

SOLAR ENERGY EQUIPMENT COVERAGE ENDORSEMENT

WORDS AND PHRASES IN QUOTATIONS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 7

Indemnity Agreement

1. In the event that any of the property Insured be lost or damaged by the perils insured against, the insurer will indemnify the Insured against the direct loss so caused to an amount not exceeding whichever is the least of:
 - a. the actual cash value of the property at the time of loss or damage;
 - b. the interest of the Insured in the property;
 - c. the amount of insurance specified on the "Declaration Page" in respect of the property lost or damaged.

Provided, however, that where the insurance applies to the property of more than one person or interest, the insurer's total liability for loss sustained by all such persons and interests shall be limited in the aggregate to the amount or amounts of insurance specified on the "Declaration Page".

Property Insured

2. This form insures the following property at the location(s) specified on the "Declaration Page".

Solar Energy Equipment, including all owned panels, mounting equipment and photovoltaic cells that form part of a solar energy installation.

Deductible

3. 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 on the "Declaration Page" in any one occurrence. If one occurrence could lead to the application of more than one deductible only the largest deductible will apply.

Co-Insurance

4. This clause applies separately to each item for which a co-insurance percentage is specified on the "Declaration Page" and only where the total loss exceeds the lesser of 5% of the applicable amount of insurance or \$10,000.

The Insured shall maintain insurance concurrent with this Form on the property insured to the extent of at least the amount produced by multiplying the actual cash value of the property by the co-insurance percentage specified on the "Declaration Page", and failing so to do, shall only be entitled to recover that portion of any 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.

Insured Perils

5. This Form, except as herein provided, insures against all risks of direct physical loss of or damage to the property insured.

Exclusions

6. A. PROPERTY EXCLUDED

This Endorsement does not insure loss or damage to:

- a. property at locations which to the knowledge of the Insured, are vacant, unoccupied or shut down for more than thirty (30) consecutive days;
- b. electrical devices, appliances or wiring caused by artificially generated electrical currents, including arcing, unless fire or explosion ensues and then only for each ensuing loss or damage, provided such perils are not excluded in this Endorsement;
- c. property insured under the terms of any Marine insurance and property while waterborne, except while on a regular ferry or railway car transfer in connection with land transportation;
- d. property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority.
- e. property used in whole or in part for the illegal cultivation, harvesting, processing, manufacture, distribution or sale of cannabis or any product derived from, or containing, cannabis or any other substance falling within the Schedules of the Controlled Drugs and Substance Act, whether or not the insured is aware of such use of the property.

6. B. PERILS EXCLUDED

This Endorsement does not insure against loss or damage resulting from, contributed to or caused directly or indirectly:

- a. by earthquake, except for ensuing loss or damage which results directly from fire, explosion, smoke or leakage from fire protective equipment, all as described in Clause 7 "Named Perils";

- b. by flood, including waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made, but this exclusion does not apply to ensuing loss or damage which results directly from fire, explosion, smoke, leakage from fire protective equipment, all as described in Clause 7 "Named Perils" or leakage from a water main;

exclusions (a) and (b) do not apply to property in transit;

- c. (i) by seepage, leakage or influx of water derived from natural sources through basement walls, doors, windows or other openings therein, foundations, basement floors, sidewalks, sidewalk lights, or by the backing up of sewers, sumps, septic tanks or drains, unless concurrently and directly caused by a peril not otherwise excluded in this Endorsement;
- (ii) by the entrance of rain, sleet or snow through doors, windows, skylights or other similar wall or roof openings unless through an aperture concurrently and directly caused by a peril not otherwise excluded in this Endorsement;
- d. by any "fungi" or "spores" unless such "fungi" or "spores" are directly caused by or directly result from a peril otherwise insured and not otherwise excluded by this Endorsement;
- e. by centrifugal force, mechanical or electrical breakdown or derangement in or on the "premises" unless fire ensues and then only for the loss or damage caused directly by such ensuing fire;
- f. by dampness or dryness of atmosphere, changes of temperature, contamination, freezing, heating, shrinkage, evaporation, loss of weight, leakage of contents, exposure to light, change in colour or texture or finish, rust or corrosion, marring, scratching or crushing, but this exclusion does not apply to loss or damage caused directly by "Named Perils", theft or attempt thereat or accident to transporting conveyance provided that such perils are not excluded in Clause 6.B or 6.C or 6.D of this Endorsement.
- g. by smoke from agricultural smudging or industrial operations;
- h. by rodents (such as squirrels and rats), insects or vermin (such as skunks and raccoons), but this exclusion does not apply to loss or damage caused directly by a peril not otherwise excluded in Clause 6.B or 6.C or 6.D of this Endorsement;
- i. by delay loss of market, or loss of use or occupancy;
- j. by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power;
- k. (i) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) by contamination by radioactive material;
- l. (i) by misappropriation, secretion, conversion, infidelity or any dishonest or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted), but this exclusion does not apply to physical damage, caused directly by employees of the Insured, which results from a peril otherwise insured and not otherwise excluded under this Endorsement;
- (ii) by voluntary parting of ownership or title by the insured to any party whether from a legal or illegal transaction;
- (iii) by loss or shortage disclosed on taking inventory or any mysterious disappearance;
- m. by wear and tear, gradual deterioration, latent defect, inherent vice or the cost of making good faulty or improper material, faulty or improper workmanship, faulty or improper design, provided, however, to the extent otherwise insured and not otherwise excluded under this Endorsement, resultant damage to the property is insured;
- n. by loss or damage sustained to solar energy equipment while actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting or servicing of solar energy equipment unless fire or explosion ensues and then only for such ensuing loss or damage;

6.C. POLLUTION EXCLUDED

This Form does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up", but this exclusion does not apply:
 - (i) If the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is the direct result of a peril not otherwise excluded under this Form;
 - (ii) to loss or damage caused directly by a peril not otherwise excluded under this Endorsement;
- (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

6.D DATA & DATA PROBLEM EXCLUDED

- a. This Form does not insure "Data"

- b. This Form does not insure loss or damage caused directly or indirectly by "Data Problem".

However, if loss of damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by fire or lightning, explosion, impact by aircraft, spacecraft or land vehicle, leakage from fire protective equipment, windstorm or hail, all as described in clause 7 "Named Perils" this exclusion (b) shall not apply to such resulting loss or damage.

Definitions

7. When used in this endorsement:

"Data" means representations of information or concepts, in any form.

"Data Problem" means:

- (i) erasure, destruction, corruption, misappropriation or misinterpretation of "Data";
- (ii) error in creating, amending, entering, deleting or using "Data"; or
- (iii) inability to receive, transmit or use "Data"; or
- (iv) damage to electronic data processing equipment or other related component system, process or device.

"Declaration Page" means the Declaration Page applicable to the policy to which this Endorsement is attached.

"Fungi" includes but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.

"Named Perils" means:

(A) **FIRE OR LIGHTNING**

(B) **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:

- (i) (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) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion therefrom;
- (d) smelt dissolving tanks;
- (ii) 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;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) 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;
- (v) gas turbines

The following are not explosions within 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.

(C) **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:

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of "buildings".

(D) **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:

- (i) due to cessation of work or by interruption to process or business operations or by change(s) in temperature;
 - (ii) 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 Definition 7(B);
 - (iii) due to theft or attempted theft
- (E) **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.
- (F) **LEAKAGE FROM FIRE PROTECTIVE EQUIPMENT:** The term Leakage From Fire Protective Equipment means the leakage or discharge of water or other substance from within the equipment used for fire protection purposes for the "premises" described on the "Declaration Page" or for adjoining premises and loss or damage caused by the fall or breakage or freezing of such equipment.
- (G) **WINDSTORM OR HAIL:** There shall in no event be any liability hereunder for loss or damage:
- (i) 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;
 - (ii) 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, landslip

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the Declaration Page and in or on vehicles within 100 metres (328 feet) of such locations.

"Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".

Territorial Limits

8. This insurance applies only to loss, destruction or damage occurring within Canada or the Continental United States of America (excluding Alaska), unless endorsed to the contrary.

Breach of Condition

9. 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 Form, 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.

Reinstatement

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

Subrogation

11. The insurer, upon making any payment or assuming liability therefore under this Form, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Form.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

Valuations

12. 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:
- (a) on all property insured under this Endorsement and for which no more specific conditions have been set out – the actual cash value at the time the 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.

Actual Cash Value: Various factors shall be considered in the determination of actual cash value. The factors to be considered shall include, but not be limited to replacement cost less any depreciation and market value. In determining depreciation, consideration shall be given to the condition of the property immediately before the damage, the resale value, the normal life expectancy of the property and obsolescence.

Special Basis of Settlement

13. Solar Energy Equipment: Where the "Declaration Page" sets out the basis of claim settlement as Replacement Cost it is understood and agreed that settlement shall be based on the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site or on an adjacent site, with standard materials of like kind and quality and currently available in North America and for like use and function without deduction for depreciation. The foregoing shall be subject otherwise to all the terms, conditions and limitations of the Policy including endorsements thereon and to the following:
- a. the repair, replacement, construction or reconstruction, as the case may be, must be affected by the Insured with due diligence and dispatch;
 - b. until repair, replacement, construction or reconstruction has been affected by the Insured, liability shall be that which would have existed had this coverage not been in effect. Liability shall in no event exceed the amount actually and necessarily expended to repair, replace, construct or reconstruct;
 - c. any other insurance effected by or on behalf of the Insured in respect of the perils insured against by the Policy on the property to which this coverage is applicable shall be upon the replacement cost basis as set out herein;
 - d. failing compliance by the Insured with any of the foregoing provisions, this coverage shall be null and void;
 - e. any reference to actual cash value in a co-insurance clause or amended co-insurance clause contained in this Policy is deemed to be a reference to replacement cost of the property insured.
 - f. in the event that new property of like kind and quality is not obtainable, new property which is as similar as possible to that damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality for the purposes of this endorsement.
 - g. This provision does not apply to
 - i. manuscripts and records meaning scripts and records meaning books of account, drawings, card index systems and other records;
 - ii. "media" meaning the materials on which data is recorded electronically or digitally and data meaning the facts, concepts, instructions or computer programs used in data processing operations;
 - iii. any increase in the cost of replacement occasioned by a restriction or prohibition in any by-law, regulation, ordinance or law.

Failing compliance by the Insured with any of the foregoing provisions the basis of settlement will be on an actual cash value basis.

Property of Others

14. 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.

Locked Vehicle Warranty

15. This clause does not apply to property which is under the control of a common carrier.

Warranted by the Insured that any vehicle in which the property insured is carried is equipped with a fully enclosed metal body or compartment and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment the doors and windows of which shall have been securely locked.