

## Contingent Liability From Enforcement of Building By-Laws Increase in Cost of Construction

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Applicable to "Building" insured as shown on the "Declaration Page(s)".

1. The insurance provided is extended to include any increase in the cost of repairing, replacing, constructing or reconstructing the building(s) or structure(s) on the same site or an adjacent site, of like height, floor area and style, and for like occupancy, where such increase in cost arises out of loss, minimum requirements of any by-law, regulation, ordinance or law which:
  - (a) regulates zoning or the demolition, repair or construction of damaged buildings or structures; and
  - (b) is in force at the time of such loss, destruction or damage.
2. The amount of insurance provided by this extension is as specified on the "Declaration Page(s)" for this Form such amount applying separately to each location insured hereby.
3. The Insurer shall not be liable under this extension for:
  - (a) any loss occasioned by the enforcement of any by-law, regulation, ordinance or law which:
    - (i) regulates zoning or the demolition, repair or construction of damaged buildings or structures;
    - (ii) is in force at the time of loss, destruction or damage by a peril insured against; and
    - (iii) prohibits the Insured from rebuilding on the same site or on an adjacent site or prohibits continuance of like occupancy;
  - (b) the cost of demolishing any portion of the building(s) or structure(s);
  - (c) any loss by reason of an increase in cost of repair, replacement, construction or reconstruction unless and until there is actual repair, replacement, construction or reconstruction by the Insured of the damaged or destroyed buildings or structures on the same site or an adjacent site with the exercise of due diligence and dispatch;
  - (d) more than the amount actually and necessarily expended in repairing, replacing, constructing or reconstructing as provided herein, in excess of the loss which would have existed without this extension;
  - (e) more than the amount of insurance specified herein for this extension, which is in excess of the cost of repairing, replacing, constructing or reconstructing (whichever is the least), the building(s) or structure(s), with materials of like kind and quality on the same site or on an adjacent site, without deduction for depreciation;
  - (f) more than the amount of insurance specified herein for this extension, regardless of the number of items insured;
  - (g) any greater proportion of any loss than that which the amount of insurance provided under this extension bears to the amount arrived at by applying the percentage stipulated in the coinsurance clause to the increase in cost, being the difference between:
    - (i) the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the building(s) or structure(s) on the same site or on an adjacent site with materials of like kind and quality and without deduction for depreciation; and
    - (ii) the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the building(s) or structure(s) on the same site or on an adjacent site, of like height, floor area and style and for like occupancy, but within the minimum requirements of any by-law, regulation ordinance or law which regulates the zoning or the demolition, repair or construction of damaged buildings or structures and which is in force at the time of loss, destruction or damage by a peril insured against.

Except as otherwise provided in this endorsement all terms and conditions of this policy shall remain unchanged.