

Form #SOFTC (Rev. February 17, 2004)
Soft Cost Endorsement

This endorsement changes the policy – Please read it carefully

We will pay the following additional expenses, also called “soft cost” in this endorsement, over and above originally projected cost of construction incurred as a result of a covered loss to insured property which delays construction beyond the projected completion date.

1. Interest on money borrowed to finance construction or repair.
2. Real estate and property taxes.
3. Architect, engineering and consultant fees.
4. Legal and accounting fees.
5. Advertising and promotional expenses.
6. Commissions for renegotiation of leases.
7. Other expenses, if any, as may be specifically listed elsewhere in this policy.

Limits of Liability: The total limit of liability for this endorsement is shown on the schedule.

Deductible: The Company will not be liable for any loss of covered soft costs unless the delay in construction caused by an insured loss exceeds ten (10) days and then only for such part of the loss that is in excess of the first ten (10) days of the delay. The length of time of delay shall not be limited by the date of expiration of this policy but recovery is limited to not exceeding twelve consecutive calendar months.

Social Exclusions: This insurance does not apply to any increase of loss resulting from any of the following:

1. Interference at the described premises by strikes or other persons charged with rebuilding, repairing or replacing the property;
2. Additional time that would be required to replace or repair any part of the building's property or equipment owing to:
 - a. ordinances or laws requiring the use of different construction materials or equipment from the property destroyed;
 - b. adverse weather conditions;
 - c. reduction in work force due to economic conditions; or
 - d. improvements necessary to correct deficiencies of original construction.
3. Damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature.
4. The suspension, lapse or cancellation of any lease or license, contract or order which may affect your earnings after the period following any loss during which indemnity is payable.

Resumption of Operations: It is a condition of this insurance that you will do everything reasonably possible to reduce the delay in resuming operations by making complete or partial use of either the specified facilities or other facilities at the location insured.

If the Insured derives economic benefit as a consequence of a delay, such benefit shall be subtracted from the amount of your loss.

Due Diligence: In the event of loss under this portion of your policy, the Company will only be liable for loss during such period of time that would be required with due diligence and dispatch to rebuild or restore the damaged premises with like kind and quality. The Insured shall do everything reasonably possible to minimize the loss.

Expenses to Reduce Loss: this policy shall also cover such expenses as are necessarily incurred for the purpose of reducing loss under this endorsement (except expenses incurred to extinguish a fire) but in no event shall the Company's liability for such expenses exceed the amount by which loss under this endorsement is thereby reduced.

Partial Adjustment: If after the expiration of one month from the beginning of the interruption period, it is or becomes possible to determine the minimum amount which we are liable to pay for the elapsed period, consideration will be given to a partial adjustment.

If there is any doubt about the Insured's right to receive payment, the Company may postpone making any advance payment until receipt of satisfactory proof that removes such doubt;

If, as a result of any physical loss because of any delay in completion of the contract work, criminal investigations are initiated against any Insured, the Company may postpone making any advance payment until such investigations are completed and no adverse information is found against such insured.

Interruption by Civil Authority: This insurance is extended to include the actual loss covered under this endorsement during a period of time not exceeding two consecutive weeks from the date when, as a direct result of the perils insured against, access to the premises described is prohibited by order of civil authority.

Automatic Reinstatement: It is agreed that this policy shall not be reduced by the sums paid in any one loss and shall continue for the full amount during the term of this insurance.