

COMMERCIAL REALTY PROPERTY EXTENSION ENDORSEMENT

Attached to and forming part of this Policy

This Endorsement modifies the coverage provided under the Commercial Building, Equipment and Stock Broad Form and is subject to the conditions, limitations and other terms of this Form, the Commercial Building, Equipment and Stock Broad Form, and the Commercial Common Agreements, Definitions, exclusions and Conditions form attached to this Policy.

SUMMARY OF COVERAGES

Unless specifically endorsed on the "Declarations Page", the Limits stated below are the maximum amounts payable under this Policy. Should any coverage be more specifically covered elsewhere in the policy, that coverage shall apply and the coverage under this extension endorsement shall be null and void.

| <u>COVERAGE</u> | <u>LIMIT OF LIABILITY</u> | <u>PAGE</u> |
|--|---------------------------|-------------|
| Accounts Receivable | \$25,000 | 2 |
| Automatic Fire Suppression System Recharge Expense | \$5,000 | 2 |
| Broad Blanket By-Laws Coverage (Building Only) | Included | 2 |
| Building Damage By Theft | \$25,000 | 2 |
| Catch-All Coverage | \$50,000 | 2 |
| Co-Insurance Waiver | 5% /\$25,000 | 3 |
| EDP (Electronic Data Processing) Equipment | \$25,000 | 3 |
| Exhibition Insurance | \$25,000 | 3 |
| Extra Expense | \$25,000 | 3 |
| Fire Department Charges | \$25,000 | 3 |
| Growing Flowers, Plants, Shrubs Or Trees In The Open | \$1,000/ \$25,000 | 4 |
| Inflation Protection (Building Only) | Included | 4 |
| Key and Lock Replacement | \$25,000 | 4 |
| Land And Water Clean-Up (1st Party Pollution) | \$50,000 | 4 |
| Mortgage Rate Guarantee | Included | 5 |
| Newly Acquired Property | \$500,000 | 5 |
| Personal property of visitors and employees | \$25,000 | 5 |
| Professional Fees | \$25,000 | 5 |
| Property at Unnamed Locations | \$25,000 | 5 |
| Roadways, Walkways & Parking Lots | \$25,000 | 6 |
| Sales Representative | \$25,000 | 6 |
| Sign Floater | \$25,000 | 6 |
| Tenant Relocation Expense | \$50,000 | 6 |
| Transit Including Parcel Post | \$25,000 | 6 |
| Underground Service Line | \$30,000 | 7 |
| Unscheduled Tools Floater | \$25,000 | 9 |
| Valuable Papers and Records | \$25,000 | 9 |

ACCOUNTS RECEIVABLE

This extension insures:

- 1) All sums due to “you” from customers, provided “you” are unable to complete collection of those sums as the direct result of loss of or damage to records of accounts receivable;
- 2) Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
- 3) Collection expense in excess of normal collection cost and made necessary because of such loss or damage;
- 4) Other expenses when reasonably incurred by “you ” in re-establishing records of accounts receivable following such loss or damage.

AUTOMATIC FIRE SUPPRESSION SYSTEM RECHARGE EXPENSE

This extension insures any automatic fire suppression system recharge expense incurred by “you” due to the leakage or discharge of the fire suppressant within any automatic fire suppression system at the “premises” where such discharge or leakage is caused by or results from a peril insured against under this policy.

BROAD BLANKET BY-LAWS COVERAGE (BUILDING ONLY)

This extension, applies only to those “buildings”, which are insured under this policy. The coverage provided under this extension will, without increasing the amount of insurance, and only as a result of a peril insured against, extend to indemnify “you” for:

- 1) loss occasioned by the demolition of any undamaged portion of the “buildings” or structures, or
- 2) cost of demolishing, and clearing the site of, any undamaged portion of the “buildings” or structures, or
- 3) any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy; arising from the enforcement of the minimum requirements of any by-law, regulation, or ordinance of law which:
 - a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
 - b) is in force at the time of such loss or damage.

“We” will not be liable under this extension for losses occasioned by the enforcement of any by-law, ordinance or law which prohibits “you” from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy.

BUILDING DAMAGE BY THEFT

Item (b), EXTENSIONS OF COVERAGE on the Commercial Building, Equipment and Stock Broad Form is modified to provide an increased maximum limit of recovery as shown in the Summary of Coverages on this Commercial Extension Endorsement for “Building Damage by Theft”.

CATCH-ALL COVERAGE

Coverage under this extension applies if the limit for any other extension described in this form is insufficient to fully indemnify “you” for insured loss or damage that results from a single occurrence. “We” will pay the least of:

- a) The difference between the loss payable under an extension coverage described in this endorsement and the amount required to fully indemnify “you” for the loss; or
- b) The limit of insurance shown on the “Declaration Page” for this extension coverage.

If the limit for more than one extension is insufficient, this Catch All Coverage may be applied to one or more extensions in any one loss occurrence. “We” will not be liable for more than the limit of insurance shown on the “Declaration Page” for this extension coverage in any one occurrence, regardless of how many extension coverage limits are insufficient.

CO-INSURANCE WAIVER

Co-insurance on the Commercial Building, Equipment and Stock Broad Form is modified to apply only where the total loss exceeds the limits as shown in the Summary of Coverages on this Commercial Extension Endorsement Form.

EDP (Electronic Data Processing) EQUIPMENT

Coverage under this Form applies only to "computer equipment" including component parts thereof owned by the Insured or leased or under the control of the Insured and "computer media".

Computer Equipment Breakdown

Coverage is extended to include loss caused directly or indirectly by:

- 1) mechanical failure, faulty construction or error in design;
- 2) short circuit, blow-out or other electrical disturbance, other than lightning within electrical apparatus; or
- 3) "computer media" failure or breakdown or malfunction of "computer equipment" including component parts when said "computer media" is being run through the equipment.

Additional Exclusions:

This extension does not apply to:

- i. errors or omissions in processing or copying of computer media or computer data;
- ii. computer viruses, harmful code or similar instructions introduced into or enacted on a computer system, equipment or a network to which it is connected, designed to
- iii. damage or destroy any part of the system or disrupt its normal operation;
- iv. loss or damage caused directly or indirectly by any change or interruption to electric power, if the change originates more than 1000 feet away from the premises
- v. insured containing the "computer equipment", "computer media" or computer "data".

Definitions:

"Computer equipment" means electronic equipment used for data storage and word processing

"Computer media" means materials on which "data" is recorded

EXHIBITION

This insurance covers insured property from the time it leaves "your" "premises" stated on the "Declaration Page", while in transit to an exhibition site, while at such exhibition site and while in transit back to "your" premises.

EXTRA EXPENSE

This Extension insures the necessary Extra Expense incurred by "you" in order to continue as nearly as practicable the normal conduct of "your" business following damage to or destruction by the perils insured against to:

- 1) insured "building(s)" or additions to such buildings; or
- 2) insured "equipment" or "stock for not exceeding such length of time commencing with the date of the insured loss and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace:
 - i) such part of the described "building(s)" or their additions or
 - ii) "equipment" or "stock" which may be destroyed or damaged.

FIRE DEPARTMENT CHARGES

In the event that as a result of an occurrence resulting from a peril insured by this policy, "you" are charged by a municipality for firefighting services, this policy shall reimburse "you" for such costs.

GROWING FLOWERS, PLANTS, SHRUBS OR TREES IN THE OPEN (per plant/per occurrence)

Item (c), EXTENSIONS OF COVERAGE on the Commercial Building, Equipment and Stock Broad Form is modified to provide a maximum limit of recovery as shown in the Summary of Coverages on this Commercial Extension Endorsement for “Growing Flowers, Plants, Shrubs, or Trees in the Open”

INFLATION PROTECTION (BUILDING ONLY)

It is agreed that:

- 1) the amount of insurance applicable to “building(s)” shall be increased during the policy period by the proportion by which the latest published “Building Construction Index” has increased since the last “premium due date”.
- 2) at the “premium due date”, the amount of insurance shall be increased automatically in accordance with the latest published “Building Construction Index” and the appropriate premium charged.
- 3) if the amount of insurance applicable to building(s) is changed at “your” request during the policy period, the effective date of this endorsement is deemed to coincide with the effective date of such change.
- 4) if the policy insures two or more items, the foregoing shall apply separately to each item to which this endorsement applies.

Definitions applicable to this extension:

- “Building Construction Index” means the relevant Regional Index of the Non-residential Building Construction Input Price Indexes published by Statistics Canada.
- “Premium due date” means the inception date of this policy or any renewal or anniversary date

KEY AND LOCK REPLACEMENT

This extension covers the cost of replacement of keys and changing or replacement of locks at the “premises” necessitated by the loss or theft of keys.

LAND & WATER CLEAN-UP (1st party pollution)

This extension insures damage resulting from:

- 1) expenses incurred to “clean up” “pollutants” at the “premises”, and
- 2) loss or damage to property insured caused directly by ‘pollutants’ provided the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants’:
 - a) is sudden, unexpected and unintended from “your” standpoint;
 - b) is not otherwise insured under the policy to which this insurance is attached, and;
 - c) first occurs during the policy period.

Notwithstanding the Reinstatement Clause in this policy, the amount of insurance specified for this coverage is the aggregate amount payable during any one policy period.

Exclusions

”We” shall not be liable for:

- 1) expenses for “clean up” away from or beyond the ‘premises’ resulting from any spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of pollutants” even if the “pollutants” emanated from the “premises”;
- 2) expenses for “clean up” of or loss or damage to insured property caused directly by any spill, discharge, emission, dispersal, seepage, leakage, release, migration or escape of “pollutants” that began before the effective date of this coverage;
- 3) fines, penalties, punitive or exemplary damages;

- 4) expenses incurred for the “clean up” of “pollutants” 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.

MORTGAGE RATE GUARANTEE

This extension shall insure, subject to all its terms and provisions, any increase in mortgage cost, on a monthly basis (including legal fees), required as a result of a total loss to an insured “building”(s) where the mortgagee at the time of the loss closes the existing mortgage, requiring a new mortgage at a higher, competitive rate of interest with your existing mortgage vendor.

Coverage is for the difference between the mortgage in effect on the date of the loss and the new mortgage, based on the outstanding mortgage balance.

This extension of coverage will continue:

- (a) for the duration of the existing mortgage period in effect at the time of the loss, until its expiry;
- (b) until the insured relinquishes title or interest in the “building”(s); or
- (c) for a maximum time limit of 60 months;
- (d) until a maximum aggregate limit as specified on the “Declarations” for this extension has been exhausted.

Whichever occurs first.

NEWLY ACQUIRED PROPERTY

This extension covers buildings (including additions to existing insured “buildings”), “equipment” and “stock” that are newly acquired by “you” which are to be used in conjunction with the expansion of “your” existing business. Newly acquired “buildings”, “equipment” or “stock” must be located within the Canada or the continental United States. Coverage under this extension begins when “you” first acquire new buildings (including additions to existing buildings), “equipment” or “stock” and ends:

- i. 60 days following the acquisition;
 - ii. at the inception of more specific insurance on the newly acquired property;
 - iii. when “stock” is shipped to customers;
 - iv. at the expiration of this policy
- whichever occurs first.

Additional premium for the addition of coverage on newly acquired property shall be computed from the date of acquisition or when construction begins.

PERSONAL PROPERTY OF VISITORS AND EMPLOYEES

Coverage is provided for personal property of employees and visitors to “your” “premises” for damage caused by the perils which apply to insured “equipment” or “stock” to a limit of \$1,000 per item. The insurance on such personal property shall not attach if the owner has insured the property, unless “you” are under obligation to keep the property insured or is legally liable for its loss or damage.

PROFESSIONAL FEES

This Extension insures reasonable fees payable to “your” Accountants, Lawyers, Architects, Auditors, and Engineers for producing and certifying particulars or details of “your” business as required by “us” in order to arrive at the loss payable under this policy in the event of a claim.

PROPERTY AT UNNAMED LOCATIONS

This Extension provides coverage for “equipment” or “stock” while at any unnamed location within Canada.

This extension does not apply to:

- i. property at any location owned, occupied or controlled by “you”;
- ii. property in transit;
- iii. property at an exhibition, trade show or similar event;

- iv. property on loan or on rental or sold by “you” under conditional sale, installment payment or other deferred payment plan, from the time of leaving “your” custody
- v. property in the custody of any sales representative employed by “you”
- vi. portable computers

The maximum recovery under this extension, regardless of the number of locations is limited to the amount shown on the Summary of Coverages for this Extension for any one occurrence.

ROADWAYS, WALKWAYS, AND PARKING LOTS

This extension provides coverage for loss or damage to roadways, walkways, parking lots, other exterior paved surfaces, retaining walls or permanently installed landscape structures outside the “building” located on the “premises” specified on the “Declarations”.

SALES REPRESENTATIVE

This extension insures, subject to all the terms and provisions of the Policy, “equipment” and “stock” whether in transit or otherwise, in the custody of “your” sales representative.

SIGN FLOATER

This extension insures outdoor signs, located on the “premises” specified on the “Declarations”, for a peril insured against, which are the property of the insured or the property of others for which the insured may be held liable.

TENANT RELOCATION EXPENSE

This extension shall provide coverage for relocation expenses incurred by the insured to relocate residents, tenants or lawful occupants to other quarter(s) in the shortest possible time period, when rented space or living quarter(s) at the “premises” of the Insured specified on the “Declarations”, that are made uninhabitable as a result of direct physical loss or damage insured by this Policy.

Coverage is provided for the reasonable and necessary expense of:

- (a) packing, sorting, and transportation cost for personal property;
- (b) re-establishing new utility services, less refunds from discontinued services at the damaged “premises”;
- (c) searching for new quarter(s);
- (d) disconnecting and reconnecting fixtures and “equipment”;
- (e) storage costs while awaiting possession of other quarter(s) or restoration of existing quarter(s).

There shall be no coverage provided for:

- (a) loss caused by the termination of a lease or other agreement;
- (b) security deposits or other payments made to the landlord or lessors of the new quarter(s);
- (c) down payments, legal fees and closing costs for the purchase of new quarter(s);
- (d) expenses resulting when rented space or living quarter(s) are made uninhabitable as a direct result of direct physical loss or damage caused by or resulting from “terrorism”.

Definition:

“Terrorism” means an act, including but not limited to the use of violence or force and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

TRANSIT INCLUDING PARCEL POST

This extension insures, subject to all the terms and provisions of the Policy, “equipment” and “stock” in course of transit between points or places within Canada or the continental United States.

UNDERGROUND SERVICE LINE COVERAGE

“We” agree to cover direct physical loss or damage to any underground service line that “you” own and are responsible for as required by law, regulation or service agreement and is not beyond the point of demarcation to the main service line.

The physical loss or damage must take place on “your” premises or the premises “you” are legally liable for and must happen to underground piping or wiring service line that services and attaches to the exterior of the “building”.

The maximum amount “we” will pay for any loss or damage to underground service lines and related costs or expenses is \$30,000.

What is Covered:

(1) Underground Piping Service Lines

“We” agree to pay for the direct result of physical loss or damage to “your” underground piping that connects to any of the following services:

- a) drainage piping that drains water away from the “building”
- b) heating systems located outside;
- c) that provide natural gas, propane or steam;
- d) private underground sprinkler system;
- e) private and/or public water supply system;
- f) private and/or public sewer system or waste disposal piping; and including, but not limited to permanent connections, valves and attached devices.

(2) Underground Wiring Service Lines

“We” agree to pay for the direct result of physical damage to “your” underground wiring if used for any of the following services:

- a) communication or data transmissions, including but not limited to cable, fiber optics, internet and telephone; and
- b) power line or electrical wiring;
- c) including, but not limited to conduit, PVC, cable jacket, steel tape, insulating materials and permanent connections, valves and attached devices.

(3) Related Costs or Expenses

As a direct result of physical loss or damage to “your” underground piping or wiring service lines “we” agree to pay the extra cost or expenses for the following:

- a) emergency repair or replacement;
- b) excavation; and
- c) exterior property damage, including but not limited to trees, shrubs, plants, lawns, and the damage to walkways and driveways for which the piping or wiring runs under. “We” will not pay more than \$1,000 for any one tree, shrub, plant or lawn including debris removal.

(4) Perils Covered

Coverage applies if the direct physical loss or damage is caused by the following perils:

- a) artificially generated electrical current, arcing and lightning;
- b) break;
- c) collapse;
- d) explosion;
- e) freezing;
- f) ground thawing due to freezing which causes an earth movement;
- g) leak or tear;
- h) mechanical breakdown, latent defect or inherent vice;
- i) rust, rupture or other corrosion;
- j) tree or other root invasion;
- k) wind;

- l) wear and tear, marring, deterioration or hidden decay; or
- m) weight of vehicle, equipment, animal or people.

What is Not Covered:

1) Piping or Wiring

There is no coverage for loss or damage to any piping or wiring that:

- a) is connected or used for outdoor property, including and not limited to swimming pools, hot tubs, decorative ponds or commercial irrigation systems;
- b) is damaged during the dismantle, installation or repair unless the loss or damage is caused by a peril covered by this form;
- c) is located above ground;
- d) is not connected or ready to be used;
- e) is within and/or runs through or under the “building”, body of water, including and not limited to a swimming pool or hot tub;
- f) shows no physical damage; or
- g) shows service has been interrupted due to blockage, sagging, low flow, low pressure or impaired speed.

2) Related to Piping or Wiring Systems

There is no coverage for loss or damage to:

- a) heating and cooling systems, including geothermal systems or heat pumps;
- b) septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields;
- c) residential sprinkler systems; or
- d) water wells, including well pumps or motors.

3) Perils Not Covered

There is no coverage for the loss, damage or related costs caused directly or indirectly by any of the following perils:

- a) earth movement, including earthquake, earthquake shock, iceslide, landslide, mudslide or mudflow, subsidence or sinkhole collapse, snowslide, tsunami or any other naturally occurring earth movement including earth sinking, rising or shifting;
- b) external force from a shovel, backhoe or other form of excavation, unless used to repair or replace damaged piping or wiring;
- c) faulty or improper design, material and workmanship;
- d) fire;
- e) flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray, all whether driven by wind or not;
- f) “pollutants” that require a clean up, removal of “pollutants”, hazardous waste or sewage;
- g) smoke; or
- h) water that backs up or overflows from a sewer, drain or sump.

There is no coverage for any additional cost or expense for the loss of energy, water or other consumables.

Additional Coverage

Environmental, Safety and Efficiency Improvements

“We” will pay any increase in the direct cost to repair or replace damaged underground service lines with environmentally friendly materials that are better for the environment, safer, more energy or water efficient than the materials being replaced.

“We” will not pay to increase the size or capacity of the materials and not pay more than two hundred (200%) percent of what the cost would have been to replace with similar kind and quality.

This condition does not increase the maximum amount “we” would pay for residential underground service line coverage.

Deductible

A deductible applies. This means “we” will pay only the amount that exceeds a \$1,000 or the deductible as shown on the “Declaration Page” as applicable to “building” coverage, whichever is greater.

Basis of Claim Settlement

- (1) “We” will pay the least of:
 - (a) \$30,000;
 - (b) the cost to repair or replace the damaged underground service line with materials of similar kind, quality, size or capacity on the same premises; or
 - (c) the necessary amount actually spent to repair or replace the damaged underground service line.
- (2) “You” will pay the extra cost:
 - (a) of replacing damaged underground service lines with materials of a better kind, quality or of a different size or different capacity, unless the extra cost is covered by Environmental, Safety and Efficiency Improvements section of this form;
 - (b) to remove, replace or repair any structure that is not a “building” when the extra cost is needed to access the underground service line.
 - (c) to alter or relocate “your” underground service line, unless the extra cost is required by law or ordinance regulating the zoning, demolition, repair or construction of the related underground service line. The total cost “we” will pay is limited to \$20,000 and “we” will not pay more than the minimum amount required to comply with an enforceable law.

Any loss or damage that results in more than one (1) underground service line repair or replacement will be considered a single event.

Unless stated in this form, all conditions, definitions, exclusions and provisions in the Insurance Policy apply.

UNSCHEDULED TOOLS FLOATER

This form is extended to cover loss of or damage to unscheduled portable tools caused by a peril insured against under the Commercial Building, Equipment, and Stock Broad Form. The maximum amount recoverable for any one tool shall be \$2,500.

VALUABLE PAPERS AND RECORDS

This extension covers “Valuable Papers and Records” that are “your” property or which “you” are legally responsible for, while located in Canada or the continental United States. This coverage includes the cost incurred to compile, gather or assemble information required to reproduce those “Valuable Papers and Records” which have been lost or damaged due to an insured peril.

Definition applicable to this extension:

“Valuable Papers and Records” means written, printed or otherwise inscribed documents and records including books, maps, films, tapes, discs, “data”, drawings, abstracts, deeds, mortgages and manuscripts held in any form. Valuable Papers and Records do not include “money” or “securities”.