

THIS ENDORSEMENT MODIFIES SECTIONS OF THE POLICY UNDER THE FOLLOWING:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (FT CP 07 01 12)

ORDINANCE OR LAW COVERAGE

Demolition Cost
Maximum aggregate
limit per occurrence
per policy

\$250,000

Increased Cost of Construction
Maximum aggregate limit
per occurrence per policy

\$250,000

If the direct loss in one occurrence exceeds \$1,000,000, the maximum aggregate limits per occurrence per policy for Demolition Cost and Increased Cost of Construction are increased from \$250,000 each to \$500,000 each.

A. Coverage

1. Coverage A - Coverage for Loss to the Undamaged Portion of the Building.

If a Covered Cause of Loss occurs to covered Building property, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c. Is in force at the time of loss.

Coverage A is included within the Limit of Insurance applicable to the covered Building property shown in the Declarations. This is not additional insurance.

2. Coverage B - Demolition Cost Coverage.

If a Covered Cause of Loss occurs to covered Building property and a Demolition Cost Limit of Insurance is shown in the Schedule above, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C - Increased Cost of Construction Coverage.

This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

If a Covered Cause of Loss occurs to covered Building property and an Increased Cost of Construction Limit of Insurance is shown in the Schedule above, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The COINSURANCE Additional Condition does not apply to Increased Cost of Construction.

B. We will not pay under this endorsement for:

- 1. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove,

contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants.”

2. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria; or
3. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutant”, “fungus”, wet or dry rot or bacteria.

C. Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:

1. If the replacement Cost Coverage Option applies and the property is repaired or replaced on the same or another premises, we will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - a. The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - b. The Limit of Insurance applicable to the covered Building property.
2.
 - a. If the Replacement Cost Coverage option applies and the property is not repaired or replaced; or
 - b. If the Replacement Cost Coverage option does not apply.

We will not pay more for loss or damage to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance applicable to the covered Building property.

D. We will not pay more under Coverage B - Demolition Cost Coverage than the lesser of the following:

1. The amount you actually spend to demolish and clear the site of the described premises; or
2. The applicable Demolition Cost Limit of Insurance shown in the Schedule above.

E. 1. We will not pay under Coverage C - Increased Cost of Construction Coverage:

- a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
2. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - a. The increased cost of construction at the same premises; or
 - b. The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.
 3. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - a. The increased cost of construction at the new premises; or
 - b. The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.

F. The terms of this endorsement apply separately to each building to which this endorsement applies. However, we will not pay more than the maximum aggregate Limit of Insurance per occurrence per policy for which this endorsement applies, regardless of the number of buildings scheduled.