

MODIFIED REPLACEMENT COST TERMS

(Entries required to complete the Schedule will be shown below or on the "declarations".)

Schedule

The percentage that applies in b) and c) below is %

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

HOW MUCH WE PAY FOR LOSS OR OCCURRENCE

Under Loss Settlement Terms, 1)b) and 1)c) are deleted and replaced by the following:

b) If the "limit" that applies to the damaged building at the time of loss is less than the percentage shown in the Schedule above of its full replacement cost just before the loss, the larger of the following amounts is used in applying the "terms" under Our Limit:

- (1) the "actual cash value" of the damaged part of the building just before the loss; or
- (2) that part of the cost to repair or replace the damaged part, after application of any deductible, which the "limit" on the damaged building bears to the percentage shown in the Schedule above of its full replacement cost just before the loss.

c) If the "limit" that applies to the damaged building at the time of loss is at least the percentage shown in the Schedule above of its full replacement cost just before the loss, the smaller of the following amounts is used in applying the "terms" under Our Limit:

- (1) the amount actually and necessarily spent to repair or replace the damaged building; or
- (2) the cost to repair or replace the damage:
 - (a) using materials of like kind and quality; and
 - (b) for like use.

However, when a damaged building is rebuilt at another location, such cost is limited to the cost that would have been incurred if the building had been repaired or replaced at the location where the damage occurred.

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