

REPLACEMENT COST ENDORSEMENT RESIDENTIAL CONDOMINIUM ASSOCIATION

These provisions shall apply only to a building used by a residential condominium association which is covered under this policy. A building qualifies for this coverage provided that, at the time of loss, you are a condominium association, and 75% of the floor area of the building is used for residential purposes only.

For the premium charged for this policy, LOSS CONDITION 5 – LOSS PAYMENT, page 11, WHC1 (10-04) is amended to read as follows:

5. LOSS PAYMENT. Covered property losses are settled as follows:
- a. Personal property and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
 - b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
 - c. We will pay to repair or replace a damaged or destroyed building, after application of the deductible and without deduction for depreciation, but not exceeding the smallest of the following amounts:
 - (1) the limit of liability under this policy applying to the building;
 - (2) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
 - (3) the amount actually and necessarily spent to repair or replace the damaged building, on the premises described in the policy.
 - d. We will not be liable for any loss on a Replacement Cost Coverage basis unless and until actual repair or replacement of the damaged building or parts thereof is completed. When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - e. If a building is rebuilt at a location other than the described location, we will pay no more than it would have cost to repair or rebuild at the described location, subject to all other terms of Replacement Cost settlement.
 - f. You may disregard the replacement loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

All other provisions of this policy, including EXCLUSIONS 1. a., page 4, Ordinance or Law, and ADDITIONAL CONDITIONS, 1. COINSURANCE, page 13, of the WHC1(10-04), are still applicable to the Building. If this endorsement applies, “actual cash value of the loss” shall read “amount of the loss” in LOSS CONDITION 2. APPRAISAL, page 10, of the WHC1(10/04).