

**SCHEDULE 12**  
**INSURANCE REQUIREMENTS**

<b>1. CONSTRUCTION PERIOD INSURANCE.....</b>	<b>1</b>
1.1 All Risks Builders' Risk.....	1
1.2 Wrap-up Liability .....	3
1.3 Professional Errors and Omissions .....	4
1.4 Contractor's Pollution Liability.....	6
1.5 Other Construction Coverage.....	6
1.6 Terrorism.....	8
<b>2. OPERATING PERIOD INSURANCE.....</b>	<b>8</b>
2.1 Commercial General Liability.....	8
2.2 Property Insurance.....	9
2.3 Boiler and Machinery.....	9
2.4 Professional Liability (Errors & Omissions).....	10
2.5 Other Operation and Maintenance Coverage .....	10
<b>3. GVTA POLICIES .....</b>	<b>12</b>
<b>4. GENERAL REQUIREMENTS.....</b>	<b>13</b>
4.1 General Terms .....	13
4.2 Evidence of Insurance.....	14
4.3 Insurance Deductibles .....	15
4.4 RAVCO Deductibles.....	15
4.5 Cancellation of Insurance .....	16
4.6 Payment of Insurance Premiums.....	16
4.7 Insurance Representative.....	16

## SCHEDULE 12 INSURANCE REQUIREMENTS

### 1. CONSTRUCTION PERIOD INSURANCE

#### 1.1 All Risks Builders' Risk

From the Closing Date until the System Acceptance Date, the Concessionaire will obtain and keep in force or cause to be kept in force All Risk Course of Construction insurance covering all Construction and all materials and equipment intended for permanent use in the System or incidental to Construction, including on and off-site installation, permissions to operate except under revenue type operations, prevention of access and off premises power interruption and which coverage will include the following terms:

- (a) to be in an amount of not less than:
  - (1) \$300,000,000 for damage to, or loss of, the System
  - (2) \$70,000,000 for delay in start-up and extra-expense to reduce delay in start-up;
  - (3) with the following sublimits:
    - (A) \$25,000,000 on and offsite installations and temporary structures;
    - (B) \$25,000,000 fire fighting expense;
    - (C) \$25,000,000 off premises power interruption;
    - (D) \$25,000,000 cost of demolition, debris removal and by-laws coverage;
    - (E) \$25,000,000 inland transit coverage anywhere in North America;
    - (F) \$12,000,000 on the tunnel boring machine;
    - (G) \$5,000,000 valuable papers; and
    - (H) \$5,000,000 extra / expediting expense unrelated to delay in start-up;
- (b) the premium for the direct damage insurance coverage will be based on the estimated total insured value c part of the completed value of the System or S 17(c)(e)
- (c) deductibles, per occurrence, in the amount set out below and if more than one deductible is applicable, the highest one will apply:
  - (1) for earthquake and tsunami, 5% of insured value at the time of loss, but not less than \$500,000 and not more than \$15,000,000;

- (2) for bored tunnel losses resulting from insured perils other than those described in subsection (1), \$2,500,000;
- (3) for cut and cover section losses resulting from insured perils other than those described in subsection (1), \$1,000,000;
- (4) for loss or damage to the tunnel boring machine, \$1,000,000;
- (5) for direct damage resulting from flood, water damage, inundation, Testing and Commissioning, \$500,000; and
- (6) for direct damage resulting from all other insured perils, \$250,000;

(d) waiting periods for delay in startup coverage to be and if more than one waiting period is applicable, the highest one will apply::

- (1) 120 days for losses resulting from bored tunnel losses and damage to tunnel boring machine;
- (2) 90 days for losses resulting from cut and cover section losses; and
- (3) 60 days for all other perils;

(e) exclusions for:

- (1) war
- (2) terrorism;
- (3) nuclear or radioactive contamination;
- (4) data and cyber;
- (5) faulty work, material construction and design but will cover resulting damage from perils not excluded;
- (6) transmission and distribution lines outside insured operations premises;
- (7) mould/pollution;
- (8) corrosion, rust etc. but with cover resulting damage from perils not excluded;
- (9) Munich Re: Endorsement 101 concerning construction of tunnels (Over break/De-watering); and
- (10) Munich Re: Endorsement 114 concerning serial losses restricted to rolling stock

(11) Munich Re: Endorsement 008 concerning structures in earthquake zones

## 1.2 Wrap-up Liability

From the Closing Date until the System Acceptance Date, the Concessionaire will obtain and keep in force or cause to be kept in force Wrap-up Liability insurance to cover personal injury (including bodily injury and death) and third party property damage resulting from Construction which coverage will include the following terms:

- (a) to be in an amount of not less than \$100,000,000 per occurrence and in the aggregate;
- (b) a deductible of \$250,000 per occurrence;
- (c) exclusions for:
  - (1) injuries to employees in the course of employment;
  - (2) property in the Concessionaire's care, custody and control;
  - (3) use of owned motor vehicles required by law to be licensed;
  - (4) damage to the System except during completed operations;
  - (5) data and cyber;
  - (6) mould;
  - (7) war;
  - (8) nuclear contamination;
  - (9) pollution; and
  - (10) terrorism.
- (d) include an extension of coverage for 24 months after Service Commencement for products and completed operations;
- (e) include the following endorsements:
  - (1) broad form property damage/completed operations;
  - (2) premises and operations liability;
  - (3) elevator and hoist collision liability;
  - (4) blanket contractual liability;
  - (5) contingent employers' liability;

- (6) non-owned automobiles;
- (7) cross liability and severability of interests clause;
- (8) unlicensed equipment;
- (9) notice of claim;
- (10) tenants' legal liability (All Risk) (subject to a sublimit of \$5,000,000);
- (11) medical expenses (subject to a sublimit of \$500,000 per accident and \$25,000 per person);
- (12) incidental non-owned aircraft and watercraft; and
- (13) fire fighting expenses.

### 1.3 Professional Errors and Omissions

From the Closing Date until four years after the System Acceptance Date, the Concessionaire will obtain and keep in force or cause to be kept in force project specific Professional Liability Errors and Omissions insurance for the Project which coverage will include the following terms:

- (a) to be in an amount of not less than \$25,000,000 per occurrence and \$25,000,000 in the aggregate;
- (b) a deductible of \$500,000 per occurrence;
- (c) exclusions for:
  - (1) any dishonest, fraudulent, or criminal conduct committed intentionally by or at the direction of any insured; however, this exclusion will not apply to any insured, who did not commit, participate in or have knowledge of such conduct;
  - (2) any Claim made by any insured against any other insured;
  - (3) any insured's involvement as a partner, officer, director, stockholder, employer or employee of any business enterprise not named in the policy declarations;
  - (4) the design or manufacture of any products developed by the insured for multiple sale or mass distribution, including but not limited to computer programs or software;
  - (5) any express warranty or guarantee except to loss resulting from the failure to meet such warranty or guaranty if such loss would have resulted in the absence of such express warranty or guaranty;

- (6) the insureds requiring, obtaining, maintaining or the insureds failure to require, obtain or maintain any bond, suretyship or any form of insurance, or any claim based upon or arising out the insureds advising or failing to advise with respect to the requiring, obtaining or maintaining of any bond, suretyship or any form of insurance;
- (7) the insureds advising or requiring of, or failure to maintain or procure any financing or monies for payment of any portion of the Project, or of services or labour connected with the Project;
- (8) for the cost to repair or replace any faulty workmanship, assembly, construction, erection, fabrication, installation or remediation if such work is performed in whole or in part by the insured or any organization or subsidiary or affiliate thereof which any insured operates or holds more than a 25% ownership interest in; or which operates or holds more than a 25% interest in any insured;
- (9) liability of others assumed by any insured under any contract or agreement; except this exclusion does not apply to the liability of others assumed under any written contract or agreement provided such liability is caused by a breach of professional duty in the rendering or failure to render professional services to others by the insured or for which the insured is legally liable as a result of the performance of others;
- (10) punitive or exemplary damages, fines or penalties; except punitive or exemplary damages where payment is not held to be against public policy;
- (11) any Claim for bodily injury sustained by any employee of any insured while engaged in employment by any insured, or by any person whose right to assert a Claim against the insured arises by reason of any employment, blood, marital or other relationship with the employee.
- (12) any obligation for which an insured or any other party must pay under any unemployment, workers compensation, disability benefits, or other similar laws;
- (13) nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a nuclear facility; and
- (14) terrorism;

- (d) include as insureds all architects, engineers and other professionals engaged in Design and Construction;
- (e) provide that the coverage is retroactive to the date on which Design commenced; and

- (f) be non-cancellable except for material change to the scope of the Project or non-payment of premiums.

#### 1.4 Contractor's Pollution Liability

From the Closing Date until the System Acceptance Date, the Concessionaire will obtain and keep in force or cause to be kept in force project specific Pollution Liability insurance for the Project which coverage will include the following terms:

- (a) to be in an amount of not less than \$25,000,000;
- (b) a deductible of \$100,000 per occurrence;
- (c) include coverage for:
  - (1) third party bodily injury;
  - (2) property damage liability (including clean-up costs); and
  - (3) 36 months coverage after System Acceptance for completed operations;
- (d) exclusions for:
  - (1) any pre-existing conditions;
  - (2) professional services;
  - (3) mould;
  - (4) employer's liability;
  - (5) intentional and wilful non-compliance;
  - (6) nuclear material and liability;
  - (7) asbestos and lead;
  - (8) biological agents;
  - (9) damage to the Work (other than completed operations);
  - (10) data and cyber risks;
  - (11) terrorism; and
  - (12) war.

#### 1.5 Other Construction Coverage

During the Construction Period, the Concessionaire will obtain and keep in force or cause to be kept in force the following:

- (a) Business Automobile Liability insurance which coverage will include the following terms:
  - (1) to be in an amount of not less than \$10,000,000;
  - (2) include coverage for third party property damage and bodily injury (including accident benefits) arising out of the use if any automobile used in connection with the Project; and
  - (3) exclusions as set out in the standard ICBC form.
- (b) If aircraft are used in the performance of the Work, Aircraft Liability insurance (including owned and non-owned aircraft) which coverage will include the following terms:
  - (1) to be in an amount of not less than \$25,000,000; and
  - (2) a deductible of \$100,000;
- (c) If watercraft are used in the performance of the Work, Watercraft Liability insurance covering all watercraft used in the Project which coverage will include the following terms:
  - (1) to be in an amount of not less than \$25,000,000; and
  - (2) a deductible of \$100,000;
- (d) Contractors' Equipment insurance (to the extent not included in the All Risk Builder's Risk policy) which coverage will include the following terms:
  - (1) to be in an amount of not less than actual cash value of such equipment;
  - (2) a deductible of \$25,000; and
  - (3) exclusions in the standard CCDC form;
- (e) Marine Cargo insurance (if any marine cargo) on a world-to-world basis which coverage will include the following terms:
  - (1) to be in an amount of not less than the value of the shipment;
  - (2) a deductible equal to the greater of:
    - (A) 5% of the value of the shipment; and
    - (B) \$10,000,to a maximum of \$100,000; and
  - (3) include coverage for:

- (A) materials to be used in the System against loss or damage for customary "all risk" marine perils (including war, strikes, riots and civil commotion while in transit); and
- (B) protection for business interruption in the form of Advance Loss of Profits insurance.

### **1.6 Terrorism**

For the period commencing from the date which is 12 months before the Scheduled Service Commencement Date until the Service Commencement Date, the Concessionaire will obtain and keep in force or cause to be kept in force Terrorism Insurance covering damage resulting from terrorist acts and caused by fire, explosion or collision of aircraft or motor vehicles and any ensuing damage caused by smoke, sprinkler leakage, looting, collapse or direct physical damage caused for the purpose of minimizing the consequences of such acts which coverage will include the following terms:

- (a) to be in an amount of not less than \$50,000,000;
- (b) a deductible of \$500,000 per occurrence;

## **2. OPERATING PERIOD INSURANCE**

### **2.1 Commercial General Liability**

From the Service Commencement Date until the Transfer Date, the Concessionaire will obtain and keep in force or cause to be kept in force Commercial General Liability insurance covering Operation and Maintenance for personal injury (including bodily injury, death and third party property damage) which coverage will include the following terms:

- (a) to be in an amount of not less than \$100,000,000;
- (b) a deductible of \$250,000 per occurrence;
- (c) include coverage for:
  - (1) products and completed operation liability; and
  - (2) terrorism;
- (d) exclusions for:
  - (1) asbestos; and
  - (2) data and cyber.

## 2.2 Property Insurance

From the Service Commencement Date until the Transfer Date, the Concessionaire will obtain and keep in force or cause to be kept in force All Risk Property Insurance covering the System which coverage will include the following terms:

- (a) to be in an amount of not less than \$300,000,000;
- (b) deductibles in the amount set out below for claims arising from the following:
  - (1) for earthquake, flood and tsunami, 3% of insured value at the time of loss, but not less than \$500,000 and not more than \$10,000,000; and
  - (2) \$100,000 for direct damage resulting from all other insured perils.
- (c) include coverage for:
  - (1) business interruption for up to 12 months (but excluding the first 45 days) and payable notwithstanding any contractual obligation of RAVCO to make Operating Payments following the occurrence of any insured peril;
  - (2) permission to complete;
  - (3) electronic data processing, on and off-site exposures;
  - (4) mould;
  - (5) terrorism;
  - (6) extra expense; and
  - (7) valuable papers;
- (d) exclusions for:
  - (1) war;
  - (2) nuclear contamination; and
  - (3) data and cyber; and
- (e) include a cross liability and severability of interests clause.

## 2.3 Boiler and Machinery

From the Service Commencement Date until the Transfer Date, Boiler and Machinery insurance for all boilers, pressure vessels, electrical and mechanical machines on a comprehensive basis which coverage will include the following terms:

- (a) to be in an amount of not less than \$115,000,000 including property damage and business interruption;
- (b) a deductible of \$10,000 per occurrence;
- (c) exclusions for:
  - (1) data/cyber;
  - (2) loss or damage covered by warranty, guarantee or professional liability; and
  - (3) first 72 hours of business interruption.

#### **2.4 Professional Liability (Errors & Omissions)**

From the Service Commencement Date until the Transfer Date, the Concessionaire will obtain and keep in force or cause to be kept in force Professional Liability Errors and Omissions insurance which coverage will include the following terms:

- (a) to be in an amount of not less than \$5,000,000 per occurrence;
- (b) a deductible of \$100,000 per occurrence;
- (c) exclusions for:
  - (1) penalties, fines or liquidated and ascertained damages;
  - (2) insured vs. insured claims;
  - (3) bankruptcy, insolvency, liquidation or receivership of the insured;
  - (4) liability of others assumed by the insured under contract or agreement, except to the extent that the insured would have otherwise been liable for any errors, omissions or negligent acts of the insured's employees or sub-consultants;
  - (5) express warranties or guarantees given by the insured;
  - (6) nuclear contamination;
  - (7) the performance of a service not usual or customary for professional architects or engineers unless specifically agreed by the insurer; and
  - (8) terrorism.

#### **2.5 Other Operation and Maintenance Coverage**

From the Service Commencement Date until the Transfer Date, the Concessionaire will obtain and keep in force or cause to be kept in force the following:

- (a) Business Automobile Liability insurance which coverage will include the following terms:
  - (1) to be in an amount of not less than \$3,000,000;
  - (2) include coverage for third party property damage and bodily injury (including accident benefits) arising out of the use if any automobile used in connection with the Project; and
  - (3) exclusions as set out in the standard ICBC form.
- (b) If aircraft are used to perform Operation and Maintenance Services, Aircraft Liability insurance (including owned and non-owned aircraft) which coverage will include the following terms:
  - (1) to be in an amount of not less than \$25,000,000; and
  - (2) a deductible of \$100,000 per occurrence;
- (c) If watercraft are used to perform Operation and Maintenance Services, Watercraft Liability insurance covering all watercraft used in the Project which coverage will include the following terms:
  - (1) to be in an amount of not less than \$25,000,000;
  - (2) a deductible of \$100,000 per occurrence; and
  - (3) exclusions as set out in the standard Marine Underwriters clauses.
- (d) Director's and Officers' Legal Liability and Corporate Indemnification for the Concessionaire and the Operator which coverage will include the following terms:
  - (1) to be in an amount of not less than \$5,000,000;
  - (2) a deductible of \$50,000 for corporate reimbursement and no deductible thereafter; and
  - (3) exclusions from criminal activity;
- (e) Pollution and Environmental Impairment Liability insurance which coverage will include following terms:
  - (1) to be in an amount of not less \$25,000,000 per occurrence and in the aggregate (other than for mould subject to a sub-limit of \$10,000,000 per occurrence and in the aggregate);
  - (2) a deductible of \$100,000 per occurrence;
  - (3) coverage for third party bodily injury and property damage liability, including clean-up costs, underground storage tanks and mould;

- (4) exclusions for:
  - (A) radiation over specified levels;
  - (B) asbestos; and
  - (C) lead paint; and
- (5) provision to allow for a five year discovery period after the Transfer Date to apply to claims made after the Transfer Date the cause of which arose before the Transfer Date;

(f) Crime (employee dishonesty) coverage on the following terms:

- (1) to be in an amount of not less than \$5,000,000;
- (2) a deductible of \$25,000 per occurrence;
- (3) include:
  - (A) coverage for fraudulent or dishonest employees of the Operator;
  - (B) broad form money and securities, money orders and counterfeit paper;
  - (C) depositor's forgery;
  - (D) computer fraud and funds transfer fraud;
  - (E) audit expenses;
  - (F) credit card forgery; and
  - (G) custodial endorsement extending protection to third parties; and

(4) exclusions for data/cyber.

### 3. GVTA POLICIES

The Concessionaire will place all policies of insurance described in Section 2 of this Schedule 12 (other than the polices of insurance described in Sections 2.5(a) to 2.5(f)) with insurers arranged by GVTA if and for as long as such policies of insurance:

- (a) are available to the Concessionaire;
- (b) provide the coverage required by Section 2 of this Schedule 12 on terms comparable or better than those offered by reputable and duly qualified insurers licensed in British Columbia; and

- (c) issued by such reputable and duly qualified insurers rated A.M. Best A- or better or, if a rating from A.M. Best is not available, an equivalent rating issued by a rating agency as may be agreed between the parties, and if such agreement cannot be reached, determined pursuant to the Dispute Resolution Procedure.

#### 4. GENERAL REQUIREMENTS

##### 4.1 General Terms

All policies of insurance required under this Schedule 12 will:

- (a) be on terms and conditions which would be obtained by prudent owners and operators of projects of similar scope and magnitude as the Project and, in addition to the required inclusions or permitted exclusions for each policy specifically described in this Schedule 12, include such other inclusions and exclusions as such prudent owner or operator would require or permit;
- (b) include RAVCO, GVTA and YVR as named insureds on all policies of insurance maintained pursuant to this Section 12 other than on the policies of insurance described in:
  - (1) Section 1.3 (Construction Period Professional Errors and Omissions);
  - (2) Section 1.5(a) (Construction Period Automobile);
  - (3) Section 2.4 (Operating Period Professional Errors and Omissions);
  - (4) Section 2.5(a) (Operating Automobile); and
  - (5) Section 2.5(d) (Directors' and Officers' Legal Liability);
- (c) in addition to the named insureds described in Section 4.1(b), include:
  - (1) the Cities as named insureds on the policies described in Section 1.2 (Wrap-Up Liability), Section 1.5(d) (Contractor's Pollution), Section 2.1 (Commercial Liability) and Section 2.5(e) (Pollution and Environmental Impairment Liability);
  - (2) the Province, Canada and the Concessionaire's Indemnified Parties on the policies of insurance described in Section 1.2 (Wrap-Up Liability) and Section 2.1 (Commercial Liability);
  - (3) any Project Contractors, Sub-Contractor, any contractor of a Subcontractor, any consultant, engineer or other Person directly or indirectly engaged by the Concessionaire to perform any of the Work include as additional insureds on the policies described in Section 1.2 (Wrap-Up Liability), Section 1.3 (Construction Period Professional Errors and Omissions), Section 1.5(d) (Contractor's Pollution), Section 2.1 (Commercial Liability), Section 2.4

(Operating Period Professional Errors and Omissions) and Section 2.5(e) (Pollution and Environmental Impairment Liability); and

- (4) the Trustee as an additional named insured and loss payee on the policies of insurance described in Section 1.1 (All Risks Builders' Risk) and Section 2.2 (Property Insurance) and Section 2.3 (Boiler and Machinery);
- (d) provide 90 days' notice of termination, cancellation or material change to all named insureds, additional named insureds and the Trustee;
- (e) contain a waiver of any subrogation rights which the insurers may have against any of RAVCO, the RAVCO Indemnified Parties, the Contributing Agency Indemnified Parties or the Cities, whether or not the damage is caused by any of their respective acts, omissions or negligence;
- (f) be issued by such reputable and duly qualified insurers rated:
  - (1) A.M. Best A- or better for all policies of insurance other than those described in Section 1.1 (All Risk Builders' Risk); and
  - (2) A.M. Best A- or better in respect of 75% of the insurance coverage required under Section 1.1 (All Risk Builders' Risk) and A.M. Best BBB+ or better for the remaining 25% of such insurance coverage,
 and if a rating from A.M. Best is not available, an equivalent rating issued by a rating agency as may be agreed between the parties, and if such agreement cannot be reached, determined pursuant to the Dispute Resolution Procedure;
- (g) be non-contributing with and apply only as primary and not excess to any other insurance available to any of RAVCO, the RAVCO Indemnified Parties, the Contributing Agency Indemnified Parties or the Cities;
- (h) not be invalidated as respects the interests of any of RAVCO, the RAVCO Indemnified Parties, the Contributing Agency Indemnified Parties or the Cities by reason of any breach or violation of warranties, representations, declarations or conditions contained in the policies; and
- (i) contain an undertaking by the insurers to notify RAVCO, the RAVCO Indemnified Parties, the Contributing Agency Indemnified Parties and the Cities and any mortgagee of RAVCO's interest in the Real Property Interests in writing not less than 90 days before any material change, cancellation or termination.

#### 4.2 Evidence of Insurance

Upon the issue of and upon every renewal of a policy of insurance, and otherwise upon request by RAVCO, the Concessionaire will deliver to RAVCO a certified copy of the policy of insurance or other satisfactory evidence of adequate insurance. No review or approval of any insurance

certificate or insurance policy by RAVCO derogates from or diminishes RAVCO's rights under this Agreement.

#### 4.3 Insurance Deductibles

Subject to Section 4.4, the deductible portion of, or waiting period for, any claim made on any policy of insurance maintained pursuant to this Schedule 12 will be the responsibility by the Concessionaire.

#### 4.4 RAVCO Deductibles

RAVCO will be responsible for the deductibles and waiting periods for claims made on insurance policies maintained pursuant to this Schedule 12 the extent to which:

- (a) the deductible under the All Risks Builders' Risk insurance described in:
  - (1) Section 1.1(c)(1) (earthquake and tsunami) exceeds \$1,000,000 to a maximum of \$15,000,000;
  - (2) Section 1.1(c)(2) (bored tunnel losses) exceeds \$100,000, to a maximum of \$2,500,000;
  - (3) Section 1.1(c)(2) (cut and cover section losses) exceeds \$100,000, to a maximum of \$1,000,000
  - (4) Section 1.1(c)(3) (tunnel boring machine) exceeds \$100,000, to a maximum of \$1,000,000; and
  - (5) Section 1.1(c)(5) (flood, water damage, inundation, Testing and Commissioning) exceeds \$100,000, to a maximum of \$500,000; and
  - (6) Section 1.1(c)(6) (other perils) exceeds \$100,000, to a maximum of \$250,000,

and if more than one deductible is applicable, the highest one will apply.

- (b) the waiting period for delay in start-up under the All Risks Builders' Risk insurance described in:
  - (1) Section 1.1(d)(1) ( bored tunnel losses and damage to tunnel boring machine) exceeds 45 days, to a maximum of 120 days; and
  - (2) Section 1.1(d)(1) (cut and cover section losses) exceeds 45 days, to a maximum of 90 days; and
  - (3) Section 1.1(d)(3) (other perils) exceeds 45 days, to a maximum of 60 days;
- (c) the deductible under the Wrap-Up Liability insurance described in Section 1.2(b) exceeds \$100,000, to a maximum of \$250,000;

- (d) the deductible under the Profession Errors and Omissions insurance described in Section 1.3(b) exceeds \$100,000, to a maximum of \$500,000; and
- (e) the deductible under the Property insurance described in Section 2.2(b)(1) (earthquake, flood and tsunami) exceeds \$1,000,000, to a maximum of \$10,000,000,

and if more than one waiting period is applicable, the highest one will apply.

#### **4.5 Cancellation of Insurance**

RAVCO and the Concessionaire will each comply promptly with the requirements of all insurers pertaining to the Real Property Interests and the System. RAVCO and the Concessionaire will not do or permit anything to be done that results in the cancellation or threatened cancellation or the reduction of coverage or threatened reduction of coverage under any insurance policy on the Real Property Interests or any part of the Real Property Interests, or on the System or any part of the System.

#### **4.6 Payment of Insurance Premiums**

All premiums payable under the policies of insurance required to be maintained pursuant to this Schedule 12 will be paid in accordance with Schedule 11 (Payments).

#### **4.7 Insurance Representative**

Before commencing the Work, the Concessionaire will appoint an insurance representative who will communicate with, and keep RAVCO advised, of all material matters of insurance, including claims, possible claims and policy changes or amendments. Such representative will be an individual located in the lower mainland of British Columbia and the Concessionaire will advise RAVCO promptly of any change in such representative during the Term.

**APPENDIX 1**  
**CONSTRUCTION PERIOD INSURANCE PREMIUMS**

	<b>Policy</b>	<b>Premium Amount</b>
1.1	All Risks Builders' Risk	\$10,463,200
	Delay-in Start-up	\$1,750,000
1.2	Wrap-Up Liability	\$3,900,000
1.3	Professional Errors and Omissions	\$3,500,000
1.4	Contractor's Pollution Liability	\$553,000
1.5	Other Construction Coverage	
(a)	Business Automobile	To be determined
(b)	Aircraft	To be priced if and when required
(c)	Watercraft	To be priced if and when required
(d)	Contractor's Equipment	\$320,000 <sup>1</sup>
(e)	Marine Cargo	To be priced if and when required
1.6	Terrorism	\$175,000 <sup>2</sup>

All prices included applicable commissions. Unless otherwise indicated, the premium amount is for the term of the Construction Period.

<sup>1</sup> Annual premium payable as and to the extent the equipment is at risk.

<sup>2</sup> Annual premium payable when policy is required to be placed as set out in Section 1.6.