
SCHEDULE 25

**INSURANCE AND PERFORMANCE
SECURITY REQUIREMENTS**

**ARTICLE 1
DESIGN AND CONSTRUCTION WORKS INSURANCE COVERAGE**

- 1.1 Subject to Article 8 of this Schedule 25, from and after execution of this Project Agreement and, until the Substantial Completion Date, Project Co shall, at its own expense, obtain and maintain, or cause to be obtained and maintained, exclusively through the Infrastructure Ontario Construction Insurance Program (IOCIP) the following insurances as further described in Appendix A to this Schedule 25:
- (a) “All Risks” Course of Construction Property, including Boiler and Machinery;
 - (b) “Wrap-Up” Commercial General Liability and Non-Owned Automobile Liability;
 - (c) Project Specific Professional Liability; and
 - (d) Project Specific Pollution Liability (combined Contractors’ Pollution Liability and Pollution Legal Liability).
- 1.2 Subject to Article 8 of this Schedule 25, from and after execution of this Project Agreement, until the Substantial Completion Date, Project Co shall, at its own expense, obtain and maintain, or cause to be obtained and maintained, the following insurances as further described in Appendix A to this Schedule 25;
- (a) Automobile Liability;
 - (b) Commercial General Liability and Non-Owned Automobile Liability (to be maintained by the Construction Contractor and each of the Subcontractors involved in the Design and Construction Works) with respect to off-site/Lands operations and activities;
 - (c) Aircraft and Watercraft Liability (if any exposure);
 - (d) “All Risks” Marine Cargo (if any exposure);
 - (e) “All Risks” Contractors’ Equipment;
 - (f) Comprehensive Crime; and
 - (g) WSIB.

**ARTICLE 2
MAINTENANCE TERM INSURANCE COVERAGE**

- 2.1 Subject to Article 8 of this Schedule 25, from and after the Substantial Completion Date and until the Termination Date, in respect of coverage for the Maintenance and Rehabilitation Services and during the Operations Term, in respect of coverage for Operations Services, Project Co shall, at its own expense, obtain and maintain, or cause to be obtained and maintained, the following insurances as further described in Appendix A to this Schedule 25:
- (a) “All Risks” Property;
 - (b) Boiler and Machinery;
 - (c) Commercial General Liability and Non-Owned Automobile Liability;
 - (d) Environmental Impairment (Pollution) Liability;
 - (e) Automobile Liability;
 - (f) Comprehensive Crime; and
 - (g) WSIB.

**ARTICLE 3
NO LIMIT ON RECOVERY**

- 3.1 Notwithstanding any other provision of this Project Agreement, it is hereby agreed that the limits of liability specified in this Schedule 25 for insurance policies, whether such policies are required to be obtained (or caused to be obtained) by the Region or by Project Co, shall in no way limit Project Co’s liability or obligations to the Region or the Region’s liability or obligations to Project Co, as applicable.

**ARTICLE 4
ADDITIONAL COVER**

- 4.1 Without prejudice to the other provisions of this Schedule 25, the Region and Project Co shall, at all relevant times and at their own expense, obtain and maintain, or cause to be obtained and maintained, those insurances which they are required to obtain and maintain, or cause to be obtained and maintained, by Applicable Law, or that they consider necessary.
- 4.2 The Region reserves the right to require Project Co to purchase such additional insurance coverage as the Region may reasonably require. The Region also reserves the right to request such higher or lower limits of insurance or otherwise alter the types of coverage requirements, their minimum amounts and deductibles (taking into consideration such matters as the nature of the Design and Construction Works, the Public Infrastructure Works, the Maintenance and Rehabilitation Services, and the Operations Services, contract value, industry standards, and

availability of insurance) as the Region may reasonably require from time to time. Any additional costs of such additional and/or amended insurance shall be borne by the Region and any cost savings resulting from the implementation of such additional and/or amended insurance shall be for the account of the Region.

**ARTICLE 5
RESPONSIBILITY FOR DEDUCTIBLES**

- 5.1 The Party responsible for the matter giving rise to a claim, to the extent responsible therefor, shall be responsible and liable for the payment of deductibles under any policy of insurance under which it is an insured party or under any policy of insurance Project Co is required to maintain (or cause to be maintained) under this Schedule 25. In the event that responsibility for the matter giving rise to the claim is indeterminable, the First Named Insured under the policy of insurance is responsible and liable for the payment of deductibles.

**ARTICLE 6
COOPERATION WITH INSURER'S CONSULTANT**

- 6.1 If an insurer or an insurer's appointed consultant, for underwriting purposes or as a term of an insurance policy, needs to review any part of the performance of this Project Agreement, then the Region and Project Co shall, and shall require the Region Parties and the Project Co Parties, respectively, to:
- (a) cooperate with the insurer and its consultant, including providing them with such information and documentation as they may reasonably require; and
 - (b) allow the insurer and its consultant to attend meetings between Project Co and the Region (or, as applicable, and if reasonably required by the insurer, between Project Co and those engaged by or through Project Co).

**ARTICLE 7
BENCHMARKING OF INSURANCE COSTS**

- 7.1 For purposes of this Article 7, the following terms shall have the following meanings:
- (a) **“Actual Relevant Insurance Cost”** means the aggregate of (i) the annual insurance premiums reasonably incurred by Project Co to maintain (or cause to be maintained) the Relevant Insurance at the Relevant Insurance Inception Date and during the Insurance Review Period, but excluding Taxes and all broker's fees and commissions.
 - (b) **“Base Relevant Insurance Cost”** means MFIPPA Section 11(c)(d) at the Relevant Insurance Inception Date and, thereafter, means the aggregate of the annual insurance premiums which were projected (as set out in the Financial Model pursuant to RFP Schedule 3 – Part 2, Section 2.19 – Base Relevant Insurance Cost) to be incurred by Project Co to maintain (or cause

to be maintained) the Relevant Insurance during the Insurance Review Period, which amounts exclude Taxes and all broker's fees and commissions.

- (c) **“Insurance Cost Differential”** means an amount, based on the Joint Insurance Cost Report, equal to $(ARIC - BRIC) \pm PIC$ where:

ARIC is the Actual Relevant Insurance Cost;

BRIC is the Base Relevant Insurance Cost; and

PIC is any Project Insurance Change.

For the purpose of determining the Insurance Cost Differential, in the event that there is a net increase in the ARIC relative to the BRIC, the Project Insurance Change shall have a negative value and, in the event that there is a net decrease in the ARIC relative to the BRIC, the Project Insurance Change shall have a positive value.

- (d) **“Insurance Review Date”** means the Relevant Insurance Inception Date and thereafter each anniversary of the Relevant Insurance Inception Date, except where such date lies beyond the end of the Project Term, in which case the Insurance Review Date shall be the last renewal date of the Relevant Insurance prior to the Expiry Date.
- (e) **“Insurance Review Period”** means a one year period from the Relevant Insurance Inception Date and each subsequent one year period commencing on the Relevant Insurance Inception Date, except where the end of such period lies beyond the end of the Project Term, in which case the Insurance Review Period shall be the period from the end of the penultimate Insurance Review Period to the last day of the Project Term.
- (f) **“Project Insurance Change”** means any net increase or net decrease in the Actual Relevant Insurance Cost relative to the Base Relevant Insurance Cost, arising from:
- (i) other than in respect of claims or re-ratings arising out of acts or omissions of the Region, a Region Party or a System User, the claims history or re-rating of Project Co or any Project Co Party;
 - (ii) the effect of any change in deductible unless:
 - (1) such change is attributable to circumstances generally prevailing in the worldwide insurance market; and
 - (2) the deductible, further to such change, is either greater than or equal to the maximum deductibles set out in this Schedule 25; and
 - (3) in respect of the Relevant Insurance, such change is not attributable to claims made as the result of acts or omissions of Project Co or any Project Co Party; and

- (iii) any other issue or factor other than circumstances generally prevailing in the worldwide insurance market.
 - (g) “**Relevant Insurance**” means all policies of insurance to be obtained (or caused to be obtained) by Project Co in accordance with Article 2 of this Schedule 25.
 - (h) “**Relevant Insurance Inception Date**” means the date on which the Relevant Insurance is first providing active insurance cover to Project Co and the Region being a date no earlier than the Substantial Completion Date.
- 7.2 No later than 60 days prior to each Insurance Review Date, Project Co’s insurance broker shall, at Project Co’s sole cost and expense, prepare a report on behalf of both Project Co and the Region (the “**Joint Insurance Cost Report**”), which contains the following information at the Relevant Insurance Inception Date, and thereafter for the relevant Insurance Review Period:
- (a) a full breakdown of the Actual Relevant Insurance Cost;
 - (b) a full breakdown of the Base Relevant Insurance Cost;
 - (c) an assessment and quantification of each Project Insurance Change, together with the reasons therefor;
 - (d) the opinion of Project Co’s insurance broker as to the reasons why the Actual Relevant Insurance Cost has varied from the Base Relevant Insurance Cost, specifying the impact of each of the factors and quantifying the amount attributable to each factor;
 - (e) the calculation of the Insurance Cost Differential; and
 - (f) evidence satisfactory to the Region, acting reasonably, of any changes to circumstances generally prevailing in the worldwide insurance market that are claimed to account for the Insurance Cost Differential.
- 7.3 The Monthly Service Payment will be subject to an adjustment in the amount of the Insurance Cost Differential (the “**Insurance Adjustment**”) in accordance with Schedule 20 – Payment Mechanism.

ARTICLE 8 UNINSURABLE RISKS

- 8.1 The term “**Uninsurable Risk**” means a risk, or any component of a risk, against which Project Co is required to insure pursuant to this Schedule 25 and for which, at any time after the date of this Project Agreement, either:
- (a) the insurance required pursuant to this Schedule 25 (including the terms and conditions specified for such insurance herein) is not available in relation to that risk:

- (i) where Applicable Laws require that the insurer must be licensed in the Province of Ontario to insure such a risk, by insurers licensed in the Province of Ontario; or
 - (ii) where Applicable Laws do not require that the insurer must be licensed in the Province of Ontario to insure such a risk, by any insurer otherwise permitted under the terms of this Project Agreement; or
- (b) the insurance premium payable or the terms and conditions for insuring that risk are such that the risk is not generally being insured against in the worldwide insurance market.

Project Co has the onus of demonstrating, to the Region's reasonable satisfaction that the foregoing definition applies to a particular risk.

- 8.2 Project Co shall notify the Region as soon as possible and, in any event, within 15 Business Days of becoming aware of same, that a risk, or any component of a risk, has become an Uninsurable Risk, and shall provide the Region with all relevant details in relation to such risk, including a copy of the relevant insurance policy.
- 8.3 Project Co and the Region shall, as soon as possible following the provision of the notice referred to in Section 8.2 of this Schedule 25, meet to discuss, in good faith, the appropriate means by which the Uninsurable Risk should be managed and, if Project Co and the Region are able to agree to alternative arrangements, the Uninsurable Risk shall be managed in accordance with such alternative arrangements.
- 8.4 In the event that Project Co and the Region, each acting in good faith, are unable to agree to alternative arrangements with respect to the management of an Uninsurable Risk within 15 Business Days of the expiry of the period referred to in Section 8.2 of this Schedule 25, the Region may, in its absolute discretion, either:
- (a) elect to assume responsibility for the Uninsurable Risk and, in respect of the year in which the relevant risk becomes an Uninsurable Risk and every year thereafter, withhold, in equal instalments over the course of such year, from the payment or payments otherwise due to Project Co an amount equal to the annual premium (index linked) relating to the Uninsurable Risk as was current on the date immediately prior to the date on which the relevant risk became an Uninsurable Risk, in which case this Project Agreement shall continue in full force and effect; or
 - (b) terminate this Project Agreement in accordance with Section 47.2 of this Project Agreement as if such termination had occurred as a result of the Parties having failed to reach agreement in accordance with Section 47.2 of this Project Agreement following the occurrence of an event of Force Majeure, and, in accordance with the provisions of Schedule 23 – Compensation on Termination, pay to Project Co an amount equal to the Non-Default Termination Sum.

- 8.5 On the occurrence of an Uninsurable Risk, the Region may, in its absolute discretion, either:
- (a) pay to Project Co an amount equal to the insurance proceeds that would have been payable to Project Co in connection with such Uninsurable Risk had the relevant insurance continued to be available, in which case this Project Agreement shall continue in full force and effect; or
 - (b) terminate this Project Agreement in accordance with Section 47.2 of this Project Agreement as if such termination had occurred as a result of the Parties having failed to reach agreement in accordance with Section 47.2 of this Project Agreement following the occurrence of an event of Force Majeure, and, in accordance with the provisions of Schedule 23 – Compensation on Termination, pay to Project Co an amount equal to the Non-Default Termination Sum.
- 8.6 With respect to any Uninsurable Risk:
- (a) Project Co shall continue to approach the insurance market on a regular basis and, in any event, at intervals of not less than 180 days and use reasonable efforts to obtain (or cause to be obtained) insurance to cover as much or all of the Uninsurable Risk as can be insured in the available insurance market from time to time; and
 - (b) Subject to Section 8.6(a) of this Schedule 25, Project Co shall be relieved of its obligation to maintain (or cause to be maintained) insurance in respect of the Uninsurable Risk.
- 8.7 Where a risk which was previously an Uninsurable Risk ceases to be so, Project Co shall, at its own expense, obtain and maintain, or cause to be obtained and maintained, insurance in accordance with the requirements of this Schedule 25 in respect of the risk and the provisions of this Section 8 shall no longer apply to such risk.
- 8.8 From and after the Substantial Completion Date, the Parties shall meet on an annual basis to review the scope of insurance coverage and deductibles provided in this Schedule 25, and may make mutually agreed changes thereto.

ARTICLE 9 DAMAGE OR DESTRUCTION

- 9.1 In the event of damage to, or destruction of, to all or any part of the System or the Public Infrastructure for which there is coverage under an insurance policy, any insurance proceeds received by Project Co shall first be applied so as to ensure the performance by Project Co of its obligations under this Project Agreement, including, where appropriate, the reinstatement, restoration or replacement of the System and the Public Infrastructure or any other assets, materials or goods necessary or desirable for the carrying out of the Project Operations, all in accordance with the terms of the Insurance Trust Agreement and Section 20.1 and 20.2, provided that: (i) prior to the issuance of a Vehicle Final Acceptance Certificate in respect of a Vehicle, this Section 9.1 shall not apply, and the provisions of Section 20.1 shall apply in respect of

insurance proceeds relating to or in connection with each such Vehicle; and (ii) after the issuance of a Vehicle Final Acceptance Certificate in respect of a Vehicle, where each such Vehicle is declared a total loss for the purposes of the insurance policies, this Section 9.1 shall not apply, and the provisions of Section 20.2, shall apply in respect of insurance proceeds relating to or in connection with each such Vehicle.

**ARTICLE 10
SUBCONTRACTORS**

- 10.1 Project Co shall require that all Subcontractors are covered by, or obtain, the insurance described in this Schedule 25, provided that Project Co shall determine the applicable limits to be obtained for such insurance. Project Co shall be solely responsible and liable for any damages which the Region may suffer as a direct result of Project Co's failure to comply with the foregoing.
- 10.2 If Project Co receives notice that any Subcontractor employed by or through Project Co is not covered by any insurance required by this Schedule 25 to be obtained (or caused to be obtained) by Project Co, Project Co shall:
- (a) ensure that such insurance coverage is put in place;
 - (b) remove the Subcontractor from the Lands and ensure that such Subcontractor does not perform any further part of the Project Operations until after such insurance coverage is put in place; or
 - (c) if the Subcontractor cannot be covered by a particular policy as required by this Schedule 25, replace the Subcontractor with a new Subcontractor who can be covered by insurance required by this Schedule 25 or who can obtain the required insurance coverage; it being acknowledged by Project Co that the requirements and restrictions set forth in this Project Agreement regarding new and replaced Subcontractors shall be complied with.

**ARTICLE 11
RENEWAL**

- 11.1 Project Co shall provide to the Region, at least 5 Business Days prior to the expiry date of any policy of insurance required to be obtained (or caused to be obtained) by Project Co pursuant to this Schedule 25, evidence of the renewal of each such policy satisfactory to the Region, acting reasonably.

**ARTICLE 12
NAMED AND ADDITIONAL INSURED AND WAIVER OF SUBROGATION**

- 12.1 All insurance provided by Project Co, shall:
- (a) include Project Co, the Region, HMQ, the Vehicle Supplier and any other party specified in Appendix A of this Schedule 25 as Named Insureds to the extent specified in

- Appendix A of this Schedule 25 or as required pursuant to any agreement relating to the Project to which Project Co is a party;
- (b) include the Region, HMQ, the Lenders, the Lenders' Agent, City of Kitchener, City of Waterloo and any other party specified in Appendix A of this Schedule 25 as Additional Insureds, or loss payees to the extent of their respective insurable interests to the extent specified in Appendix A of this Schedule 25 or as required pursuant to any agreement relating to the Project to which Project Co is a party;
 - (c) except with respect to the Project Specific Professional Liability specified in Part 1 of Appendix A to this Schedule 25 and Automobile Liability, Comprehensive Crime and WSIB specified in Parts 1 and 2 of Appendix A to this Schedule 25, contain a waiver of subrogation as against the Region, Region Parties, City of Kitchener, City of Waterloo and their respective shareholders, officials, directors, officers, employees, servants, consultants (other than design consultants) and agents;
 - (d) with respect to the "All Risk" Course of Construction Property, including Boiler and Machinery and "All Risk" Property, contain a waiver of subrogation as against the Vehicle Supplier, and its shareholders, officers, directors, officers, employees, servants, consultants (other than design consultants and agents);
 - (e) contain a breach of warranty provision whereby a breach of a condition by Project Co will not eliminate or reduce coverage for any other insured; and
 - (f) be primary insurance with respect to any similar coverage provided by any insurance obtained by or available to the Region and HMQ without any right of contribution of any insurance carried by the Region and HMQ.
- 12.2 Notwithstanding that "Region" includes each ministry, agency, board, commission or other subdivision, department or branch of the Region, for purposes of this Schedule 25, including Appendix A hereto, certain departments of the Region are listed as Named Insureds and/or Additional Insureds for greater certainty and for insurance evidence requirements.

ARTICLE 13
CERTIFICATES OF INSURANCE AND CERTIFIED COPIES OF POLICIES

- 13.1 Prior to the commencement of any part of the Design and Construction Works, Project Co will provide the Region with certified copies of policies, confirming that the insurances specified in Section 1.1 have been obtained and are in full force and effect.
- 13.2 Prior to the commencement of any part of the Design and Construction Works, Project Co will provide the Region with certificates of insurance or certified copies of policies, confirming that the insurances specified in Section 1.2 have been obtained and are in full force and effect. If certificates of insurance are provided, certified copies of the entire contents of all relevant

insurance policies will be subsequently provided to the Region no later than 90 days after execution of this Project Agreement.

- 13.3 Prior to the commencement of any part of the Maintenance and Rehabilitation Services and the Operations Services, Project Co will provide the Region with certificates of insurance or certified copies of policies, confirming that the insurances specified in Section 2.1 have been obtained and are in full force and effect. If certificates of insurance are provided, certified copies of the entire contents of all relevant insurance policies will subsequently be provided to the Region no later than 90 days after the Substantial Completion Date; however specimen wordings of all such insurance policies, along with the corresponding summary of coverage, limits and deductibles, must be provided to the Region no later than 90 days prior to the Substantial Completion Date.

ARTICLE 14 FAILURE TO MEET INSURANCE REQUIREMENTS

- 14.1 If Project Co fails to obtain or maintain, or cause to be obtained and maintained, the insurance required by this Schedule 25, fails to furnish to the Region a certified copy of each policy required to be obtained by this Schedule 25 or if, after furnishing such certified copy, the policy lapses, is cancelled, or is materially altered, then the Region shall have the right, without obligation to do so, to obtain and maintain such insurance itself in the name of Project Co, and the cost thereof shall either, at the Region's option, be payable by Project Co to the Region on demand or be deducted by the Region from the next payment or payments otherwise due to Project Co.
- 14.2 If coverage under any insurance policy required to be obtained (or caused to be obtained) by Project Co should lapse, be terminated or be cancelled, then, if directed by the Region, all work by Project Co shall immediately cease until satisfactory evidence of renewal is produced.

ARTICLE 15 MODIFICATION OR CANCELLATION OF POLICIES

- 15.1 Except as noted in Appendix A to this Schedule 25, all insurance provided by Project Co shall contain endorsements confirming that the policy will not be cancelled, adversely reduced, adversely materially altered or adversely materially amended without the insurer(s) giving at least ninety (90) days prior written notice by registered mail, at the addresses specified, to the Region, City of Kitchener, City of Waterloo, the Lenders and the Lenders' Agent. For greater certainty, the terms "adversely reduced", "adversely materially altered" and "adversely materially amended" as used in this provision shall mean any decrease or reduction in policy limits, aggregate limits or sub-limits (other than as a result of claims under the policy), any increase in any policy deductible or self-insured retention, any reduction in the policy coverage period, cancellation or suspension of coverage with respect to any insured parties from the time the policy was issued for that policy period, addition of any exclusions or restrictions from the time the policy was issued for that policy period and any reduction or restriction in the scope of coverage provided under the policy, in all cases when such adverse reduction, adverse material alteration or adverse material amendment is initiated by the insurer.

- 15.2 All insurance provided by Project Co shall contain endorsements confirming that, in the event of cancellation for non-payment of premium, the insurer(s) will give at least fifteen (15) days prior written notice by registered mail, at the addresses specified, to the Region, the Lenders and the Lenders' Agent.
- 15.3 With respect to Maintenance Term insurance, only notice of cancellation will be required for the Automobile Liability and Comprehensive Crime described in Part 2 of Appendix A to this Schedule 25.
- 15.4 With respect to insurance described in Section 1.1(a), (b) and (d), Section 1.2(d) and Section 2.1(a), (b), (c) and (d), breach of any of the terms or conditions of the policies required to be provided by Project Co, or any negligence or wilful act or omission or false representation by an Insured under these policies, shall not invalidate the insurance with respect to the Region, HMQ and the Lenders or any other Insured, but only to the extent that such breach is not known to these parties.

**ARTICLE 16
INSURERS**

- 16.1 All policies of insurance to be obtained (or caused to be obtained) by Project Co in accordance with this Schedule 25 shall be issued by financially sound insurers acceptable to the Region and the Lenders, acting reasonably, and, where required by statute, be licensed to insure such risk in the Province of Ontario.
- 16.2 To be eligible to provide insurance, an insurer must have the capacity to provide the particular insurance and shall have current ratings from time to time of either:
- (a) a Financial Strength Rating of not lower than "A-" for three out of the previous five years but not lower than "B" at any time during those five years, and a Financial Size Category not lower than VII, such ratings being those established by A. M. Best Company (Best); or
 - (b) a Long-Term Financial Strength Rating of not lower than "A-" for three out of the past five years but not less than "BBB" at any time during those five years, a Short-Term Financial Strength Rating of not lower than "A-3" for three out of the previous five years and a Financial Enhancement Rating of not lower than "A-" for three out of the previous five years but not less than "BB+" at any time during those five years, such ratings being those established by Standard and Poor's (S&P); or
 - (c) if the insurer is not rated by Best or S&P, an insurer that is acceptable to the Region and Lenders, acting reasonably, with respect to the insurances required by this Schedule 25.

**ARTICLE 17
POLICY TERMS AND CONDITIONS**

- 17.1 All policies of insurance to be obtained (or caused to be obtained) by Project Co in accordance with this Schedule 25 shall be in form and substance satisfactory to the Region and its insurance advisors, acting reasonably.
- 17.2 To achieve the minimum limits for any type of insurance required under Appendix A, it is permissible to arrange the insurance under a single policy, or by a combination of primary, umbrella and/or excess policies.

**ARTICLE 18
FAILURE TO COMPLY**

- 18.1 Neither failure to comply nor full compliance by Project Co with the insurance provisions of this Schedule 25 shall relieve Project Co of its liabilities and obligations under this Project Agreement.

MFIPPA Section 10(1)

MFIPPA Section 10(1)

ARTICLE 20 INSURANCE TRUST AGREEMENT

- 20.1 Prior to the issuance of a Vehicle Final Acceptance Certificate in respect of a Vehicle, all losses under the “All Risks” Course of Construction Property Insurance policy, including Boiler & Machinery Insurance carried by Project Co prior to Substantial Completion which, in each case relate to a Vehicle in which a Vehicle Final Acceptance Certificate has not been issued, shall be payable solely to the Vehicle Supplier and the provisions of Section 2.5 of Schedule 35 – Vehicles shall apply, and such losses shall not be payable to the Account Trustee or distributed pursuant to the Insurance Trust Agreement.
- 20.2 After issuance of a Vehicle Final Acceptance Certificate in respect of a Vehicle, losses under (i) the “All Risks” Course of Construction Property Insurance policy, including Boiler &

Machinery Insurance carried by Project Co prior to Substantial Completion; (ii) the Property Insurance carried by Project Co after Substantial Completion; and (iii) the Boiler and Machinery Insurance carried by Project Co after Substantial Completion, which, in each case, relate to a total loss of such Vehicle for purposes of such insurance policies, and otherwise relate to related equipment, shall be paid solely to the Region and the provisions of Section 2.9 of Schedule 35 – Vehicles shall apply, and the such losses shall not be payable to the Account Trustee or distributed pursuant to the Insurance Trust Agreement

Appendix A – Insurance Requirements

Design and Construction Works and Public Infrastructure Works Insurance – Part 1 Region of Waterloo Stage 1 Light Rail Project

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co and arranged through the IOCIP program

Type	Amount	Maximum Deductibles	Principal Cover
<p>“All Risks” Course of Construction Property, including Boiler and Machinery</p>	<p>Value declared to be equal to [redacted] including Property of Every Description and all other property supplied by the Region or the Region Parties for incorporation into the Project including Vehicles and equipment.</p> <p>Delay in Start-up [redacted] covering a 24 month indemnity period, including Contingent Delayed Start-Up related to losses at Suppliers’ or Manufacturers’ premises or other temporary storage locations [redacted] sub-limit)</p> <p>Soft Costs [redacted] (representing 100% of Recurring / Continuing Soft Costs)</p> <p>Extra and Expediting Expense (minimum [redacted] sub-limit)</p> <p>Principal Extensions:</p> <ul style="list-style-type: none"> • Replacement Cost Valuation (Property) • Most Recent Technology Replacement Cost Valuation (Equipment or Machinery) • Flood (to policy limit with annual aggregate) 	<p>3% of loss value [redacted] minimum Earthquake</p> <p>[redacted] Flood</p> <p>[redacted] Testing and Commissioning</p> <p>[redacted] All other losses</p> <p>48 hour waiting period, off premises services</p> <p>45 days waiting period applicable to all other time element coverages</p>	<p>“All Risks” Course of Construction Property Insurance covering the full insurable replacement cost of the System, the Public Infrastructure, the Designed Construction Works and the Public Infrastructure Works including cold and hot testing / commissioning of Equipment including HVAC, Delay in Start-Up, Soft Costs with no early occupancy restriction.</p> <p>This coverage shall be primary with respect to the Project without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> • Natural or man-made earth movement, including earthquake, landslide or subsidence (to policy limit with an annual aggregate) • Electronic Data Processing equipment and media, including data restoration and re-creation costs • Transit • Unnamed locations • By-laws including Demolition, Increased Cost of Repairs and Replacement (subject to a [REDACTED] sub-limit only with respect to existing or renovated buildings) • Debris Removal (minimum [REDACTED] sub-limit) • Off Premises Services Interruption (minimum [REDACTED] sub-limit) • Professional Fees (minimum [REDACTED] sub-limit) • Fire Fighting Expenses (minimum [REDACTED] sub-limit) • Valuable Papers (minimum [REDACTED] sub-limit) • Accounts Receivable (minimum [REDACTED] sub-limit) • Green Building and LEED Upgrades (subject to a [REDACTED] sub-limit) • Defence Costs (subject to a [REDACTED] sub-limit) • Contamination Clean-up or Removal (minimum [REDACTED] sub-limit) • Ammonia Contamination (minimum [REDACTED] sub-limit) • LEED Rectification, Commissioning and Testing Expenses (subject to a [REDACTED] sub-limit) • Civil Authority Access Interruption (8 weeks) • Prevention of Ingress/Egress 		

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> (8 weeks) • Permission for Partial Use or Occupancy prior to Substantial Completion • Cost of Carrying Project Financing (24 Months), included in Delayed Start-Up coverage • Margin of Profit Extension for Contractors • Radioactive contamination caused by sudden and accidental release of radioactive isotopes (resulting from an accident) 		
	<p>Permitted Exclusions:</p> <ul style="list-style-type: none"> • Cyber risk • Mould, fungi and fungal derivatives • Faulty workmanship, materials construction, or design but resultant damage to be insured to a minimum LEG 2 standard • War risk • Terrorism • Nuclear or radioactive contamination, except radioactive isotopes intended for scientific, medical, industrial or commercial use • Contractors' equipment 		

Type	Amount	Maximum Deductibles	Principal Cover
<i>Comments</i>			
	<ul style="list-style-type: none"> • Named Insured includes Project Co, Lenders, Lender’s Agent, the Construction Contractor, all subcontractors, sub-subcontractors, consultants and sub-consultants, the Region, HMQ and the Vehicle Supplier and as their respective interests may appear • No provision permitted allowing a coinsurance penalty • Insurance shall be primary without right of contribution of any other insurance carried by any Named Insured • Additional key extensions of coverage: <ul style="list-style-type: none"> • Underground services, temporary works involved in the Project such as scaffolding, hoarding, etc., site preparation, including excavation and associated improvements, landscaping and property of others used in the construction of the Project • Losses payable in accordance with the Insurance Trust Agreement • Upon Substantial Completion, cover will cease and be replaced by All Risk Property and Boiler & Machinery Insurance – Maintenance Term • Waiver of Subrogation against all Named and Unnamed Insureds, including but not limited to Project Co, the Region, HMQ, City of Kitchener, City of Waterloo, the Vehicle Supplier, the Construction Contractor, all subcontractors, professional consultants (other than for their professional liability), Lenders, Lenders’ Agent, as well as officers, directors and employees, servants, and agents of the foregoing • Frost or freezing to concrete – but only resultant damage from a peril not otherwise excluded • Liberalization Clause • Errors and Omissions • Breach of Conditions • Interims Payments Clause 		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

Design and Construction Works and Public Infrastructure Works Insurance – Part 1 Region of Waterloo Stage 1 Light Rail Project

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co and arranged through the IOCIP program

Type	Amount	Maximum Deductibles	Principal Cover
<p>“Wrap-Up” Commercial General Liability and Non-Owned Automobile Liability</p>	<p>MFIPPA Section 11(c)(d) each occurrence, and in the annual aggregate with respect to Broad Form Products and Completed Operations</p> <p>Sub-limits:</p> <ul style="list-style-type: none"> MFIPPA Section 11(c)(d) Non-Owned Automobile Liability MFIPPA Section 11(d) Sudden and Accidental Pollution and Hostile Fire Pollution Liability MFIPPA Section 11 “All Risks” Tenants’ Legal Liability MFIPPA Section 11 Prairie or Forest Fire Fighting Expenses MFIPPA Section 11 Employee Benefits Administrative Errors and Omissions MFIPPA Section 11 Contractors Rework MFIPPA Section 11 Legal Liability for Damages To Non-Owned Automobiles (SEF 94) MFIPPA Section 11(c)(d) Medical Payments <p>Principal Extensions:</p> <ul style="list-style-type: none"> Owner’s and Contractor’s Protective Blanket Contractual (written and oral) Direct and Contingent Employers 	<p>MFIPPA Section 11 per occurrence</p> <p>MFIPPA Section 11 per claim with respect to Contractors Rework</p> <p>MFIPPA Section 11 per claim with respect to each of SEF 94, Tenants Legal Liability, Prairie or Forest Fire Fighting Expenses and Employee Benefits Administrative Errors and Omissions</p>	<p>Wrap-Up Commercial General Liability and Non-Owned Automobile Liability insurance covering all construction operations on an occurrence basis against claims for Bodily Injury (including Death), Personal Injury, Property Damage (including Loss of Use), and including Products and Completed Operations Liability, extended for a period of not less than 24 months, effective from the Substantial Completion Date.</p> <p>Coverage shall be maintained continuously from the date of the first access to the Lands, the Substantial Completion Date, at which time the Products and Completed Operations extension will take effect.</p> <p>Pollution Liability – Sudden and Accidental and Hostile Fire Pollution coverage to be not less than IBC 2313 form (240 hours detection/240 hours’ notice coverage structure).</p> <p>This coverage shall be primary with respect to the Project without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
			<ul style="list-style-type: none"> Liability • Personal Injury (nil participation) • Cross Liability and Severability of Interest with respect to each insured party • Blasting / demolition / excavating / underpinning / pile driving / shoring / caisson work / work below ground surface / tunnelling / grading and similar operations associated with the Design and Construction Works and Public Infrastructure Works, as applicable • Elevator and Hoist Collision Liability • Liberalized Notice of Claim Requirement, i.e., requirement to report will commence when knowledge is held by a designated project person(s) – to be identified by Project Co • Non-Owned Automobile Liability • Tenants’ Legal Liability (All Risks) – subject to sub-limit • Medical Expenses – subject to sub-limit • Prairie or Forest Fire Fighting Expenses – subject to sub-limit • Sudden and Accidental Pollution and Hostile Fire Pollution Liability – subject to sub-limit • Employee Benefits Administrative Errors and Omissions – subject to sub-limit • Contractors’ Rework Coverage – subject to sub-limit • Permission for Unlicensed Vehicles (partial road use) • Unlicensed Equipment • Loss of Use Without Property

Type	Amount	Maximum Deductibles	Principal Cover
			<p>Damage</p> <ul style="list-style-type: none"> • Loading and Unloading of Automobiles • Broad Form Property Damage • Broad Form Completed Operations • Intentional Injury, committed to Protect Persons or Property • Accident Benefits • Worldwide Territory, subject to suits being brought in Canada or the US <p>Permitted Exclusions:</p> <ul style="list-style-type: none"> • Injury to employees, where WSIB provides valid coverage • Property in the care, custody or control of the insured, except during the Broad Form Products and Completed Operations extension period • Operation of licensed motor vehicles, other than attached machinery, while used for its purpose or at the Project Site • Physical damage to the Project, except during Broad Form Products and Completed Operations extension period • Cyber risk • Mould, fungi and fungal derivatives • Professional liability of engineers, architects and other professional consultants • Nuclear or radioactive contamination, except release radioactive isotopes intended for scientific, medical, industrial or commercial use

Type	Amount	Maximum Deductibles	Principal Cover
<i>Comments</i>			<ul style="list-style-type: none"> Named Insured includes Project Co and its Affiliates, the Region, HMQ, the Lenders, Project Co parties involved in the Design and Construction Works and the Public Infrastructure Works, including the Construction Contractor, all subcontractors, sub-subcontractors, suppliers while working on the Lands, tradesmen while working on the Lands, engineers, architects, consultants and sub-consultants (other than for professional liability), others as Additional Insureds, as may be required from time to time, arising from all operations and activities pertaining to the Design and Construction Works and the Public Infrastructure Works and the control and use of the Lands City of Kitchener, City of Waterloo and Canadian National Railway as Additional Insureds Her Majesty the Queen in Right of Ontario as represented by the Minister of Infrastructure is added as an Additional Insured Directors, officers, shareholders, employees of the insured parties involved in the Design and Construction Works and the Public Infrastructure Works are covered as Additional Insureds Insurance is primary without right of contribution of any other insurance carried by any Named Insured Aggregate limits will be permitted for Products and Completed Operations, Prairie and Forest Fire Fighting Expenses, Sudden and Accidental Pollution and Hostile Fire Pollution Liability and Employee Benefits Administrative Errors & Omissions Liability; no policy general aggregate will be permitted Professional service activities integral to the Project, but not covering engineers, architects or other professional consultants, i.e., incidental professional liability risk of a Named Insured and their employed professionals is to be covered, but not the professional liability of independent fee-for-service professional consultants, architects or engineers Waiver of subrogation of insurers' rights of recovery against all Named and/or Additional Insureds, including Project Co, the Region, HMQ, the Construction Contractor, all subcontractors, sub-subcontractors, professional consultants, engineers and architects (other than for their professional liability), Lenders, Lenders' Agent, as well as officers, directors, employees, servants and agents of the foregoing
<i>Underwriters</i>			Principal underwriters in compliance with Article 16 of this Schedule 25

Design and Construction Works and Public Infrastructure Works Insurance – Part 1 Region of Waterloo Stage 1 Light Rail Project

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co and arranged through the IOCIP program

Type	Amount	Maximum Deductibles	Principal Cover
Project Specific Professional Liability	<p>minimum per claim / in the aggregate (inclusive of defense and related costs and supplementary payments)</p> <p>Principal Extensions:</p> <ul style="list-style-type: none"> • Primary Insurance extension • Automatic addition of firms • Present, former partner, executive officer, director or shareholder of Named Insureds while acting within their scope of duties for the Named Insured • Any individuals or personal corporations retained by the Named Insured under a personal services contract • Claim defined as a written or oral demand for money or a written or oral allegation in breach in the rendering or failure to render professional services received by the Insured or Named Insured and resulting from a single error, omission or negligent act • Lawyer fees and associated expenses incurred in the investigation, defence, settlement, arbitration or litigation of claims • Duty to defend, even if the allegations 	<p>per claim with respect to Mitigation losses</p> <p>per claim, all other losses</p>	<p>Project Specific Professional Liability Insurance in connection with the design and construction of the Project from beginning of first design, through the entire construction period, to the Substantial Completion Date plus coverage for an extended reporting period of not less than 36 months.</p> <p>This coverage shall be primary with respect to the System, the Public Infrastructure, the Design and Construction Works and the Public Infrastructure Works without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> • are groundless, false or fraudulent • Worldwide territory, subject to suits brought in Canada • Mitigation of loss • Project Co endorsement <p>Permitted Exclusions:</p> <ul style="list-style-type: none"> • Express warranties or guarantees • Estimates on profit, return • Faulty workmanship, construction or work which is alleged or in fact not constructed in accordance with the design of the Project or the construction documents • Design or manufacture of any good or products sold or supplied by the Named Insured • Terrorism • Nuclear Liability • Judgments and awards deemed uninsurable by law • Liability assumed under design contract, unless such liability would have attached to the Named Insured by law in the absence of such agreement • Punitive or exemplary damages, fines, penalties or interest or liquidated punitive or exemplary damages or fees • Refusal to employ, termination of employment, humiliation or discrimination on any basis or other employment related practices or policies 		
<i>Comments</i>	<ul style="list-style-type: none"> • Named Insured: Construction Contractor (as appropriate), all engineers, architects, and other professional consultants that provide professional design services in connection with the Project • Professional services covered: All architectural, engineering, land surveying, environmental, landscape architectural, interior design/space planning, soil and material testing services, 		

Type	Amount	Maximum Deductibles	Principal Cover
		geotechnical services and procurement services, including their replacements and/or sub-consultants of any tier <ul style="list-style-type: none"> • Retroactive Date: Full retroactive coverage from date of first design activity • Policy to be non-cancellable except for premium non-payment, material misrepresentation or concealment of facts or a material breach of any condition of the policy 	
<i>Underwriters</i>		Principal underwriters in compliance with Article 16 of this Schedule 25	

Design and Construction Works and Public Infrastructure Works Insurance – Part 1 Region of Waterloo Stage 1 Light Rail Project

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co and arranged through the IOCIP program

Type	Amount	Maximum Deductibles	Principal Cover
<p>Project Specific Pollution Liability (combined Contractors' Pollution Liability and Pollution Legal Liability – Claims Made)</p> <p>Combined Limit subject to Pollution Legal Liability with a minimum [REDACTED] sub-limit</p>	<p>[REDACTED] per claim and in the aggregate for all claims, inclusive of defense and all costs and expenses</p> <p>Principal Extensions:</p> <ul style="list-style-type: none"> Hazardous Substances occurring at or emanating from the System, the Public Infrastructure or the Lands during the Policy Period Microbial Matter (including Fungus/Mould) Underground / above ground storage tanks First Party Restoration and Clean-up Costs Disposal Site System, including Transportation (reporting required) Duty to Defend Canada and US Territory Contractual Liability Emergency Response Costs <p>Permitted Exclusions:</p> <ul style="list-style-type: none"> Terrorism War Intentional Non-compliance Prior Knowledge WSIB 	<p>[REDACTED] per claim inclusive of defense and all costs and expenses</p>	<p>Pollution Liability insurance covering third party bodily injury, property damage consequential loss or damage, including clean-up and restoration costs, both at the Lands and Off-Site, as required.</p> <p>Extended Reporting Period: Minimum of 36 months after the Substantial Completion Date.</p> <p>This coverage shall be primary with respect to the System, the Public Infrastructure, the Design and Construction Works and the Public Infrastructure Works without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> • Employers' Liability • Professional Liability • Nuclear Liability • Property Damage to Motor Vehicles during Transportation 		
<i>Comments</i>	<ul style="list-style-type: none"> • Named Insured will include Project Co, its Affiliates, Project Co parties and all other parties engaged in the Design and Construction Works and the Public Infrastructure Works, including the Construction Contractor, all subcontractors, sub-subcontractors, consultants, and sub-consultants • the Region, HMQ, City of Kitchener, City of Waterloo and the Lenders will be identified as Additional Insureds, or insured clients of Project Co and its Affiliates • The directors, officers, shareholders, and employees of the foregoing shall be Additional Insureds 		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

Design and Construction Works and Public Infrastructure Works Insurance – Part 1 Region of Waterloo Stage 1 Light Rail Project

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Automobile Liability	<p>§ 11(1)(c) (Minimum) for Project Co and Project Co's Construction Contractor vehicles</p> <p>§ 11(1)(c) (Minimum) for vehicles of any other contractor, subcontractors, sub-subcontractors, consultants, and sub-consultants, and workmen, tradesmen, or other persons working on or at the Lands</p>		<p>Standard Ontario Owners Form For all vehicles operated by Project Co, the Construction Contractor, all subcontractors, sub-subcontractors, consultants and sub-consultants, operated in connection with the Project.</p> <p>Business Automobile Liability insurance covering third party property damage and bodily injury liability (including accident benefits) arising out of any licensed vehicle.</p> <p>Policies shall be endorsed to preclude cancellation, except upon 60 days prior written notice provided to the Region, HMQ, City of Kitchener, City of Waterloo and the Lenders.</p>
Commercial General Liability and Non-Owned Automobile Liability	<p>§ 11(1)(c) each occurrence, and in the annual aggregate with respect to Broad Form Products and Completed Operations for Project Co and Project Co's Construction Contractor</p> <p>§ 11(1)(c) each occurrence, and in the annual aggregate with respect to Broad Form Completed Operations for any other contractor, subcontractors, sub-subcontractors, consultants, and sub-consultants, and workmen, tradesmen, or other persons involved in the Design and Construction Works and the Public Infrastructure Works</p>		<p>Commercial General Liability insurance covering all operations on an occurrence basis against claims for Bodily Injury (including Death), Broad Form Property Damage (including Loss of Use), and including Broad Form Products and Completed Operations Liability.</p> <p>This Commercial General Liability Insurance will cover off-site activities connected to the project and Products and Completed Operations Liability beyond the "Wrap-Up" Commercial General Liability Insurance policy's Products and Completed Operations extension period.</p> <p>Policies shall be endorsed to preclude cancellation, except upon 90 days prior written notice provided to the Region, HMQ and the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
<p>Operations Liability, and Owner’s and Contractor’s Protective extensions</p>	<p>In both instances, limits of liability may be structured as any combination of Primary plus supplementary layers and Umbrella and/or Excess, or Primary plus Umbrella and/or Excess</p> <p>Sub-limits (Project Co and Project Co’s Construction Contractor):</p> <ul style="list-style-type: none"> • Full policy limits with respect to Non-Owned Automobile Liability • MPPA Section 1 Prairie or Forest Fire Fighting Expenses <p>Principal Extensions (required to be provided by the Project Co and its Construction Contractor and shall be endeavoured to be provided by any other contractor, subcontractors, sub-subcontractors, consultants, and sub-consultants, and workmen, tradesmen, or other persons involved in the Design and Construction Works and the Public Infrastructure Works):</p> <ul style="list-style-type: none"> • Owner’s and Contractor’s Protective • Blanket Contractual (written) • Direct and Contingent Employers Liability • Personal Injury (nil participation) • Cross Liability and Severability of Interest with respect to each insured party • Blasting / demolition / excavating / underpinning / pile driving / shoring / caisson work / work below ground surface / tunnelling/grading and similar operations associated with the Design and Construction Works 		

Type	Amount	Maximum Deductibles	Principal Cover
	<p>and/or Public Infrastructure Works, as applicable</p> <ul style="list-style-type: none"> • Elevator and Hoist Collision Liability • Non-Owned Automobile Liability • Prairie or Forest Fire Fighting Expenses – subject to sub-limit • Permission for Unlicensed Vehicles’ (partial road use) • Unlicensed Equipment • Loss of Use Without Property Damage • Loading and Unloading of Automobiles • Broad Form Property Damage • Broad Form Completed Operations • Intentional Injury, committed to Protect Persons or Property • Worldwide Territory, subject to suits being brought in Canada or the US <p>Permitted Exclusions:</p> <ul style="list-style-type: none"> • Injury to employees, where WSIB provides valid coverage • Property in the care, custody or control of the insured, except as provided under Broad Form Products and Completed Operations • Operation of licensed motor vehicles, other than attached machinery, while used for its purpose or at the Lands • Cyber risk • Mould, fungi and fungal derivatives • Professional liability of engineers, architects and other professional consultants • Nuclear or radioactive 		

Type	Amount	Maximum Deductibles	Principal Cover
	contamination, except release of radioactive isotopes intended for scientific, medical, industrial or commercial use		
<i>Comments</i>	<ul style="list-style-type: none"> The Region, HMQ, City of Kitchener, City of Waterloo and the Lenders will be identified as Additional Insureds or insured clients of Project Co and its Affiliates 		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

From First Access to the Lands until the Substantial Completion Date (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Aircraft and Watercraft Liability	Minimum [REDACTED] inclusive, including [REDACTED] passenger hazard – Owned Aircraft	To be determined	Policies shall be endorsed to preclude cancellation, except upon 90 days prior written notice provided to the Region, City of Kitchener, City of Waterloo, and the Lenders.
(If any exposure)	Minimum [REDACTED] inclusive – Non-Owned Aircraft		
	Minimum [REDACTED] inclusive Owned or Non-Owned Watercraft		
<i>Comments</i>	<ul style="list-style-type: none"> The Region, HMQ and the Lenders will be identified as Additional Insureds or insured clients of Project Co and its Affiliates 		
“All Risks” Ocean Marine Cargo	100% Replacement Cost Valuation basis	[REDACTED] per claim	Property of every description destined for incorporation into the System during marine transit, on a full replacement value basis, with no co-insurance provision.
(if any exposure)			This coverage shall be primary with respect to the System, the Public Infrastructure, the Design and Construction Works and the Public Infrastructure Works without right of contribution of any insurance carried by the Region, or the Lenders.
<i>Comments</i>	<ul style="list-style-type: none"> Named Insured includes Project Co, the Region, HMQ, City of Kitchener, City of Waterloo, Lenders, Lender’s Agent, the Construction Contractor, all subcontractors, sub-subcontractors, consultants and sub-consultants as their respective interests may appear 		
“All Risks” Contractors’ Equipment	If Site equipment is three years old or less, the sum insured shall be equal to 100% of the replacement value of all contractors equipment used at the project. If Site equipment is more than three years old, actual cash value basis of loss settlement is acceptable.		All Risks coverage on all owned, rented, leased or borrowed contractors’ equipment, used at the Lands.
To cover Project Co, the Construction Contractor, subcontractors, sub-subcontractors			

Type	Amount	Maximum Deductibles	Principal Cover
consultants and sub-consultants			
<i>Comments</i>	<ul style="list-style-type: none"> Waiver of Subrogation rights against Project Co, the Region, HMQ, City of Kitchener, City of Waterloo, the Construction Contractor, all subcontractors, sub-subcontractors, consultants, sub-consultants, Lenders, Lenders' Agent, as well as officers, directors, shareholders and employees of the foregoing 		

From First Access to the Lands until the Substantial Completion (Insurance for Design and Construction Works and Public Infrastructure Works)

Insurances to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Employee Dishonesty (Crime)	SRPPA Section 110 per loss		Employee Dishonesty insurance against the fraudulent/dishonest acts of employees of Project Co and its Affiliates including additional coverage for Broad Form Money and Securities, Money Orders and Counterfeit Paper, Depositors' Forgery, Computer Fraud and Funds Transfer Fraud, Audit Expenses and Credit Card Forgery. Insurance primary without right of contribution of any other insurance carried by the Region, HMQ or the Lenders.
<i>Underwriters (All non-IOCIP Design and Construction Works and Public Infrastructure Works insurance to be provided or caused to be provided by Project Co)</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		
WSIB	In accordance with Ontario Act's established benefits and schedules	Not Applicable	(i) Project Co and its Affiliates shall obtain and maintain at Project Co's expense, WSIB Insurance, in accordance with the Province of Ontario requirements. (ii) Project Co shall ensure that satisfactory evidence of WSIB Insurance is provided by all Project Co Parties, including all other consultants, sub

Type	Amount	Maximum Deductibles	Principal Cover
			<p>consultants, contractors, subcontractors, suppliers and tradesmen working at the Lands.</p> <p>Prior to commencement of the Design and Construction Works and the Public Infrastructure Works, each of the foregoing shall provide satisfactory written confirmation of compliance, from the appropriate authority, including confirmation that all required assessments have been paid to date.</p> <p>Upon Substantial Completion, Project Co shall be provided with satisfactory written confirmation that all required assessments have been paid to date.</p> <p>On request, within 30 days of such request, Project Co shall deliver to the Region evidence of the workers compensation coverage maintained by any person involved in the Design and Construction Works and the Public Infrastructure Works, or confirmation of that person’s exemption from workers compensation coverage.</p>

Maintenance Term Insurance – Part 2 - The Region of Waterloo Stage 1 Light Rail Project
From Substantial Completion Date until Termination Date (Insurance for Maintenance Term and Operations Term)
Insurance to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
<p>“All Risk” Property</p>	<p>Limit of Liability of [MIPPA Section 11(C)(b)] for all property, while on the Lands or while in transit, including material and supplies destined for incorporation into the Project or intended to be used in the performance of Maintenance and Rehabilitation Services and Operations Services and all Vehicle and equipment</p> <p>[MIPPA Section 11(C)(c)] - Business Interruption (Gross Revenue or Gross Profits Form), – 24 months period of indemnity – including interdependency and contingent coverage re losses at key supplier premises, property in transit or in storage off-site</p> <p>Extra and Expediting Expenses (minimum [MIPPA Section 11(C)] sub-limit)</p> <p>Principal Extensions:</p> <ul style="list-style-type: none"> • Replacement Cost Valuation (Property) • Most Recent Technology Replacement Cost Valuation (Equipment or Machinery) • Flood (to policy limit with annual aggregate) • Natural or man-made earth 	<p>3% of loss value [MIPPA Section 11] minimum Earthquake</p> <p>[MIPPA Section 11] Flood</p> <p>[MIPPA Section 11] All other losses</p> <p>48 hour waiting period, off premises services</p> <p>60 days waiting period applicable to time element coverages</p>	<p>All Risks Property insurance covering all property to be insured with a sum insured equivalent to the full replacement cost value of the property insured, and including necessary Business Interruption and Expediting Expenses.</p> <p>Coverage shall be maintained continuously from and after the Substantial Completion Date and at all times thereafter until the Termination Date.</p> <p>Such insurance will include Inland Transportation, By-Laws and Off Premises coverage.</p> <p>This coverage shall be primary with respect to the Project without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> movement, including earthquake, landslide or subsidence (to policy limit with annual aggregate) • Electronic Data Processing equipment and media, including data restoration and re-creation costs • Debris Removal (minimum [REDACTED] sub-limit) • Transit (minimum [REDACTED] sub-limit) • Unnamed locations (minimum [REDACTED] sub-limit) • Professional Fees (minimum [REDACTED] sub-limit) • Fire Fighting Expenses (minimum [REDACTED] sub-limit) • Valuable Papers (minimum [REDACTED] sub-limit) • Accounts Receivable (minimum [REDACTED] sub-limit) • Contamination Clean-up or Removal (minimum [REDACTED] sub-limit) • Civil Authority Access Interruption (minimum 8 weeks) • Prevention of Ingress/Egress (minimum 8 weeks) • Automatic Coverage for Newly Acquired Locations (90 day reporting period acceptable) • By-Laws including demolition and increased replacement / repair costs • Off Premises Services Interruption • Margin of profit extension for contractors • Joint Loss Agreement (if separate “All Risk” Property and Boiler and Machinery policies are arranged) 		
	<p>Permitted Exclusions:</p> <ul style="list-style-type: none"> • Cyber risk 		

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> • Mould, fungi and fungal derivatives • Faulty workmanship, materials construction, design or latent defects but resultant damage to be insured • War risk • Terrorism • Nuclear or radioactive contamination, except radioactive isotopes intended for scientific, medical, industrial or commercial use 		
<i>Comments</i>	<ul style="list-style-type: none"> • Named Insured will include Project Co, the Region, HMQ and the Lenders – Lenders will be covered as Loss Payee and Mortgagee • All loss proceeds payable to the Insurance Trustee in accordance with the Insurance Trust Agreement • No provision allowing a coinsurance penalty • Waiver of Subrogation against all Named Insureds, including but not limited to Project Co, City of Kitchener, City of Waterloo, the Lenders, Lenders’ Agent as well as officers, employees, servants and agents of the foregoing 		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

Maintenance Term Insurance – Part 2 - Region of Waterloo Stage 1 Light Rail Project

From Substantial Completion Date until Termination Date (Insurance for Maintenance and Rehabilitation Services and Operations Services)

Insurance to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Boiler & Machinery	Limit of [MIPPA Section 11(c)(i)] each Accident to an Insured Object [MIPPA Section 11(c)(ii)] Business Interruption Insurance included, subject to a 24 month period of indemnity If a covered accident to insured object(s) causes an interruption to services or activities, the Business Interruption loss will include the costs of carrying the Project financing, during the affected period Sub-limits [MIPPA Section 11(i)] each): <ul style="list-style-type: none"> • Ammonia Contamination • Automatic Coverage • Bylaws • Errors and Omissions • Expediting Expenses • Extra Expense • Hazardous Substances • Professional Fees • Water Damage 	[MIPPA Section 11] per claim, Direct Damage Business Interruption – Maximum 30 day Waiting Period	Boiler & Machinery insurance on a Comprehensive Policy Form basis including HVAC on a full replacement cost basis, including all appropriate endorsements and extensions as well as necessary Business Interruption and Expediting and Extra Expense coverage. Coverage shall be maintained continuously from and after the Substantial Completion Date or activation, whichever shall first occur, and at all times thereafter until the Termination Date. Boiler and Machinery Insurance may be arranged on a combined Property/Boiler and Machinery basis, subject to the Boiler and Machinery section of such a policy being arranged on a Comprehensive Form basis. This coverage shall be primary with respect to the Project without right of contribution of any insurance carried by the Region, HMQ or the Lenders.
<i>Comments</i>	<ul style="list-style-type: none"> • Named Insured will include Project Co, the Region, HMQ and the Lenders – Lenders will be covered as Loss Payee and Mortgagee • All loss proceeds payable to the Insurance Trustee in accordance with the Insurance Trust Agreement As nearly as possible, coverage will be structured to dovetail with the Property Insurance		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

Maintenance Term Insurance – Part 2 - Region of Waterloo Stage 1 Light Rail Project
From Substantial Completion Date until Termination Date (Insurance for Maintenance Term and Operations Term)
Insurance to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Commercial General Liability and Non-Owned Automobile Liability	MFIPPA Section 11(c)(i) each accident or occurrence and in the aggregate with respect to Products and Completed Operations Sub-limits: <ul style="list-style-type: none"> MFIPPA Section 11(c)(ii) Non-Owned Automobile Liability, unless coverage provided under automobile liability insurance MFIPPA Section 11(d) Sudden and Accidental Pollution and Hostile Fire Pollution MFIPPA Section 11 "All Risks" Tenants' Legal Liability, if any exposure exists MFIPPA Section 11 Prairie or Forest Fire Fighting Expense MFIPPA Section 11 Employee Benefits Administrative Errors and Omission Liability MFIPPA Section 11 Legal Liability for Damages To Non-owned Automobiles (SEF 94) , unless coverage provided under automobile liability insurance MFIPPA Section 11(c)(iii) Medical Payments Principal Extensions: <ul style="list-style-type: none"> Owner's and Contractor's Protective Blanket Contractual (written and oral) Direct and Contingent Employers 	MFIPPA Section 11 per occurrence	Commercial General Liability insurance covering all operations on an occurrence basis against claims for personal injury (including bodily injury and death), Broad Form Property Damage (including Loss of Use), and including Broad Form Products and Completed Operation Liability insurance. Coverage shall be maintained continuously from and after the Substantial Completion Date and at all times thereafter until the Termination Date. Pollution Liability – Sudden and Accidental Pollution coverage to be not less than IBC 2313 form (120 hours detection/120 hours' notice coverage structure). This coverage shall be primary with respect to the Maintenance and Rehabilitation Services and Operations Services without right of contribution of any insurance carried by the Region, HMQ or the Lenders.

Type	Amount	Maximum Deductibles	Principal Cover
			<ul style="list-style-type: none"> Liability • Employee Benefits Administrative Errors and Omissions • Personal Injury (nil participation) • Cross Liability and Severability of Interest with respect to each insured party • Blasting / demolition / excavating / underpinning / pile driving / shoring / caisson work / work below ground surface / tunnelling / grading and similar operations, as applicable • Elevator and Hoist Collision Liability • Liberalized Notice of Claim Requirement, i.e., requirement to report will commence when knowledge is held by a designated project person(s) – to be identified by Project Co • Non-owned Automobile Tenants’ Legal Liability (All Risks) – subject to sub-limit • Medical Expenses – subject to sub limit • Prairie or Forest Fire Fighting Expenses – subject to sub-limit • Sudden and Accidental Pollution and Hostile Fire Pollution – subject to sub-limit • Permission for unlicensed vehicles’ partial road use • Unlicensed Equipment • Loss of Use Without Property Damage • Loading and Unloading of Automobiles • Broad Form Property Damage • Broad Form Completed Operations • Intentional Injury, committed to

Type	Amount	Maximum Deductibles	Principal Cover
	<ul style="list-style-type: none"> Protect Persons or Property Voluntary Compensation Worldwide Territory, subject to suits being brought in Canada or the US 		
	<p>Permitted Exclusions:</p> <ul style="list-style-type: none"> Injury to employees, where WSIB provides valid coverage Property in the care, custody or control of the insured, except as provided under Broad Form Products and Completed Operations Operation of licensed motor vehicles, other than attached machinery, while used for its purpose or at the Maintenance and Rehabilitation Services and the Operations Services Work site Cyber risk Mould, fungi and fungal derivatives Professional liability of engineers, architects and other professional consultants Asbestos Nuclear or radioactive contamination, except radioactive isotopes intended for scientific, medical, industrial or commercial use 		
<i>Comments</i>	<ul style="list-style-type: none"> Named Insured includes Project Co and its Affiliates, the Region, HMQ, the Lenders, Project Co Parties involved in the Maintenance and/or the Operations Services, including all contractors, subcontractors, sub-subcontractors, suppliers while working on the Lands, tradesmen while working on the Lands, engineers, architects, consultants and sub consultants, (other than for professional liability) and others as Additional Insureds, as may be required from time to time, arising from all operations and activities pertaining to Maintenance and Rehabilitation Services and the Operations Services and the control and use of the Lands City of Kitchener, City of Waterloo and Canadian National Railway as Additional Insureds Directors, officers, shareholders, employees of the insured parties involved in the Maintenance and/or the Operations Services are covered as Additional Insureds Insurance primary without right of contribution of any other insurance carried by any Named Insured Aggregate limits will be permitted for Products and Completed Operations, Prairie and Forest Fire Fighting Expenses, Sudden and Accidental Pollution and Hostile Fire Pollution Liability and Employee Benefits Administrative Errors & Omissions Liability; no policy general aggregate will be permitted Professional service activities integral to the Maintenance and Rehabilitation Services and the Operations Services, but not covering engineers, architects or other 		

Type	Amount	Maximum Deductibles	Principal Cover
		professional consultants, i.e., incidental professional liability risk of a Named Insured and their employed professionals is to be covered, but not the professional liability of independent fee-for-service professional consultants, architects or engineers	<ul style="list-style-type: none"> Waiver of subrogation of insurers' rights of recovery against all Named and/or Additional Insureds, including Project Co, the Region, HMQ, all contractors, subcontractors, sub-subcontractors, professional consultants, engineers and architects (other than for their professional liability), Lenders, Lenders' Agent, as well as officers, directors, employees, servants and agents of the foregoing
<i>Underwriters</i>		Principal underwriters in compliance with Article 16 of this Schedule 25	

Maintenance Term Insurance – Part 2 - Region of Waterloo Stage 1 Light Rail Project

From Substantial Completion Date until Termination Date (Insurance for Maintenance Term and Operations Term)

Insurance to be provided, or caused to be provided, by Project Co

Type	Amount	Maximum Deductibles	Principal Cover
Environmental Impairment (Pollution) Liability	Minimum MRPPA Section 11(c) per claim and in the aggregate for all claims, inclusive of defense and all costs and expenses Principal Extensions: <ul style="list-style-type: none"> Hazardous Substances occurring at or emanating from the Maintenance and Rehabilitation Services and the Operations Services or site or the Lands during the Policy Period Microbial Matter (including Fungus/Mould) Biological Agents Underground / above ground storage tanks First Party Restoration and Clean-up Duty to Defend Contractual Liability Permitted Exclusions: <ul style="list-style-type: none"> Terrorism Intentional Non-Compliance WSIB War Employers Liability Nuclear Liability Professional Liability 	MRPPA Section 11 per claim inclusive of defense and all costs and expenses	Pollution Liability insurance covering third party bodily injury and property damage liability, consequential loss or damage, including necessary clean-up costs, both at the Maintenance and Rehabilitation Services and the Operations Services sites and the Lands and off-site, as required. Coverage is extended to include underground and above ground storage tanks. Coverage shall be maintained continuously from and after the Substantial Completion Date and at all times thereafter until the Termination Date. This insurance shall include a twelve (12) month extended discovery period and reporting period provision in the event of termination of the Policy or in the event termination of the Project Agreement for any reason, including its expiration. This coverage shall be primary with respect to the Maintenance and Rehabilitation Services and the Operations Services without right of contribution of any insurance carried by the Region, HMQ or the Lenders.
<i>Comments</i>	<ul style="list-style-type: none"> It is permissible for Project Co to extend the Design and Construction Works and Public Infrastructure Works Pollution policy to include pollution events occurring during the Maintenance and Operations Services, on an annual basis throughout the Project Term (if available). The Region, HMQ, City of Kitchener and Lenders as Additional Insureds. 		
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25		

Maintenance Term Insurance – Part 2 - Region of Waterloo Stage 1 Light Rail Project

From Substantial Completion Date until Termination Date (Insurance for Maintenance Term and Operations Term)

Insurance to be provided, or caused to be provided, by Project Co

Type	Maximum Deductibles	Principal Cover
Automobile Liability	<p>MPPPA Section 110 (Minimum) for Project Co and Project Co's contractor vehicles</p> <p>MPPPA Section 110 (Minimum) for vehicles of any other contractor, subcontractors, sub-subcontractors, consultants, and sub-consultants, and workmen, tradesmen, or other persons working on or at the Maintenance and Rehabilitation Services site or at the Operations Services site or the lands</p>	<p>Standard Ontario Owners Form For all vehicles operated by Project Co, all contractor, all subcontractors, sub-subcontractors, consultants, and sub-consultants operated in connection with the Maintenance and Rehabilitation Services or the Operations Services.</p> <p>Coverage shall be maintained continuously from and after the Substantial Completion Date and at all times thereafter until the Termination Date.</p> <p>Business Automobile Liability insurance covering third party property damage and bodily injury liability (including accident benefits) arising out of any licensed vehicle.</p> <p>Policies shall be endorsed to preclude cancellation, except upon 60 days prior written notice provided to the Region, HMQ, City of Kitchener, City of Waterloo and the Lenders.</p>
<i>Underwriters</i>	Principal underwriters in compliance with Article 16 of this Schedule 25	
Comprehensive Crime	<p>MPPPA Section 110 per extension</p>	<p>Comprehensive Crime insurance including coverage for Employee Dishonesty against the fraudulent/dishonest acts of employees of Project Co and its Affiliates, including additional coverage for Broad Form Money and Securities, Money Orders and Counterfeit Paper, Depositors' Forgery, Computer Fraud and Funds Transfer Fraud, Audit Expenses and Credit Card Forgery.</p> <p>Coverage shall be maintained continuously from and after the Substantial Completion Date and at all times thereafter until the Termination Date.</p> <p>This coverage shall be primary with respect to the Maintenance and Operations Services without right of contribution of any insurance carried by the Region, HMQ or the Lenders.</p>

Type	Maximum Deductibles	Principal Cover
Underwriters	Principal underwriters in compliance with Article 16 of this Schedule 25	

Maintenance Term Insurance – Part 2 - Region of Waterloo Stage 1 Light Rail Project

From Substantial Completion Date until Termination Date (Insurance for Maintenance Term and Operations Term)

Insurance to be provided, or caused to be provided, by Project Co

Type	Maximum Deductibles	Principal Cover
WSIB	In accordance with Ontario Act’s established benefits and schedules Not Applicable	<p>(i) Project Co and its Affiliates shall obtain and maintain at Project Co’s expense, WSIB Insurance, in accordance with the Province of Ontario requirements.</p> <p>(ii) Project Co shall ensure that satisfactory evidence of WSIB Insurance is provided by all Project Co Parties, including all consultants, sub consultants, contractors, subcontractors, suppliers and tradesmen working at the Lands.</p> <p>Prior to commencement of the Maintenance and Rehabilitation Services and Operations Services, each of the foregoing shall provide satisfactory written confirmation of compliance, from the appropriate authority, including confirmation that all required assessments have been paid to date.</p> <p>Upon completion of the Maintenance and Rehabilitation Services and Operations Services, Project Co shall be provided with satisfactory written confirmation that all required assessments have been paid to date.</p> <p>On request, within 30 days of such request, Project Co shall deliver to the Region evidence of the WSIB coverage maintained by any person involved in the Maintenance and Rehabilitation Services and the Operations Services or confirmation of that person’s exemption from WSIB coverage.</p>