

1. Property Insured

This Policy insures office contents of the Insured usual to the office occupancy of the Insured, including manuscripts, furniture, fixtures, equipment and supplies, not otherwise covered under this Policy, and shall cover similar property held by the Insured and belonging in whole or in part to others for not exceeding the amount for which the Insured is liable; all while in or on the described buildings, or in the open (including within vehicles) on the described premises or within 100 feet thereof.

This coverage shall also include Tenant's Improvements and Betterments, meaning the Insured's use interest in fixtures, alterations, installations or additions comprising a part of the buildings occupied but not owned by the Insured and made or acquired at the expense of the Insured exclusive of rent paid by the Insured, but which are not legally subject to removal by the Insured.

2. Property Subject to Limitations

The following property is subject to these additional limitations:

Glass, glassware, statuary, marbles, bric-a-brac, porcelains and other articles of a fragile or brittle nature are covered against loss by breakage only if directly caused by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail to property contained in any building, vandalism and malicious mischief, leakage or accidental discharge from automatic sprinkler systems, collision, upset or overturning of conveyance, water damage not otherwise excluded, burglary, robbery.

3. Perils Insured Against

THIS POLICY INSURES AGAINST ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE TO OFFICE CONTENTS, SUBJECT TO THE PROVISIONS AND STIPULATIONS HEREIN AND IN THE POLICY OF WHICH THIS FORM IS MADE A PART.

4. Property Not Covered

In addition to the kinds of property which are otherwise excluded or limited under this Policy, the following are also excluded from coverage under this Form:

- a) Animals and pets, aircraft, watercraft, including motors, equipment and accessories, automobiles, trailers, semi-trailers or any self-propelled vehicles or machines;
- b) Property for sale, samples or merchandise in the care, custody or control of salesmen away from the premises;
- c) Currency, money and stamps, except to the extent provided in the Extensions of Coverage; notes, letters of credit and tickets;
- d) furs, fur garments, jewels, jewellery, costume jewellery, watches, pearls, precious stones semi-precious stones, and pre-recorded video tapes, except with respect to the first \$1,000 of any loss insured hereby, or any loss caused directly by fire, lightning, explosion, smoke, leakage from fire protective equipment, strike, riot, impact by vehicles or aircraft, windstorm, or hail;
- e) Outdoor signs, whether or not attached to a building, unless specifically covered by endorsement;
- f) Trees, shrubs and plants, except to the extent provided in the Extensions of Coverage and those used for decorative purposes within buildings;
- g) media, data storage devices, and program devices for electronic and electro-mechanical data processing or for electronically controlled equipment in excess of the cost of reproducing such media, data storage devices, and program devices from duplicates or from originals of the previous generation of the media. No liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction;
- h) property illegally acquired, kept, stored, or transported; property seized, or confiscated, for breach of any law or by order of any public authority.

5. Extensions of Coverage

The liability of the Insurer for loss in any one occurrence, including loss under these Extensions of Coverage, shall not exceed the limit of liability specified for the basic coverage being extended. When there is Contributing Insurance, the Company shall not be liable for more than its pro rata share of the limits set forth in the following Extensions of Coverage:

- a) **NEWLY ACQUIRED PROPERTY:** The Insured may apply up to 10%, but not exceeding \$10,000, of the limit of liability specified for Personal Office Property for loss in any one occurrence by a peril not otherwise excluded to cover such property at any location newly acquired by the Insured, elsewhere than at the described premises but within the territorial limits of this Policy. This coverage shall cease 30 days from the date of such acquisition or on the date values of such acquisition are reported to the Company, whichever occurs first.
Additional premium shall be due and payable for values so reported from the date the property is acquired.
- b) **OFF-PREMISES:** The Insured may apply up to 10%, of the limit of liability specified for Personal Office Property for loss in any one occurrence by a peril not otherwise excluded to property covered while temporarily away from

the premises but within the limits of Canada, the Continental United States and in transit within and between such places.

- c) CURRENCY, MONEY AND STAMPS: The Insured may apply up to \$500 of the limit of liability specified for Personal Office Property for loss in any one occurrence by a peril not otherwise excluded to currency, money and stamps while on the premises or while being conveyed outside the premises by the Insured or by an employee of the Insured.
- d) PERSONAL EFFECTS: At the option of the Insured, up to 10% of the amount of insurance may apply to loss to personal effects (excluding jewellery, watches, and furs) the property of the Insured or others in or on the described premises, on the personal belongings or personal effects of any one person. At the option of the Insurer, losses to property of others covered under this extension may be adjusted with and payable to the Insured.
- e) VALUABLE PAPERS AND RECORDS: The Insured may apply up to \$2,500 of the limit of liability specified for Personal Office Property for loss at the described location in any one occurrence by a peril not otherwise excluded to cover the cost of research and other expense necessarily incurred to reproduce, replace or restore books of account, abstracts, drawings, card index systems and other business records, including film, tape, wire or other recording media, all the property of the Insured.
- f) TREES, SHRUBS AND PLANTS: The Insured may apply up to \$1,000 of the limit of liability specified for Personal Office Property to cover trees, shrubs and plants at the described location against loss in any one occurrence by fire, lightning explosion, riot, civil commotion or aircraft, not otherwise excluded, but the Company shall not be liable for more than \$250 on any one tree, shrub or plant, including expense incurred for removing debris thereof.
- g) THEFT DAMAGE TO BUILDINGS: This Policy includes loss (except by fire or explosion) to that part of the buildings occupied by the Insured and containing property covered, and to equipment therein pertaining to the service of the building, directly resulting from theft, burglary or robbery (including attempt thereof), provided the Insured is the owner of such building or equipment or is liable for such damage, but in no event shall this coverage apply to glass (other than glass building blocks) or to any lettering or ornamentation thereon.
- h) EXTRA EXPENSE: The Insured may apply up to \$2,500 of the limit of liability specified for Personal Office Property at the damaged locations to cover the necessary extra expense incurred by the Insured in order to continue as nearly as practicable the normal operations of the Insured's business immediately following damage by the perils insured against to the buildings or contents thereof situated at the described locations.

"Extra expense" means the excess of the total cost incurred during the period of restoration chargeable to the operation of 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. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

"Period of restoration" means that period of time, commencing with the date of damage and not limited by the date of expiration of this Policy, as would be required with the exercise of due diligence and dispatch to repair, rebuild or replace such part of said buildings or contents thereof as may be damaged.

The Company shall not be liable for:

- 1) loss of income;
 - 2) the cost of repairing or replacing any of the described property, or the cost of research or other expense necessary to replace or restore damaged books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing), that have been damaged by the perils not otherwise excluded, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing the total amount of extra expense. In no event shall such excess cost exceed the amount by which the total extra expense otherwise payable under this Extension of Coverage is reduced;
 - 3) any other consequential or remote loss.
- 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 7 days only, or for the unexpired term of the policy if less than 7 days, insure the property removed and any property remaining in the location(s) specified herein in the proportions which the value of the property in each of the respective location(s) bears to the value of the property in them all.
 - j) 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 exclusion 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 "Declarations Page".

Extensions of coverage j i) or j ii) do not apply to costs or expenses:

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

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

6. A. Exclusions

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

- a) by earthquake, 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 to property in transit;
- b) by flood, including waves, tides, tidal waves, tsunamis, and the rising of, the breaking out, or the overflow of any body of water, whether natural or man-made, 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 leakage from a watermain, or to property in transit;
- c) by seepage, leakage, or influx of water derived from natural sources through basement walls, doors, windows, or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, pumps, septic tanks, or drains, unless concurrently caused by a peril insured against;
- d) by the entrance of rain, sleet, or snow through doors, windows, skylights, or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril insured against;
- e) 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;
- f) by dampness or dryness of atmosphere, changes of temperature, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour, change in texture, change in finish, rust, corrosion, marring, scratching, crushing, latent defect, mechanical breakdown, inherent vice, wear and tear or gradual deterioration, but this exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, space craft, or land vehicle, riot, strike, vandalism, malicious acts, smoke leakage from fire protective equipment, windstorm, hail, rupture of pipes or breakage of apparatus not otherwise included in the Exclusions paragraph herein, theft or attempt thereof or accident to transporting conveyance unless otherwise excluded. Damage to pipes caused by freezing is insured provided such pipes are not included in the Exclusions paragraph herein;
- g) by rodents, insects, or vermin, but this exclusion does not apply to ensuing loss or damage caused by a peril not otherwise excluded;
- h) by delay, loss of market, or loss of use and occupancy except as provided under Extension of Coverage;
- i) 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 except bailees for hire, but this exclusion does not apply to physical damage caused directly by employees of the Insured, which results from a peril otherwise insured against and not otherwise excluded by this Form;
- j) by breakage of glass or articles of a fragile or brittle nature, unless caused by collision upset or overturning of conveyance, fire, explosion, smoke, lightning, leakage from fire protective equipment, water damage not otherwise excluded, burglary, robbery, vandalism, malicious mischief, aircraft, riot, vehicles, windstorm, or hail;
- k) by mysterious disappearance, or any shortage disclosed on taking inventory;
- l) by theft or attempt thereof of property while unattended in or on any motor vehicle or trailer, unless contained in a fully enclosed and securely locked body or compartment of such vehicle and theft results from forcible entry, evidenced by visible marks, but this exclusion does not apply to property in the custody of carriers, or bailees for hire;
- m) by disturbance, or erasure of electronic recordings by electric or magnetic injury, except by lightning;
- n) by artificially generated electrical currents, including arcing, to electrical devices, appliances, or wiring but this exclusion does not apply to ensuing loss caused directly by fire or explosion;
- o)
 - 1) To steam boilers, steam pipes, steam turbines or steam engines against loss by bursting, rupture or explosion of such objects (other than explosion of accumulated gases or unconsumed fuel within a fire box or combustion chamber);
 - 2) To machines and machinery against loss caused by rupture, bursting or disintegration of their rotating or moving parts resulting from centrifugal or reciprocating force;
- p) by order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this Policy;
- q) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- r)
 - 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;

6. B. **POLLUTION EXCLUDED**

This form does not insure against:

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

7. **Co-Insurance**

The Insurer shall not be liable for a greater proportion of any loss or damage to the property described herein than the sum insured bears to the co-insurance percentage specified in the "Declarations Page" of the actual cash value of said property at the time such loss shall happen. If the insurance be divided into two or more items, the foregoing shall apply to each item separately.

The value of property covered under Extensions of Coverage, and the cost of the removal of debris, shall not be considered in the determination of actual cash value when applying the Co-Insurance Clause. In case of loss, this co-insurance clause does not apply where the total loss neither exceeds Five Thousand Dollars (\$5,000.00) nor Two Percent (2%) of the value of the property insured. If this policy covers two or more locations, this condition applies to each location separately.

8. **Deductible Clause**

Each loss shall be adjusted separately and from the amount of each such adjusted loss the sum specified in the "Declarations Page" shall be deducted.

9. **Valuation Clause**

With respect to Personal Office Property insured hereunder and Property and Coverages provided under Paragraph 5, Extensions of Coverage, the following valuation clauses shall apply:

Subject to the provisions and stipulations of this Policy, the following bases for valuation of property are established:

- a) Property of others at the amount for which the Insured is liable but in no event to exceed actual cash value;
- b) Tenant's Improvements and Betterments:
 - 1) If repaired or replaced at the expense of the Insured within a reasonable time after loss, the actual value of the damaged or destroyed improvements and betterments;
 - 2) If not repaired or replaced within a reasonable time after loss, that proportion of the original cost at time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the dates such improvements or betterments were made to the expiration date of the lease;
 - 3) If repaired or replaced at the expense of others for the use of the Insured, there shall be no liability hereunder;
- c) Books of account, manuscripts, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recordings or storage media for electronic data processing) for not exceeding the cost of blank books, cards or other blank material;
- d) Film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing for not exceeding the cost of such media in unexposed or blank form;
- e) All other property at actual cash value (ascertained with proper deductions for depreciation) for the property at the time of loss or damage.

10. **Reinstatement Clause**

Any loss hereunder shall not reduce the amount of insurance.

11. **Permission Clause**

Permission is hereby granted:

- a) for other concurrent insurance;
- b) to make ordinary alterations and repairs without limit of time (but without extending the term of this Policy) but extraordinary alterations, additions or repairs are prohibited without notice to and consent of the Insurer in writing;
- c) to cease operations and for the premises to be, or become, vacant or unoccupied providing the premises as a whole shall not be vacant or unoccupied for a period exceeding thirty (30) consecutive days at any one time without the consent of the Insurer in writing;

- d) for the use of the building and premises, by the Insured, or by others, as at present and for other purposes not more hazardous;
- e) to keep on hand and use such articles, materials and supplies as may be usual to the business of the Insured, but it is understood and agreed notice of any material change in occupancy or increase in hazard under the control of the Insured shall be given the Insurer;
- f) to keep and use fuel oil heating equipment including the necessary supply of fuel oil.

12. Territorial Limits

This Policy insures only within the limits of Canada and the Continental United States of America.

13. Definitions

Wherever used in this form:

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