

SOLAR ENERGY SYSTEMS – ENHANCED

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/cabling, 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

This form, except as herein provided, insures against external risks of direct physical loss or damage.

LOSS OR DAMAGE NOT INSURED

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

- (1) earthquake, landslide, snowslide or any other earth movement. however, ensuing damage which results from fire, explosion and/or smoke is covered;
- (2) flood and the word “flood” means waves, tides, tidal waves, and the rising, breaking out or the overflow, of any body of water and/or liquid where the containment is either natural or man-made;
- (3) seepage, leakage or influx of water and/or any other liquid from any source through building walls, foundations, or foundation floors;
- (4) dampness of atmosphere, dryness of atmosphere, changes of temperature, heating, shrinking, and leakage of contents, contamination, rust or corrosion;
- (5) animals, birds, vermin, rodents, reptiles or insects;
- (6) delay, loss of market or use;
- (7) consequence of alteration, reconstruction or addition to buildings or solar structures
- (8) intentional, criminal, or illegal act(s) or failure to act by “You” or any other person at “Your” direction;
- (9) 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;
- (10) 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
- (11) settling, expansion, contraction, moving, shifting or cracking;
- (12) to electrical devices or appliances caused by electrical current unless specific coverage is included in “your” policy;
- (13) smoke from either agricultural smudging or industrial operations;
- (14) occurring after “Your” building has to “Your” knowledge, been vacant or unoccupied for more than 30 consecutive days;
- (15) centrifugal force or mechanical breakdown, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire
- (16) 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 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;
 - (d) moving or rotating machinery or parts thereof;
 - (e) any vessels and apparatus and pipes connected therewith while undergoing pressure tests but this exclusion does not apply to other property insured thereunder that has been damaged by such explosion;
 - (f) gas turbines.

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

Limit of Liability

"We" will pay for the insured loss or damage up to "Your" financial interest in the building(s), however this payment will not exceed the amount of insurance applicable to the damaged building(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.

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.

Stated Amount Clause

If this clause is specified on the 'Declaration Page' it is substituted for the Co-Insurance Clause cited in this Form, and is subject to all conditions of this Form.

"We" agree to pay any loss under this Form without application of any co-insurance requirement, on a Replacement Cost basis, providing "You" comply with the following conditions:

- (1) "You" must maintain an amount of insurance on each item of property to which this clause applies (as specified on the 'Declaration Page' or schedule of insured farm buildings or solar structures) which is not less than 100% of its estimated replacement cost. This cost will be established by the use of appraisal and calculation methods acceptable to "Us".
- (2) "You" must advise "Us" within 30 days of any work performed on "Your" farm buildings which increases estimated replacement cost of the farm buildings or solar structures by \$10,000 or more.

If "You" do not comply with these conditions, then any loss under this Form is subject to the Co-insurance Clause shown below.

Replacement Cost Clause

The Replacement Cost Clause applies only if this clause is specified on the 'Declaration Page'. In the event of loss or damage to the property specified on the 'Declaration Page' and or supplementary schedule, "We" agree to make settlement:

- (1) on a cost of repairs basis to the property, or
- (2) on the replacement cost of the property (whichever is less),
- (3) with material of like kind and quality,
- (4) without deduction for depreciation.

Subject to the following provisions:

- (1) the repairs or replacement must be executed promptly;
- (2) replacement shall be on the same site or on an adjacent site;
- (3) settlement on a replacement cost basis shall be made only when replacement has been effected by "You" and in no event shall it exceed the amount actually and necessarily expended for such a replacement;
- (4) if repair or replacement with material of like kind and quality is restricted by any by-law, ordinance or law, any increased
- (5) cost of repair or replacement due thereto shall not be covered by this clause;
- (6) any other insurance effected by "You" or on "Your" behalf with respect to the perils insured against by this Form on the property to which this clause shall be on the identical basis of "Replacement Cost" as set forth here;
- (7) if this Form insures two or more items subject to replacement cost, this coverage applies separately to each item.

In the event of loss or damage, "Our" Limit of Liability shall be the least of the following:

- (a) the amount of actual expenditure for repair or replacement; or
- (b) the amount of insurance applicable to the property.

If for any reason this clause does not apply to loss or damage, claim payment will be on the basis of Actual Cash Value. The Co-insurance Clause, shown below, applies only if the Replacement Cost Clause is specified on the 'Declaration Page'.

Co-insurance Clause

"You" shall maintain insurance concurrent in form, range and wording with this Form on each and every item of the property insured under this Form, to the extent of at least 80% of the value of the property hereby insured (in accordance with the valuation basis prescribed by the Valuation Clause) and that failing to do so, "You" shall only be entitled to recover that portion of any loss that the amount of insurance in force at the time bears to the amount of insurance required to be maintained by this clause.

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.

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.

LOSS OF UTILITY GRID TIE CONNECTION – CONTINGENT OFF PREMISES DISRUPTION

We will pay up to \$2,500 (or other amount as shown on the declaration page) for loss of income which is solely attributable to the unavailability of the Utility Grid Tie connection caused by damage to or destruction of "Off Premises" power sources (Public utility plants, transformer or switching stations, sub-stations, transformers, towers, utility poles and lines) to which the solar energy system is dependent, provided such loss or damage is caused directly by the perils insured against under this policy.

For the purposes of this extension, "Off Premises" shall be considered to mean the area outside the property lines at the Location(s) described in the Policy Declaration on which the insured solar energy system is situated.

This coverage does not attach until twenty-four (24) hours following the initial interruption.

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

Valuation Clause

In the application of the Co-insurance Clause, items insured on the Replacement Cost Clause are to be insured on the stipulated percentage of replacement cost, but if on actual cash value, the stipulated percentage will be the percentage of the actual cash value amount.

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