss or damage to such unit owned by the Insured, from any insurance covering the collective interests of the unit owners.

2 DEDUCTIBLE

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence. Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

3 PERILS INSURED

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

4 PROPERTY EXCLUDED

A. This Form does not insure loss of or damage to:

- a) sewers, drains or watermains located beyond the outside bearing walls or foundations of the property insured, outside communications towers, antennae (including satellite receivers) and equipment attached thereto, streetclocks, exterior signs, exterior glass or vitrolite and lettering or ornamentation thereon, but this exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, "strike", vandalism, "malicious acts", smoke, "leakage from fire protective equipment", windstorm or hail provided such perils are not excluded in Clause 4.B. hereof;
- b) "building" or "contents", if all "units" are to the knowledge of the "Condominium Corporation" vacant or unoccupied for more than 30 consecutive days;
- c) property belonging to the owners of individual "units";
- d) electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for such ensuing loss or damage, provided such perils are not excluded in Clause 4.B. hereof;
- e) growing plants, trees, shrubs or flowers, all while in the open except as provided in the Extensions of Coverage Clause 5(d);
- f) animals, fish or birds, but this exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, "strike"; vandalism, "malicious acts", smoke, "leakage from fire protective equipment", windstorm, hail, or from theft or attempt thereat, provided such perils are not excluded in Clause 4.B. hereof;
- g) money, bullion, platinum and other precious metals and alloys, securities, stamps, tickets and tokens, evidence of debt or title;
- h) automobiles, watercraft, amphibious vehicles, air cushioned vehicles, aircraft, spacecraft, trailers, motors or other accessories attached to or mounted on such property, but this exclusion shall not apply to unlicensed automobiles or unlicensed trailers used for maintenance or servicing of the "premises";
- i) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious and semi-precious stones;
- j) 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;
- k) property illegally acquired, kept, stored or transported; property subject to forfeiture, seized or confiscated for breach of any law or by order of any public authority;
- l) (i) an pressure vessel having normal internal working pressure greater than 10 kilopascals (15 pounds per square inch) above atmospheric pressure;

- (ii) any boiler, including the piping and equipment connected thereto, which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimeters (24 inches) or less for the storage of hot water for domestic use);
- caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
- 1) manually portable gas cylinders;
 - 2) explosion of natural, coal or manufactured gas;
 - 3) explosion of gas or unconsumed fuel within a furnace or within the gas passages there from to the atmosphere.

4 PERILS EXCLUDED

B. 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", provided such perils are not excluded in clause 4.B. hereof;
 - b) by flood, including waves, tides, tidal waves, and 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, provided such perils are not excluded in Clause 4.B hereof;
- exclusions (a) and (b) do not apply to property in transit;
- c) by 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", provided such perils are not excluded in Clause 4.B hereof;
 - d) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not excluded in Clause 4.B. hereof;
 - e) 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 excluded in Clause 4.B. hereof;
 - f) 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;
 - g) by explosion (except with respect to explosion of natural, coal, or manufactured gas) , collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by the Insured, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
 - (i) the portions containing steam or water steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure from an external source and while under such pressure;
 - (ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less, used for the heating and storage of hot water for domestic use;
 - (iv) moving or rotating machinery or parts thereof;
 - (v) any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion;
 - (vi) gas turbines;
 - h) by settling, expansion, contraction, moving, shifting or cracking unless concurrently and directly caused by a peril not excluded in Clause 4.B. hereof;
 - i) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, contamination, 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 fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, "strike", vandalism, "malicious acts", smoke, "leakage from fire protective equipment", windstorm or hail, rupture of pipes or breakage of apparatus not excluded under paragraph (1) of Clause 4.A. hereof, theft or attempt thereat or accident to transporting conveyance provided such perils are not excluded in Clause 4.B. hereof. Damage to pipes caused by freezing is insured provided such perils are not excluded in paragraph (1) of Clause 4.A. hereof;

- j) by smoke from agricultural smudging or industrial operations;
- k) by rodents, domestic animals or pets and insects or vermin, but this exclusion does not apply to loss or damage caused directly by a peril not excluded in Clause 4.B. hereof;
- l) by delay, or loss of use or occupancy;
- m) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- n)
 - i) by any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - ii) by contamination by radioactive material;
- o) by misappropriation, secretion, conversion, infidelity or any dishonest manner of acquiring possession 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);
- p) proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss;

NOR DOES THIS FORM INSURE:

- q) 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;
- r) any loss or shortage disclosed on taking inventory or any mysterious disappearance;
- s) loss or damage sustained to "contents" while actually being worked upon and directly resulting there from or caused by and repairing adjusting, or servicing of "contents", unless fire or explosion ensues and then only for the loss or damage caused by such ensuing fire or explosion;
- t) disturbance or erasure of electronic recordings by electric or magnetic injury except by lightning.

4 POLLUTION EXCLUDED

C. This form does not insure against:

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

5 EXTENSIONS OF COVERAGE

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

- a) Removal: If any of the insured property is necessarily removed from the location(s) specified herein to prevent loss or damage or further 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 7 days only, or the unexpired term of the Policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each location bears to the value of the property in them all.
- b)
 - i) Debris Removal: The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the property insured, occasioned by loss or damage to such property, for which loss or damage insurance is afforded under this Form.
The amount payable under this extension shall not exceed 25% of the total amount payable for the direct physical loss to property insured plus the amount of the applicable deductible.
 - ii) Removal of Windstorm Debris: The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon a location specified on the "Declaration Page".

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

- (a) to "clean up" "pollutants" from land or water; or

- (b) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".
- c) Personal Property of Officers and Employees: At the option of the Insured, contents also includes personal property of officers and employees of the Insured. The insurance on such property:
 - (i) shall not attach if it is insured by the owner unless the Insured is obligated to insure it or is liable for its loss or damage;
 - (ii) is, in any event, limited to a maximum recovery of \$250 in respect of any one officer or employee;
 - (iii) shall apply only to loss or damage occurring at a location specifically described on the "Declarations Page";
- d) Growing Plants, Trees, Shrubs or Flowers in the Open: This form is extended to insure loss or damage to growing plants, trees, shrubs or flowers and other landscaping improvements in the open caused directly by fire, lightning, explosion, impact by aircraft, spacecraft or land vehicle, riot, "strike", vandalism "malicious acts", smoke, "leakage from fire protective equipment" or from theft or attempt thereof, provided such perils are not excluded in Clause 4.B. hereof. This extension of coverage shall be limited to a maximum recovery of \$500 for each growing plant, tree, shrub or flower, in the open including debris removal expense;
- e) Coverage away from the "Premises": This Form is hereby extended to insure property insured while such property is temporarily removed from the "premises", but only while within the territorial limits of Canada and the continental United States. The Insurer's liability hereunder shall not exceed \$25,000 in any one occurrence.
- f) "Extra Expense": Subject to a limit of \$25,000 as the result of any one loss, this section covers the extra expenses necessarily incurred by the "Condominium Corporation" to continue normal operations which are interrupted as a result of a loss by a peril insured against to the buildings and contents covered hereunder and only for the time required with the exercise of due diligence and dispatch to restore normal operations, excluding, however:
 - (i) Loss of income
 - (ii) The cost to repair or replace the described property (except cost in excess of the normal cost of such repair or replacement necessarily incurred to reduce the overall loss, and then not to exceed the amount by which such loss is reduced).

Any salvage value of such property remaining after resumption of normal operations shall be taken into consideration in the adjustment of any loss hereunder.
- g) "Trustees Fees": Where pursuant to the Declaration and The Insurance Trust Agreement, the Insurance Trustees 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 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.
- h) "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.
- i) "Property to Others": Where the "Condominium Corporation" accepts property from others for custody or safekeeping, and thereby becomes responsible for such property, the Insurer will indemnify the "Condominium Corporation" under this Section subject always to a limit of \$1,000, for each owner of such property and a limit in any one occurrence of \$25,000. For the purpose of this extension only, and no other, paragraph (c) of item 4A "Property Excluded" - is waived.
- j) "Valuable Papers": Up to \$25,000 in any one occurrence, for the extra expenses necessarily incurred in the cost of compiling books of account, drawings, card index systems or other records including film, tape, disc, 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.

6 PERMISSION

Permission is hereby granted:

- a) to make additions, alterations and repairs;
- b) to do such work and to keep such articles, materials and supplies in such quantities as are usual or necessary to the maintenance of the "premises".

7 BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Policy, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition.

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 the "Condominium Corporation" has no control.

8 REINSTATEMENT

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

9 SUBROGATION

The Insurer, upon making any payment or assuming liability therefor under this Policy, shall be subrogated to all rights of recovery of the Insured against others and may bring action in the name of the Insured to enforce such rights.

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, including employees 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.

10 PROPERTY PROTECTION SYSTEMS

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

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

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

11 SPECIAL BASIS OF SETTLEMENT

A. "Replacement Cost":

- a) In the event of loss or damage to the property insured, the Insurer agrees to make settlement on the basis of "replacement cost" subject to the following provisions:
 - (i) "replacement" shall be effected by the Insured with due diligence and dispatch;
 - (ii) "replacement" shall be on the same site or on an adjacent site;
 - (iii) 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";
 - (iv) failing compliance by the Insured with any of the foregoing provisions, settlement shall be made as if this clause had not been in effect;
 - (v) any other insurance effected by or on behalf of the Insured in respect of the perils insured against by this Form on the property to which this clause is applicable shall be on the basis of "replacement cost";
 - (vi) if this Form insures two or more items, the foregoing applies separately to each item to which this clause applies.
- b) Any reference to actual cash value in the Co-Insurance Clause in this Form is deemed to be reference to "Replacement Cost" of the property insured.
- c) 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 clause.
- d) This clause does not apply to:
 - (i) paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelain, rare glassware, bric-a-brac or other articles of art, rarity or antiquity;
 - (ii) manuscripts and records meaning books of account, drawings, card index systems and other records, media, data storage devices and programme devices for electronic or electro-mechanical data processing or for electronically controlled equipment;
 - (iii) any increase in the cost of "replacement" occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

B. Records:

The liability of the Insurer for loss or damage to:

- a) books of account, drawings, card index systems and other records, other than as described in (b) 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;
- b) media, data-storage devices and programme devices for electronic or 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.

Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying Co-insurance.

12 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.

13 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 provisions, loss, if any, shall be payable as stated on the "Declarations Page".

14 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 a actual cash value basis.

15 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.

16 OTHER INSURANCE

If at the time of the loss there is other insurance in the name of the "Condominium Corporation" insuring the property described herein (whether collectible or not), the Insurer shall be liable for no greater proportion of any loss than the amount of insurance under this Form bears to the whole amount of insurance covering such property.

17 DEFINITIONS

Wherever used in the Form:

- a) "Building" means: the building(s) described on the "Declarations Page" and includes:
 - (i) fixed structures pertaining to the building(s) and located on their "premises";
 - (ii) additions and extensions communicating and in contact with the building(s);
 - (iii) permanent fittings and fixtures attached to and forming part of the building(s).
 - (iv) materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services.
- b) "Clean Up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to the aforementioned processes.
- c) "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.
- d) "Contents" means personal property not included in paragraph (a) owned by the "Condominium Corporation" and similar property belonging to others which the Insured is under obligation to keep insured or for which the Insured is legally liable, all while situated on the "premises".
- e) "Declarations Page" means the Declarations Page applicable to this Form.
- f) "Fire Protective Equipment" includes tanks, watermains, hydrants, valves and any other equipment whether used solely for fire protection and for other purposes, but does not include:
 - (i) branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - (ii) any watermains or appurtenances located outside of the described "premises" and forming a part of the public water distribution system;
 - (iii) any pond or reservoir in which the water is impounded by a dam.

- g) "Insured" means the Condominium Corporation and the Registered Unit Owners, and All Registered Mortgagees, from time to time.
- h) "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 of such equipment.
- i) "Malicious Acts" means all acts of malicious nature except theft or attempt thereof.
- j) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- k) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the location described on the "Declarations Page".
- l) "Replacement" includes repair, construction or re-construction with new property of like kind and quality.
- m) "Replacement Cost" means the cost of replacing, repairing, constructing, or re-constructing (whichever is the least) the property on the same site with new property of like kind and quality and for like occupancy without deduction for depreciation.
- n) "Spouse" includes either of a man and woman who are living together as husband and wife and have so lived together continuously for a period of three years or, if a child was born of their union, for a period of one year.
- o) "Strike" means open assemblies of strikers inside and outside the "premises" who have quitted work and of locked-out employees.
- p) "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.