

SOLAR ENERGY SYSTEMS – BASIC

INSURING AGREEMENT

"We" insure "your" "Solar Energy System" which is utilized for your personal use, your farm operation or under a "MicroFIT" agreement as listed on the Declaration Page and/or Supplementary Schedule, subject to the terms and conditions of the Policy and this Form. This coverage does not apply to Solar Energy Systems in excess of 10kw or registered under the "FIT" program.

DEFINITIONS

"Solar Energy System" includes photovoltaic (PV) panels, supports, inverters, wiring, batteries and any other attached equipment necessary for the generation of solar energy

"FIT" – Feed-in Tariff Program – A renewable electricity generation project which generates more than 10 kW and less than 250 kW. This is a contract program with a guaranteed price over a set term, (20 yrs) to supply electricity to Ontario's electricity grid.

"MicroFIT" Program - A streamlined version of the "FIT" program for smaller renewable electricity generation project which generates 10 kW or less. This is a contract program with a guaranteed price over a set term, (20 yrs) to supply electricity to Ontario's electricity grid.

SECTION I – PROPERTY COVERAGES

INSURED PERILS

"You" are insured against direct loss or damage caused by the following perils as described and limited:

- (1) Fire or Lightning.
- (2) Explosion. This peril does not include loss or damage caused by explosion of steam pressure vessels when their normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure.
- (3) Smoke. This peril means smoke due to a sudden, unusual and faulty operation of any heating unit in or on the premises.
- (4) Falling Object. This peril means a falling object which strikes the exterior of a building or solar structure but not objects which strike because of snowslide, iceslide, landslide or any other earth movement.
 - (a) This peril does not include loss to the inside of a building or property contained in the building unless the exterior of the building is first struck by a falling object.
 - (b) This peril does not include damage to glass which forms part of the building.
- (5) Impact by Aircraft or Land Vehicle.
- (6) Riot.
- (7) Vandalism or Malicious Acts.

This peril does not include:

 - (a) loss or damage occurring while the building or solar structure is under construction, vacant, unoccupied or inoperative; even if permission for construction or vacancy or unoccupancy has been given by "Us";
 - (b) damage caused by "You";
 - (c) loss or damage caused by theft or attempted theft.
- (8) Windstorm or Hail
This peril does not include loss or damage directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice land subsidence, landslide.
- (9) Theft, including damage by attempted theft.

LOSS OR DAMAGE NOT INSURED – SECTION I

"We" do not insure loss or damage caused directly or indirectly by:

- (1) consequence of alteration, reconstruction or addition to buildings or solar structures
- (2) intentional, criminal, or illegal act(s) or failure to act by "You" or any other person at "Your" direction;
- (3) breakdown or derangement, latent defect, faulty material, faulty design or workmanship, improper construction, inherent vice, gradual deterioration or wear and tear of any building, fittings, fixtures and/or equipment;
- (4) losses or increased costs of repair due to operation of any law regulating the zoning, demolition, repair or construction of buildings or structures and their related services;
- (5) settling, expansion, contraction, moving, shifting or cracking;
- (6) to electrical devices or appliances caused by electrical current unless specific coverage is included in "your" policy;
- (7) occurring after "Your" building has to "Your" knowledge, been vacant or unoccupied for more than 30 consecutive days;
- (8) centrifugal force or mechanical breakdown, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire.

Data Exclusion

This Form does not insure:

- (1) "Data"; or
- (2) loss or damage resulting from, contributed to or caused directly or indirectly by "Data Problem".

However, if loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire, explosion, smoke, water damage, all as described "Specified Perils", this exclusion shall not apply to such resulting loss or damage

"Specified Perils": Subject to the exclusions and conditions in this Form. Specified Perils means:

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
- (5) falling object which strikes the exterior of a building;
- (6) impact by aircraft, spacecraft or land vehicle;
- (7) riot;
- (8) vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
- (9) windstorm or hail.

BASIS OF CLAIM PAYMENT –SECTION I

Limit of Liability

"We" will pay for the insured loss or damage up to "Your" financial interest in the solar energy system, however this payment will not exceed the amount of insurance applicable to the damaged system(s) as either itemized in the schedule or thus designated on the Declaration Page for any insured loss arising out of any one occurrence.

"We" will pay whichever is the least of the following:

- (1) the actual cash value of the property at the time of loss;
- (2) what it would cost to repair or replace the property with materials of similar quality at the time of loss;
- (3) the amount shown on the Declaration Page.

Actual Cash Value

Payment of claims based on Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation "We" will consider the condition immediately before the damage, use of the property, the resale value and the normal life expectancy.

Deductible

"We" are 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 any occurrence give rise to the application of more than one deductible for any one "premises" only the highest deductible will be applied.

SECTION II – LOSS OF INCOME AND EXTRA EXPENSE

DEFINITIONS – SECTION II

"Earnings" means the sum of:

- (1) Total net sales, and
- (2) Other earnings derived from operations of the business (farm),
Less the cost of:
 - (3) product sold, including packaging materials,
 - (4) materials and supplies consumed directly in supplying the service(s) sold by the Insured, and;
 - (5) service(s) purchased from outsiders (not employees of the Insured) for resale, which do not continue under contract.

In determining earnings, due consideration shall be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred. No other costs shall be deducted in determining "earnings".

"Extra Expense" means the excess of the total cost and expenses of the operation of the business during the period of restoration over and above the total cost of such operation that would normally have been incurred during the same period, had there been no interruption or potential interruption of business.

"Normal" means the condition that would have existed had no loss occurred.

"Period of Restoration" means the length of time, commencing with the date of damage or destruction, which will be required, with the exercise of due diligence or dispatch, to repair, rebuild or replace the damaged or destroyed property. This period of restoration is not limited by the expiration date of the Policy, nor is it limited to the period the business is actually interrupted, but the period of restoration will cease when the Insured's business is restored to the condition that would have existed had no loss occurred, but in no event for more than thirty consecutive days from the completion of repairs, rebuilding or replacement of the damaged or destroyed property

BLANKET EARNINGS AND EXTRA EXPENSE

We insure up to the amount shown on the Declaration Page for your reduction in earnings and additional extra expenses, less non-continuing expenses for the period of restoration

- (1) Resulting directly from the necessary or potential interruption of business caused by the damage or destruction to insured solar energy systems, by the Insured Perils during the term of this Policy, and
- (2) During the period of time, not exceeding 30 days, while access to your 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 the insured perils of this endorsement.

We also pay up to \$1,000. for professional fees, such as accountants, required by the Insurer(s) in order to arrive at the loss payable under this policy in the event of a claim, insured by this form. This amount shall be a part of and not in addition to the amount of insurance specified in the policy declarations.

It is a condition of this insurance that you agree:

- (1) To exercise due diligence and dispatch to rebuild, repair or replace such part(s) of the property that has been damaged or destroyed; and
- (2) To continue, as nearly as practicable, the normal operation of the business on the same or other premises by making use of other property or facilities at the premises insured or elsewhere.

LOSS OR DAMAGE NOT INSURED –SECTION II

We do not insure:

- (1) Any direct or indirect property damage loss;
- (2) Expenses incurred to extinguish a fire;
- (3) Any increase of loss due to local, provincial or federal ordinance or law regulating construction, repair, replacement or operation of buildings or equipment;
- (4) Any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption or continuation of business;
- (5) Loss due to fines or damages for breach of contract for late or non-completion of orders, or for any penalties of whatever nature;
- (6) Loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect your earnings after the period following any loss during which indemnity is payable;
- (7) Any loss or increase in losses, in excess of \$1,000 due to damage or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon;
- (8) Any other consequential loss or remote loss.

NET METERING CONTINGENT INCREASE OF ELECTRICAL POWER EXPENSE

We will pay up to \$2,500 (or other amount as shown on the declaration page) for necessary increases which you incur during the "restoration period" for the *purchase of electricity only* which is required for you to continue your "normal" residential, farming or commercial operations, where there is an insured loss to the Solar Energy System insured on the policy to which this endorsement is attached

BASIS OF CLAIM PAYMENT – SECTION II

We will pay for insured loss or damage up to your actual loss sustained, but not exceeding the applicable amount of insurance for any loss or damage arising out of one occurrence.

Deductible

We are responsible only for the amount by which the loss or damage caused by any of the Insured Perils exceeds the amount of deductible shown on the Declaration Page in any one occurrence. Any loss or damage shall reduce the amounts of insurance provided by this Policy.

Requirements If Loss Occurs

You shall give immediate written notice to us of any Earnings and/or Expenses loss and protect the property from further damage that might result in extension of the period of interruption; and within sixty days following the date of damage to or destruction of the insured property described, unless such time is extended in writing by us, you shall render to us a proof of losses, signed and sworn by you stating your knowledge and belief as to the following:

- (1) The time and origin of the property damage or destruction causing the interruption of business;
- (2) Your interest and that of all others in the business;
- (3) All other contracts of insurance, whether valid or not, covering in any manner the loss insured against by this form;
- (4) Any changes in the title, nature, location, encumbrance or possession of said business since the issuing of the Policy; and
- (5) By whom and for what purpose any insured building and the several parts thereof were occupied at the time of damage or destruction,

And shall furnish a copy of all the descriptions and schedules in all policies, and the actual amount of business interruption value and loss of earnings and expense claimed, accompanied by detailed exhibits of all values, costs and estimates upon which such amounts are based.

You, often as may be reasonably required, shall exhibit to any person designated by us all that remains of any insured property, and submit to examinations under oath by any person named by us, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designed by us or our representative, and shall permit extracts and copies thereof to be made.

Subrogation Clause

It is hereby stipulated that this insurance shall not be invalidated should you waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described herein.

SECTION III - SPECIAL CONDITIONS**Waiver of Term or Condition**

No term or condition of this coverage shall be waived in whole or in part unless the waiver is clearly expressed in writing signed by "Us".

Insurance Under More Than One Policy

If "You" have insurance and/or warranty on specifically described property, "Our" Policy will be considered excess insurance and "We" will not pay any loss or claim until the amount of such other insurance is used up. In all other cases, "Our" Policy will pay its rateable proportion of the loss or claim

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