ENDORSEMENT #

Policy Number: Effective Date of Endorsements:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELAY IN COMPLETION ENDORSEMENT

ADDITIONAL DECLARATIONS

NAMED INSURED:

There shall be no Additional Insureds hereunder.

BUSINESS ADDRESS:

"PERIOD OF INDEMNITY": ________ Calendar Days

"SCHEDULED DATE OF COMPLETION":

DEDUCTIBLE PERIOD*: ________ Each “Delay Period”

No liability shall exist unless any one “Delay Period” exceeds this Deductible Period. Liability hereunder shall exist only for such part of each “Delay Period” that is in excess of this Deductible Period.

LIMITS OF INSURANCE:

Subject to the individual Sublimits shown below, the total Sublimit of Insurance for which the Company shall be liable under this Endorsement in the aggregate shall not exceed:

Endorsement Aggregate of $__________.

The following coverage(s) only apply when a dollar amount Sublimit is shown for that specific coverage or expense.

1. "Loss of Rental Income" $__________
2. "Loss Of Gross Earnings" $__________
3. "Soft Costs" Subject to Individual Item Sublimits below:
   a. Interim Interest Expense $__________
   b. Realty Taxes and Ground Rents $__________
   c. Advertising and Promotional Expenses $__________
   d. Commission Expenses $__________
The Sublimits of Insurance above shall not increase the Policy’s Limit of Insurance, any Sublimits of Insurance or any Aggregate Limits of Insurance.

A. DELAY IN COMPLETION COVERAGE

1. Subject to the terms, exclusions, limitations, conditions, and limits of insurance contained in this Endorsement, and in the policy to which it is attached, the Company will indemnify the Named Insured for:

   a. Scheduled “Soft Costs” arising out of the “Delay Period”, to the extent that such expenses are actually and necessarily incurred, to enable the Named insured to commence commercial operations in the manner originally planned.

   b. “Loss of Rental Income” and/or “Loss of Gross Earnings” which, but for the “Delay Period”, would have been derived from the “Insured Project” during the “Delay Period”. “Loss of Rental Income” and/or “Loss of Gross Earnings” shall be adjusted, as may be necessary, to provide for market trends or special circumstances. The amount thus adjusted shall represent as near as may be reasonably practicable the “Loss of Rental Income” and/or “Loss of Gross Earnings”.

The “Soft Costs”, “Loss of Rental Income” and/or “Loss of Gross Earnings” must be incurred during the “Delay Period” and such “Delay Period” must be caused by insured physical loss or damage to Covered Property at the Location of “Insured Project”. However, it is a precedent to recovery under this Coverage that the Company shall have paid or agreed to pay for such direct physical loss or damage to the Covered Property, unless such payment is precluded solely by the operation of the deductible.

The “Soft Costs”, “Loss of Rental Income” and/or “Loss of Gross Earnings” reimbursable under this Endorsement shall be reduced by the following:

   a. Any income realized from commercial operations at the Location of “Insured Project” during the “Delay Period”, or any increase in the Named Insured’s income from any other property due to the delay;

   b. Any amount saved in labor costs, charges and expenses payable out of anticipated revenue that do not arise or are reduced during the “Delay Period”;

   c. Any liquidated damages and/or penalties the Named Insured is entitled to receive; and

   d. Any income realized from deferred sales or from increased production or profits during a period of twelve (12) months immediately following the “Delay Period” resulting as a direct consequence of the delay.

2. The Company shall also indemnify the Named Insured for expenditures that are necessarily incurred for the purpose of reducing any loss amount under this extension, but only to the extent that such loss amount otherwise payable under this extension is thereby reduced.

3. If the Additional Coverage in Section 7.g. – Demolition, Increased Cost of Construction and Ordinance or Law under the Property Damage Coverage applies in the event of insured physical loss or damage and the “Soft Costs”, “Loss of Rental Income” and/or “Loss of Gross Earnings” reimbursable under this Endorsement also apply, the Company shall be liable for the increase of the Soft Costs”, “Loss of Rental Income” and / or “Loss of Gross Earnings” arising out
B. EXCLUSIONS

The Company shall not be liable for any loss or increase in the “Delay Period” caused by, resulting from, contributed to or made worse by any of the following:

1. The enforcement of any ordinance, law, regulation or ruling restricting or regulating construction, use, rebuilding, repair, alteration, installation, replacement, demolition, removal or reconstruction of the buildings, structures or parts of the “Insured Project” except as provided in paragraph 3. under Section A. Delay In Completion Coverage;

2. Strikes, protests, lock-outs, labor disturbances, riots, civil commotions, or the acts of any persons taking part in any such occurrence or disorder;

3. Any other consequential loss not specifically covered under this Endorsement;

4. Loss or damage to property not covered by this policy;

5. Non-availability of funds other than insurance reimbursements;

6. Import, export or customs restrictions and / or regulations;

7. Alterations, additions, improvements or other changes made in the design, plans, specifications or other contract documents for the work which are required to effect the repair or replacement of the damaged property;

8. The breach, suspension, lapse or cancellation of or the failure to obtain, maintain or extend any permit, lease, license, contract or purchase order commitments; or

9. The failure to use due diligence and dispatch in restoring the damaged property to the condition existing prior to the loss or damage.

10. Any change order, revision or other cause which results in deviation from the original progress schedule and which is independent of insured physical loss or damage which gives rise to a "Delay Period", whether occurring prior to or after a "Delay Period" insured under this Endorsement.

The Company shall not be liable for any loss or increase in the “Delay Period” caused by insured physical loss or damage to Covered Property while at other locations or in transit.

C. LIMITS OF INSURANCE

Subject to the individual Sublimits shown in the Additional Declarations, the total Limit of Insurance for which the Company shall be liable under this Endorsement in the aggregate for all coverages provided by this Endorsement shall not exceed the Endorsement Aggregate shown on the Additional Declarations.

The Sublimits of Insurance shown on the Declarations are the most the Company will indemnify the Named Insured for “Soft Costs”, and the actual “Loss of Rental Income” and / or “Loss of Gross Earnings” to which the Sublimits of Insurance apply.

The Company shall not be liable during the “Period of Indemnity” for more than the amount stated in the Additional Declarations of this Endorsement.

With respect to any loss or increase in the “Delay Period” caused by or resulting from “earth movement”, “flood” or “named storm”, the Annual Aggregate Limit of Insurance applicable to such Cause of Loss shall also apply to this.
Endorsement subject to the Sublimits of Insurance shown in this Endorsement, which are part of and not in addition to such Annual Aggregate Limit of Insurance. The maximum amount the Company will pay under this policy, including the coverages contained in this Endorsement, shall not exceed the Annual Aggregate Limit of Insurance applicable to such Cause of Loss as shown on the Declarations.

D. DEDUCTIBLE PERIOD

The amount shown on the Additional Declarations is a waiting period. The number of days in the waiting period stated in the Additional Declarations beginning with the “Scheduled Date of Completion” shall be deducted from the “Delay Period” for each and every occurrence giving rise to a claim under this Endorsement.

E. NOTICE OF CHANGE IN PROJECT SCHEDULE

In the event circumstances require that the “Scheduled Date of Completion” be revised to extend such completion date, the Named Insured shall establish a revised “Scheduled Date of Completion” and furnish such revised “Scheduled Date of Completion” to the Company. However, there shall be no revision to the “Scheduled Date of Completion” in the event such revision compresses or accelerates the “Scheduled Date of Completion”. The Named Insured shall furnish in writing, when and as required by the Company, progress reports on the “Insured Project”. In the event a difference between the anticipated and actual progress of the “Insured Project” necessitates revision of the “Scheduled Date of Completion”, the Company and the Named Insured shall agree to a revised “Scheduled Date of Completion” which will be endorsed to this Policy.

The Named Insured shall then establish a revised project schedule for the “Insured Project” which will be the basis of comparison with future progress reports. In the event of any further differences between the revised project schedule and progress reports, similar revision(s) in the project schedule will be made and a revised “Scheduled Date of Completion” will be endorsed to this Policy.

Failure of the Named Insured to provide such revised project schedule to the Company shall not serve to waive the amendment of the “Scheduled Date of Completion”.

F. REQUIREMENTS IN CASE OF LOSS OR POTENTIAL LOSS

1. The Named Insured shall do and concur in doing and permit to be done all such things as may be reasonably practicable to minimize or establish the extent of any interference with the construction schedule so as to avoid or diminish any “Delay Period” resulting therefrom.

2. Upon the expiration of one month after the beginning of the “Period of Indemnity” and after the expiration of each further month, if it is possible for the Company to determine the minimum amount which the Company may be liable to pay for the elapsed period, the Company shall pay such amount(s) to the Named Insured as an installment of the total loss.

3. In the event of a loss for which payment may be made, the Company shall conduct an audit of the Named Insured's records twelve (12) months after actual commencement of operations to determine the “Soft Costs”, “Loss of Rental Income” and / or “Loss of Gross Earnings”, as well as any expenses related to reducing loss incurred by the Named Insured. This amount shall be reduced in accordance with any income or savings realized and liquidated damages received as further described in Section A. – Delay In Completion Coverage. The final amount shall then be reduced in accordance with the Deductible Period shown on the Additional Declarations.

4. If the amount of loss determined by the audit is less than or exceeds the sum paid by the Company during the “Period of Indemnity”, the difference between the two amounts shall be paid by or to the Company as the case may be.

5. Upon request by the Company, the Named Insured shall make available all records and information relevant to the determination of loss, expenses and other income related to reducing loss.
6. It is a condition of this insurance that as soon as practical the Named Insured shall begin normal operations.

G. DEFINITIONS

For the purpose of this Endorsement, the following definitions shall apply in addition to those of the policy:

1. “Delay Period” means the period of time between the “Scheduled Date of Completion” and the actual date on which commercial operations or use and occupancy can commence with the exercise of due diligence and dispatch.

2. “Loss of Gross Earnings” means the gross earnings from the planned operation of the “Insured Project” upon occupancy or commercial service which are not realized during the “Period of Indemnity” which would have been earned by the Named Insured if the “Delay Period” had not occurred, less non-continuing expenses.

3. “Loss of Rental Income” means revenues from rentals and leases not realized during the “Period of Indemnity”, which would have been earned by the Named Insured if the “Delay Period” had not occurred, less non-continuing expenses.

4. “Period of Indemnity” means the number of days stated in the Additional Declarations of this Endorsement which are in excess of the Deductible Period stated in the Additional Declarations. The “Period of Indemnity” for any insured “Delay Period” hereunder shall not be limited or otherwise affected by the expiration, cancellation or termination of the policy.

5. “Scheduled Date of Completion” means the date stated in the Additional Declarations of this Endorsement on which “Insured Project” is scheduled to be completed for commencement of commercial operations or use and occupancy.

6. “Soft Costs” means expenditures which are necessarily incurred during the “Period of Indemnity”, that would not have been incurred by the Named Insured if the “Delay Period” had not occurred, consisting of the following, to the extent scheduled and sublimited on the Additional Declarations page of this Endorsement:
   a. Interest upon money borrowed to finance the contract work (Interim Interest Expense);
   b. Realty taxes and ground rents, if any;
   c. Advertising and promotional expenses necessarily incurred;
   d. Costs of additional commissions incurred upon renegotiating leases;
   e. Architects, engineers and consultant fees;
   f. Project administration expense;
   g. Legal and accounting fees;
   h. Insurance premiums; and
   i. Other, as accepted by the Company and scheduled in the Additional Declarations of this Endorsement.
ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

______________________________________________
Authorized Representative

______________________________________________
Date