

SCHEDULE 11

INSURANCE REQUIREMENTS SCHEDULE

1. GENERAL

1.1 Capitalized Terms

Capitalized terms used in this Schedule have the definitions as set out in the Agreement to Design, Build, Finance and Maintain Nine New Schools in Edmonton and Nine New Schools in Calgary (the “DBFM Agreement”) between Her Majesty the Queen in right of Alberta and the Contractor, as defined therein, unless expressed otherwise.

1.2 DBFM Agreement Reference

This Schedule is referenced in Sections 1.3, 11.1, 11.6, 11.8 and 11.9 of the DBFM Agreement.

2. GENERAL INSURANCE REQUIREMENTS

2.1 Insurance Act

All insurance policies must comply with the *Insurance Act* (Alberta).

2.2 No Limit on Obligations

The insurance forms and limits listed below are presented as minimum requirements that the Contractor must provide, without in any way limiting the Contractor’s obligations or liabilities under the DBFM Agreement.

3. CONTRACTOR REQUIRED INSURANCE

3.1 Contractor Required Insurance

The Contractor shall purchase and maintain in full force at all times:

- (a) from the Execution of the DBFM Agreement through to Construction Completion of all Schools, general liability wrap-up insurance in an amount not less than \$10,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof. Aggregate limit can be achieved through primary or umbrella liability insurance. The insured parties under the policy shall include the Contractor, the Province, the School Boards, the Cities, and all consultants,

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subconsultants, and subcontractors. Such insurance shall include but not be limited to:

- Products and completed operations liability; the completed operations liability coverage shall remain in effect for a period of 24 months after Construction Completion of all Schools;
- Owner's and contractor's protective liability;
- Blanket written contractual liability;
- Contingent employer's liability;
- Personal injury liability;
- Non-owned automobile liability;
- Cross liability with respect to additional insureds;
- Employees as additional insureds;
- Broad form property damage endorsement;
- Operation of attached machinery; and
- Sudden and accidental pollution,

and where such further risk exists:

- Blasting, demolition, pile driving, caisson work or tunnelling, as applicable.
- (b) in respect of each School, from the Execution of the DBFM Agreement through to School Availability, course of construction insurance in the form of an “all risks” builder’s risk policy covering each School on a replacement cost basis. The course of construction policy shall insure each School to an amount not less than the replacement cost. The course of construction insurance shall be in the joint names of the Contractor, the Province, the School Boards, the Cities, any Lender (as defined in Schedule 6 to the DBFM Agreement), the subcontractors and all others having an insurable interest in the Project. The Contractor shall maintain the course of construction policy until all Schools have achieved School Availability.
- (c) or shall cause to be purchased and maintained, from the Execution of the DBFM Agreement through to Construction Completion of all Schools, project specific professional errors and omissions insurance, covering all architects and engineers and other design professionals involved in the Project, in an amount not less than \$5,000,000 per claim subject to a minimum \$5,000,000 policy aggregate. Project specific professional errors and omissions insurance coverage shall include an extended reporting period of not less than 36 months from Construction Completion of all Schools.
- (d) from the Execution of the DBFM Agreement through to the end of the Term, automobile liability on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than \$1,000,000 inclusive per occurrence.

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- (e) in respect of each School, from the Execution of the DBFM Agreement through to the end of the Term, Boiler and Machinery Insurance insuring not less than the replacement value of boilers, pressure vessels and other objects insurable under a Boiler and Machinery policy that form part of each School.
- (f) from the time that the first School achieves School Availability through to the end of the Term, general liability insurance in an amount not less than \$10,000,000 inclusive per occurrence against bodily injury and property damage, including loss of use thereof. Aggregate limit can be achieved through primary or umbrella liability insurance. The School Boards are to be added as additional insureds under this policy for any and all claims arising out of the Contractor's operations under the DBFM Agreement. Such insurance shall include but not be limited to:
- Products and completed operations liability;
 - Owner's and contractor's protective liability;
 - Blanket written contractual liability;
 - Contingent employer's liability;
 - Personal injury liability;
 - Non-owned automobile liability;
 - Cross liability with respect to additional insureds;
 - Employees as additional insureds;
 - Broad form property damage endorsement;
 - Operation of attached machinery; and
 - Sudden and accidental pollution,
- and where such further risk exists:
- Blasting, demolition, pile driving, caisson work or tunnelling, as applicable.
- (g) from the time that the first School achieves School Availability through to the end of the Term, broad form “All Risks” property insurance with a deductible of \$25,000 covering each School that has achieved School Availability on a replacement cost basis and including coverage for flood and earthquake, debris removal, building by-laws and demolition costs. The replacement cost of each School shall be determined by the Contractor acting reasonably and the Contractor shall report the replacement cost of each School to the Province annually on the anniversary date of the Execution of the DBFM Agreement. The receipt and review by the Province of the reported replacement cost of each School shall not create on the part of the Province any responsibility or liability for the adequacy or suitability of the replacement cost of each School determined by the Contractor. The School Boards are to be added as additional named insureds to such insurance. The Province and the Cities are to be added as additional insureds to such insurance. The following risks (collectively, the “Primary Exclusions”) are permitted excluded risks under

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the required property insurance and are the Primary Exclusions included in “Damage Events” as defined in the DBFM Agreement:

- war;
- nuclear radiation or radioactive contamination ;
- terrorism;
- electronic data recognition; there must be an exception to the exclusion to provide coverage for resultant damage and damage not otherwise excluded;
- electronic data exclusion for damage or destruction, distortion, erasure, corruption of alteration of electronic data; and
- computer virus or hacking exclusion.

The following risks may be excluded risks under the property insurance but shall not be considered “Damage Events” as defined in the DBFM Agreement:

- inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear and tear or gradual deterioration, rust, corrosion, wet or dry rot; there must be an exception to the exclusion to provide coverage for resultant damage and damage not otherwise excluded;
- loss or damage by normal settling, shrinkage, expansion or contraction in the building or foundation; there must be an exception to the exclusion to provide coverage for resultant damage and damage not otherwise excluded;
- loss or damage caused by or resulting from misappropriation, conversion, inventory shortages, unexplained disappearance, infidelity or any dishonest act on the part of the insured, its employees or agents or subcontractors or any others to whom property has been entrusted;
- seepage or gradual pollution or contamination damage; there must be an exception to the pollution or contamination exclusion to provide coverage for sudden and accidental contamination and resultant damage not otherwise excluded;
- mechanical breakdown or failure, derangement of mechanical parts, or rupture caused by centrifugal force; there must be an exception to the exclusion where physical loss or damage not otherwise excluded ensues;
- mould; the exclusion should not apply to loss or damage concurrently caused directly by an otherwise covered cause of loss; and
- electrical injury or disturbance from artificial causes to electric devices or appliances; there must be an exception to the exclusion to provide coverage for resultant damage and damage not otherwise excluded.

4. SUBCONTRACTOR REQUIRED INSURANCE

4.1 Subcontractor Required Insurance

The Contractor shall require and ensure that:

(a) from the Execution of the DBFM Agreement through to the end of the Term, each of its subcontractors maintains and provides evidence as reasonably requested by the Province of automobile liability on all vehicles owned, operated or licensed in the name of the subcontractor in an amount not less than \$1,000,000 inclusive per occurrence;

(b) except where the subcontractor is a named insured under section 3.1(f) and such master policy covers the M&R operations, from the time that the first School achieves School Availability through to the end of the Term, the subcontractor performing the M&R maintains and provides evidence as reasonably requested by the Province of general liability insurance in an amount not less than \$10,000,000 inclusive per occurrence against bodily injury and property damage, including loss of use thereof. The School Boards are to be added as additional insureds under this policy for any and all claims arising out of the subcontractor's operations in respect of the Schools. Such insurance shall include but not be limited to:

- Products and completed operations liability;
- Owner's and contractor's protective liability;
- Blanket written contractual liability;
- Contingent employer's liability;
- Personal injury liability;
- Non-owned automobile liability;
- Cross liability with respect to additional insureds;
- Employees as additional insureds;
- Broad form property damage endorsement;
- Operation of attached machinery; and
- Sudden and accidental pollution,

and where such further risk exists:

- Blasting, demolition, pile driving, caisson work or tunnelling, as applicable.

(c) from the time that the first School achieves School Availability through to the end of the Term, each of its subcontractors other than the subcontractor performing the M&R maintains and provides evidence as reasonably requested by the Province of general liability insurance in an amount not less than \$5,000,000 inclusive per occurrence against bodily injury and property damage, including loss of use thereof. The School Boards are to be added as additional insureds

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under this policy for any and all claims arising out of the subcontractor's operations in respect of the Schools.