

## 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 Operate Southwest Calgary Ring Road (the “**DBFO Agreement**”) between Her Majesty the Queen in right of Alberta and the Contractor, as defined therein, unless expressed otherwise.

##### 1.2 DBFO Agreement Reference

This Schedule is referenced in sections 1.3, 11.1, 11.2, 11.4, 11.6 and 11.9 of the DBFO 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 DBFO Agreement.

##### 2.3 Actual Form and Substance

All insurance must be in forms and with terms and conditions acceptable to the Province, acting reasonably and acting in a reasonably timely manner. The Province shall be deemed to be acting unreasonably if the effect of not finding certain forms or terms and conditions acceptable is to impose on the Contractor (or its subcontractors) insurance requirements additional to the insurance requirements set out in the DBFO Agreement, including this Schedule 11. The purpose of this Section 2.3 is to give the Province the right to have modified or deleted from the actual insurance policies, terms and conditions that the Province becomes aware of, including becomes aware of only after receiving the certified copies of the insurance policies, that are clearly contrary to the express intent or the spirit of the insurance requirements in the DBFO Agreement, including this Schedule 11.

**3. THE INSURANCE DURING THE CONSTRUCTION PERIOD**

**3.1 Required Construction Period Insurance**

The Contractor shall purchase and maintain or cause to be purchased and maintained in full force at all times, from the Execution of the DBFO Agreement through to Construction Completion:

- (a) project specific general liability wrap-up insurance in an amount not less than \$50,000,000 inclusive per occurrence (excepting in the aggregate with respect to products and completed operations), insuring against bodily injury, personal injury and property damage, including loss of use thereof. A general aggregate limit is not permitted. The required liability limit can be achieved through primary or umbrella liability insurance. Any professional exclusion for supervisory or inspection activities shall be limited to services provided by architects, engineers, surveyors or design professionals. Such coverage shall cover all operations related to the Project whether onsite or offsite. Furthermore, such coverage shall cover the Contractor's supervision and management of the carrying out of any operations and maintenance activities during the Construction Period by its subcontractors. The named insureds on the policy shall be the Province and the Contractor. Other insureds on the policy shall include all consultants, subconsultants and subcontractors of every tier whether named or unnamed in the policy. The Province as a named insured must have the right to make a claim under the policy directly to the insurer. Such insurance shall not contain any coverage-limiting policy warranties, including but not limited to those related to burning, welding or cutting, hot work, open flame, refuse, waste and debris removal or burning, fencing, fire extinguisher or fire-fighting, or requirements that subcontractors maintain specific insurance or limits. 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;
- Owner's and contractor's protective liability;
- Blanket written contractual liability;
- Contingent employer's liability;
- Non-owned automobile liability;
- Cross liability and severability of interests;
- Employees as additional insureds;
- Broad form property damage endorsement;
- Forest fire fighting expenses;
- Operation of attached machinery; and
- Sudden and accidental pollution as per IBC 2313 or similar wording,

and where such further risk exists:

**SCHEDULE 11 – DBFO AGREEMENT  
EXECUTION VERSION**

- Blasting, demolition, pile driving, caisson work or tunnelling, as applicable;
  - Elevator and hoist liability; and
  - Towing/on hook coverage, unless this risk is covered by the policy in Section 3.1(c);
- (b) automobile liability on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than \$5,000,000;
- (c) course of construction insurance in the form of an “all risks” builder’s risk policy covering bridge structures, bridge culverts, and any other similar structures (including without limitation large sign structures) forming part of the Project (collectively, the “**Bridge Component**”). The course of construction policy shall insure the Project to a minimum of the full value of the Bridge Component of the Project. The named insureds on the policy shall be the Contractor and the Province. Other insureds under the policy shall include any Lender (as defined in Schedule 6 to the DBFO Agreement), all consultants, subconsultants, subcontractors of every tier, whether named or unnamed in the policy and all others having an insurable interest in the Project. The Province as a named insured must have the right to make a claim under the policy directly to the insurer. Such insurance shall not contain any coverage-limiting policy warranties, including but not limited to those related to burning, welding or cutting, hot work, open flame, refuse, waste and debris removal or burning, fencing, fire extinguisher or fire-fighting, or requirements that subcontractors maintain specific insurance or limits. The course of construction insurance shall not: (i) itself create or contemplate an insurance trustee, nor modify or endorse the Basis of Loss Settlement Clause in terms of the insertion of an insurance trustee, unless such insurance trustee has been approved by the Province acting reasonably and has entered into an agreement among the Province, the Contractor, and the Lender, satisfactory to the Province acting reasonably (the “**Approved ITA**”); (ii) contain any endorsements in favour of the Lender that may be prejudicial to the Province in terms of directing insurance proceeds contrary to the DBFO Agreement or adversely impacting the use of the insurance proceeds to repair all damage to the New Infrastructure during the Construction Period (the obligation to repair being as required under the DBFO Agreement); nor (iii) modify or endorse the Standard Mortgage Clause unless to factor in the use of an approved insurance trustee and with the approval of the Province acting reasonably. The Approved ITA shall: (iv) provide that the Contractor pay for all fees and expenses of the insurance trustee; (v) provide that the insurance trustee hold any insurance proceeds it may receive in trust for the Province, the Lender, and the Contractor in accordance with their respective interests, and only disburse or otherwise deal with such insurance proceeds in accordance with the provisions of the Approved ITA; (vi) have terms and conditions which are consistent with the provisions of the DBFO Agreement, including without limitation, provisions dealing with insurance proceeds; and (vii) provide that

**SCHEDULE 11 – DBFO AGREEMENT  
EXECUTION VERSION**

unless otherwise agreed to by the Province and the Lender, insurance proceeds shall be used to repair all damage to the New Infrastructure during the Construction Period (the obligation to repair being as required under the DBFO Agreement); and

- (d) if the Contractor does or is to perform any design work for the Project, the Contractor shall maintain \$5,000,000 per claim and in the aggregate errors and omissions insurance from the Execution of the DBFO Agreement until twelve months following Construction Completion.

**4. THE INSURANCE DURING THE PNI OPERATING PERIOD AND THE OPERATING PERIOD**

**4.1 Required PNI Operating Period and the Operating Period Insurance**

The Contractor shall purchase and maintain in full force at all times, from PNI Traffic Availability with respect to the Priority New Infrastructure and from RNI Traffic Availability with respect to the Remaining New Infrastructure, in each case through to the end of the Term:

- (a) general liability insurance in an amount not less than \$10,000,000 inclusive per occurrence (excepting in the aggregate with respect to products and completed operations) against bodily injury, personal injury and property damage, including loss of use thereof. Annual general aggregate limit, if any, must not be less than \$20,000,000. The required liability limit can be achieved through primary or umbrella liability insurance. Defense costs must be in addition to the limits of insurance. Any professional exclusion for supervisory or inspection activities shall be limited to services provided by architects, engineers, surveyors or design professionals. 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;
- Non-owned automobile liability;
- Cross liability and severability of interests;
- Employees as additional insureds;
- Broad form property damage endorsement;
- Forest fire fighting expenses;
- Operation of attached machinery; and
- Sudden and accidental pollution as per IBC 2313 or similar wording,

and where such further risk exists:

**SCHEDULE 11 – DBFO AGREEMENT  
EXECUTION VERSION**

- Blasting, demolition, pile driving, caisson work or tunnelling, as applicable;
  - Elevator and hoist liability; and
  - Towing/on hook coverage; and
- (b) automobile liability on all vehicles owned, operated or licensed in the name of the Contractor in an amount not less than \$5,000,000.