

The Insurer agrees as follows:

**INSURING AGREEMENTS****I. Tenants' Legal Liability (Broad Form)**

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as compensatory damages because of property damage caused by accident to structures or portions thereof rented to or occupied by the Named Insured, including fixtures permanently attached thereto.

**II. Defence- Settlement - Supplementary Payments**

As respects insurance afforded by this policy, the Insurer shall:

- i) defend in the name and on behalf of the Insured and at the cost of the Insurer any civil action which may at any time be brought against the Insured on account of such bodily injury or property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claim as may be deemed expedient by the Insurer;
- ii) pay all premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
- iii) pay all costs taxed against the Insured 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 Limit of Liability;
- iv) pay reasonable expenses incurred at the Insurer's request in assisting the Insurer in the investigation or defence of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

The amounts so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability.

**III. Persons Insured**

Each of the following is an Insured under this coverage to the extent set forth below:

- i) if the Named Insured is designated in the Declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor;
- ii) if the Named Insured is designated in the Declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- iii) if the Named Insured is designated in the Declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- iv) employees of the Named Insured while acting within the scope of their duties as such;
- v) any person or organization while acting as real estate manager for the Named Insured.

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured

**EXCLUSIONS**

This insurance does not apply to:

- (a) liability assumed by the insured under any contract or agreement except liability which would attach in the absence of such contract or agreement;
- (b) property damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- (c) Nuclear Energy Liability - see exclusion herein;
- (p) Environmental Liability - see exclusion herein.

**LIMITS OF LIABILITY**

Regardless of the number of (1) Insureds under this policy (2) persons or organizations who sustain bodily injury or property damage or (3) claims made or suits brought on account of bodily injury or property damage, the Insurer's liability is limited as follows:

- (a) The Limit - Any one premises stated in the Declarations is the total limit of the insurer's liability for all compensatory damages as a result of any one accident or series of accidents arising out of one event.
- (b) (i) The Insurer's obligation to pay compensatory damages on behalf of the Insured applies only to the amount of compensatory damages in excess of the deductible amount, if any, stated in the Declarations.  
(ii) The deductible amount applies to all compensatory damages because of property damage as a result of any one accident.

- (iii) The terms of the policy, in respect to (a) The Insurer's rights and duties with respect to the defence of suits, and (b) the Insured's duties in the event of an accident, apply irrespective of the application of the deductible amount.
- (iv) The Insurer 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, the Named Insured shall promptly reimburse the Insurer for such part of the deductible amount as has been paid by the Insurer.

#### DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

- (a) "Insured" means any person or organization qualifying as an insured in the "Persons insured" provision. The insurance afforded applies separately to each Insured against whom claim is made or suit is brought.
- (b) "Named insured" means the person or organization named in the Declarations.
- (c) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (d) "Property damage" means
  - (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or
  - (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an accident occurring during the policy period

#### ENVIRONMENTAL LIABILITY EXCLUSION

It is agreed that this insurance does not apply to:

- (a) "Bodily injury" or "property damage" arising out of the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants:
    - (1) At or from any premises, site or location which is or was at any time, owned or occupied by, or rented or loaned to an Insured;
    - (2) 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;
    - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom the Insured may be legally responsible; or
    - (4) At or from any premises, site or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations:
      - i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such Insured, contractor or subcontractor; or
      - ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants
- Sub-paragraphs (1) and (4) i) of paragraph (a) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from a fire which becomes uncontrollable or breaks out from where it was intended to be.
- (b) Any loss, cost or expense arising out of any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, stabilize, remediate or neutralize or in any way respond to, or assess the effect of pollutants unless such loss, cost or expense is consequent upon "bodily injury" or "property damage" covered by this policy.

#### NUCLEAR ENERGY LIABILITY EXCLUSION (revised May 1989)

It is agreed that this insurance does not apply to:

- (a) Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof:
- (b) "Bodily injury" or "property damage" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
- (c) "Bodily injury" or "property damage" resulting directly or indirectly from the nuclear energy hazard arising from:
  - (1) The ownership maintenance operation or use of a nuclear facility by or on behalf of an insured:
  - (2) the furnishing by an insured of services, materials parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility:
  - (3) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

As used in this policy:

- 1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material:
- 2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respect derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production use or application of atomic energy.
- 3) The term "nuclear facility" means:
  - a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
  - c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more that 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
  - d) any structure basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material:  
and includes the site on which any of the foregoing is located together with all operations conducted thereon and all premises used for such operations.
- 4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

## CONDITIONS

1. Insured's Duties in the Event of Accident, Occurrence, Claim or Suit:
  - (a) In the event of an occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given promptly by or for the Insured to the Insurer or any of its authorized agents.
  - (b) If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every writ, letter, document or advice received by him or his representative.
  - (c) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this Policy and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for the first aid to others at the time of accident.
2. Action Against Insurer:

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards. Nothing contained in this part shall give any person or organization any right to join the Insured as a co-defendant in any action against the Insurer to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.
3. Subrogation:

In the event of any payment under this Policy the Insurer shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights The Insured shall do nothing after loss to prejudice such rights.
4. Other Insurance:

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

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

(a) Contribution by Equal Shares:

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

(b) Contribution by Limits:

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

This insurance shall be excess to any valid and collectible property insurance (including any deductible portion thereof) available to the Insured, such as but not limited to fire and extended coverage, builder's risk coverage or installation risk coverage.

5. Changes:

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Insurer from asserting any right under the terms of this Policy nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of the policy.

6. Assignment:

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon; if, however, the Named Insured shall die or be adjudged bankrupt or insolvent within the Period of Coverage this policy unless canceled shall, if written notice be given to the Insurer within sixty days after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured.

7. Notice:

Any written notice to the Insurer may be delivered at or sent by registered mail to the agent through whom this policy was issued or to any branch of the Insurer in Canada. Written notice may be given to the Named Insured by letter personally delivered to him or by registered letter addressed to him at his last post office address notified to the Insurer; or where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received. In this condition the expression registered shall mean registered within or without Canada. Notice to the first Named Insured shall constitute notice to all Named Insured.

8. Cancellation - Termination:

(a) This policy may be terminated,

- (i) by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or personal delivery;
- (ii) by the Named Insured at any time on written request.

(b) Where the policy is terminated by the Insurer,

- (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the policy has been in force, calculated pro rata; or
- (ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.

(c) Where the policy is terminated by the named insured,

- (i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy, or
- (ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy.

(d) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.

(e) Except in Quebec, the fifteen days mentioned above in this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

(f) In Quebec, the Notice of Cancellation from the Insurer takes effect 15 days after receipt by the Insured at the last known address.

(g) premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender or unearned premium is not a condition of cancellation.

9. Declarations:

By acceptance of this policy, the Named Insured agrees that the statements in the Declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance

