

COMMERCIAL FIRE AND EXTENDED COVERAGE - RIDER F1

I. PROPERTY INSURED

This rider insures the following property but only those items for which an amount of insurance is specified in the Declarations:

- "BUILDING"
- "EQUIPMENT"
- "STOCK"
- "CONTENTS OF EVERY DESCRIPTION"
- "PROPERTY OF EVERY DESCRIPTION"

This insurance applies only while such property is at the location(s) specified in the Declarations.

II. DEDUCTIBLE

The insurer is 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 in the Declarations in any one occurrence. Provided, however, in the event of loss or damage to exterior glass or vitrolite, including lettering or ornamentation thereon, caused by vandalism or malicious acts, or loss or damage to awnings, exterior signs, outside communication towers, antennae and equipment attached to any of the foregoing caused by windstorm or hail, the deductible amount shall not be less than \$500 in any one occurrence.

III. CO-INSURANCE

This clause applies separately to each item for which a co-insurance percentage is specified in the Declarations, and only where the total loss exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent with this rider on the property insured to the extent of at least the co-insurance percentage specified in the Declarations of the actual cash value thereof, and failing so to do, shall only be entitled to recover that portion of a loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

IV. PERILS INSURED

This rider insures against direct physical loss or damage caused by the following perils:

1. FIRE OR LIGHTNING: Including lightning loss or damage to electrical devices, appliances or wiring.
2. EXPLOSION: Except with respect to explosion of natural, coal or manufactured gas, there shall in no event be any liability hereunder for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - a. (i) 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;
 - (ii) piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - (iii) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gasses of combustion therefrom;
 - (iv) smelt dissolving tanks;
 - b. 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, except that liability is specifically assumed for 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;
 - c. moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
 - d. any vessels and apparatus and pipes connected therewith while undergoing pressure tests, but this exclusion shall not apply to other property insured hereunder that has been damaged by such explosion;
 - e. gas turbines.

The following are not explosions with the intent or meaning of this Section:

 - a. electric arcing or any coincident rupture of electrical equipment due to such arcing;
 - b. bursting or rupture caused by hydrostatic pressure or freezing;
 - c. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.
3. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE: The terms "Aircraft" and "Spacecraft" include articles dropped therefrom.

There shall in no event be any liability hereunder due to cumulative damage or for loss or damage:

 - a. caused by land vehicles belonging to or under the control of the Insured or any of his employees;
 - b. to aircraft, spacecraft or land vehicles causing the loss;
 - c. caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

4. RIOT, VANDALISM OR MALICIOUS ACTS: The term "Riot" includes open assemblies of strikers inside or outside the premises who have quitted work and of locked-out employees.
There shall in no event be any liability hereunder for loss or damage:
 - a. due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - b. due to flood or release of water impounded by a dam, or due to any explosion other than an explosion in respect of which there is insurance under clause IV. 2;
 - c. due to theft or attempt thereat;
 - d. to advertising balloons.
5. SMOKE: The term "Smoke" means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability hereunder for any cumulative damage.
6. LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT: Meaning thereby the leakage or discharge of water or other substances from within the equipment used for fire protection purposes for the premises herein described or for adjoining premises, and loss or damage caused by the fall or breakage or freezing of such equipment. The term "Fire Protective Equipment" includes tanks, water mains, hydrants, valves and any other equipment whether used solely for fire protection and for other purposes, but does not include:
 - a. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - b. any water mains or appurtenances located outside of the described premises and forming part of the public water distribution system;
 - c. any pond or reservoir in which the water is impounded by a dam.
7. WINDSTORM OR HAIL: There shall in no event be any liability hereunder for loss or damage:
 - a. to the interior of the "buildings" insured or their contents unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
 - b. 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, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide;
 - c. to advertising balloons.

V. EXCLUSIONS

- A. Property Excluded
This rider does not insure loss or damage to:
 1. property used for the cultivating, harvesting, processing, manufacturing, distributing or selling of marijuana, or any other substance falling under the Controlled Drug and Substances Act.
- B. Perils Excluded
 1. Misinterpretation of Date Exclusion
This rider does not insure loss or damage caused directly or indirectly by the failure of any:
 - a. electronic data processing equipment, or other equipment, including micro-chips embedded therein;
 - b. computer program;
 - c. software;
 - d. data;
 - e. memory storage system;
 - f. memory storage device;
 - g. real time clock;
 - h. date calculator; or
 - i. any other related component, system, process or device,
to correctly read, recognize, interpret or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by fire or explosion of natural, coal or manufactured gas.
 2. Data Exclusion
This rider does not insure:
 - a. "Data."
 - b. Loss or damage 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, or leakage from fire protective equipment, this exclusion b. shall not apply to such resulting loss or damage.

VI. EXTENSIONS OF COVERAGE

The following extensions of coverage shall not increase the amounts of insurance applying under this rider and are subject to all conditions of this rider.

1. PERSONAL PROPERTY OF OFFICERS AND EMPLOYEES: At the option of the Insured, "equipment" also includes personal property of officers and employees of the Insured. The insurance on such property:
 - a. shall not attach if it is insured by the owner unless the Insured is obliged to insure it or is liable for its loss or damage;
 - b. is in any event, limited to a maximum recovery of \$250 in respect of any one officers or employee.
2. GROWING PLANTS, TREES, SHRUBS, OR FLOWERS IN THE OPEN: This rider is extended to cover loss or damage to growing plants, trees, shrubs or flowers in the open caused directly by the perils insured other than loss or damage by the perils of windstorm or hail as stated in Clause IV. 7 hereof. This extension of coverage shall be limited to a maximum recovery of five hundred dollars (\$500) for each growing plant, tree, shrub or flower in the open including debris removal expense.

VII. PERMISSION

Permission is hereby granted:

1. for other insurance concurrent with this rider;
2. to make ordinary additions, alterations or repairs without limit of time, but extraordinary additions, alterations or repairs are prohibited without prior notice to and the consent of the Insurer in writing;
3. to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.

VIII. BREACH OF CONDITIONS

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this rider, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

IX. REINSTATEMENT

Loss under any item of this rider shall not reduce the applicable amount of insurance.

X. PROPERTY PROTECTION SYSTEMS

It is agreed that the Insured shall notify forthwith the Insurer of any interruption to, or flaw or defect, coming to the knowledge of the Insured, in any

1. sprinkler or other fire extinguishing system; or
2. fire detection system; or
3. intrusion detection system;

and shall also notify forthwith the Insurer of the cancellation or non-renewal of any contract which provides monitoring or maintenance services to any of these systems or of the notification of the suspension of police service in response to any of these systems.

XI. PREMIUM ADJUSTMENT

This clause is applicable if a specific amount of insurance is shown on the Declarations for "stock".

If within six months after the expiry or anniversary date of each period of insurance, the Insured shall file with the Insurer a Premium Adjustment Application Form showing, for the said period, the actual cash value of the "stock" insured on the last day of each month at each location as commented upon by the Insured's Accountant, the actual premium for the said period shall then be calculated at the rate applying to each location for the average amount of the total values declared. If the premium paid by the Insured for such "stock" exceeds the actual premium thus calculated, the Insurer shall refund to the Insured any excess paid, subject to a maximum refund of 50% of the premium paid. In the event of any monthly declared values being in excess of the amount of insurance, the amount of the excess shall not be included in the premium adjustment calculations.

XII. VERIFICATION OF VALUES

The Insurer or its duly appointed representative shall be permitted at all reasonable times during the term of this Policy, or within a year after termination or expiration, to inspect the property insured and to examine the Insured's books, records and such policies as relate to any property insured hereunder. Such inspection or examination shall not waive nor in any manner affect any of the terms or conditions of this rider.

XIII. VALUATIONS

For the purpose of calculating the total value of the property for the application of Co-Insurance value reporting and for loss adjustment, the following valuation basis applies:

1. on unsold "stock" - the actual cash value of the property at the time any loss occurs, but in no event to exceed what it would cost to repair or replace with material of like kind and quality;
2. on sold "stock" - the selling price after allowance for discounts;
3. on property of others in the custody or control of the Insured for the purpose of performing work thereon - the amount for which the Insured is liable but in no event to exceed the actual cash value at the time and place of loss plus allowance for labour and materials expended to such time;
4. on tenant's improvements and records - as defined in paragraphs 1 and 2 of Clause XIII;
5. on all other property insured under this rider and for which no more specific conditions have been set out - the actual cash value at the time of loss or damage occurs but in no event to exceed what it would then cost to repair or replace with material of like kind and quality.

XIV. SPECIAL BASIS OF SETTLEMENT

1. TENANT'S IMPROVEMENTS: The liability of the Insurer shall be determined as follows:

- a. if repaired or replaced with due diligence and dispatch, the amount actually and necessarily expended but in no event exceeding the actual cash value of the tenant's improvements immediately prior to the time of destruction or damage;
- b. if not repaired or replaced with due diligence and dispatch after such loss, that portion of the original cost of the damaged or destroyed tenant's improvements which the unexpired term of the lease at the time of loss bears to the period(s) from the date(s) such tenant's improvements were made to the expiration date of the lease.

2. RECORDS: The liability of the Insurer for loss or damage to:
 - a. books of accounts, drawings, card index systems and other records, other than as described in (b) below, shall not exceed the cost of blank books, blank pages or other materials, plus the cost of labour for actually transcribing or copying said records;
 - b. media, data storage devices, and programme devices for electronic and electro-mechanical data processing or for electronically controlled equipment, notwithstanding that "Data" is not insured, shall not exceed the cost of reproducing such media, data storage devices, and programme devices from duplicates or from originals of the previous generation of the media, but no liability is assumed hereunder for the cost of gathering or assembling information or data for such reproduction.

Whichever of the above is applicable shall be the basis to be adopted for the purpose of applying Co-Insurance.

XV. PROPERTY OF OTHERS

At the option of the Insurer, any loss may be paid to the Insured or adjusted with and paid to the customer or the owner of the property.

XVI. CHEMICAL OR CO₂ AUTOMATIC FIRE PROTECTION MAINTENANCE CLAUSE

(Applicable only where indicated in the Declarations.)

The rate of premium being fixed having regard to the fact that there is present in the risk a fully automatic Chemical or CO₂ extinguishing system, it is understood and agreed that:

1. the Insured shall forthwith notify the Insurer of any interruption to or flaw or defect in the system coming to the knowledge of the Insured;
2. the Insured, if owner or lessee of the system, shall provide for regular inspection and maintenance of the equipment as recommended by the manufacturer, with a minimum of a semi-annual inspection of the system by a qualified trained technician, for the term of this policy.

XVII. DEFINITIONS

Wherever used in this rider:

1. "Building" means the building(s) described in the Declarations and includes:
 - a. fixed structures pertaining to the building(s) and located on the "Premises";
 - b. additions and extensions communicating and in contact with the building(s);
 - c. permanent fittings and fixtures attached to and forming part of the building(s);
 - d. materials, equipment and supplies on the "premises" for maintenance of, and normal repairs and minor alterations to the "building" or for building services;
 - e. growing plants, trees, shrubs or flowers inside the "building" used for decorative purposes when the Insured is the owner of the "building".
2. "Equipment" means:
 - a. generally all contents usual to the Insured's business including furniture, fixtures, fittings, machinery, tools, utensils and appliances other than "building" or "stock" as herein defined;
 - b. similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable;
 - c. tenant's improvements which are defined as building improvements, alterations and betterments made at the expense of the Insured to a "building" occupied by the Insured and which are not otherwise insured, provided the Insured is not the owner of such "building". If the Insured purchased the use interest in tenant's improvements made by a predecessor tenant, this rider applies as though such tenant's improvements had been made at the expense of the Insured.
3. "Stock" means:
 - a. merchandise of every description usual to the Insured's business;
 - b. packing, wrapping and advertising materials; and
 - c. similar property belonging to others which the Insured is under obligation to keep insured or for which he is legally liable.
4. "Contents of Every Description" means "Equipment" and "Stock" as defined above.
5. "Property of Every Description" means "Building(s)", "Equipment" and "Stock" as defined above.
6. "Premises" means the entire area within the property lines at the location(s) described in the declarations and areas under adjoining sidewalks and driveways.
7. "Pipe Organ" includes pipe organs, motors therefor and all fixtures and fittings in connection therewith.
8. "Data" means representations of information or concepts, in any form.
9. "Data Problem" means:
 - a. erasure, destruction, corruption, misappropriation, misinterpretation of "Data";
 - b. error in creating, amending, entering, deleting or using "Data"; or
 - c. inability to receive, transmit or use "Data".