

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LOSSES ADJUSTED AT ACTUAL CASH VALUE, NOT  
REPLACEMENT COST BASIS**

**This endorsement modifies insurance provided under the following:  
DIFFERENCE IN CONDITIONS COVERAGE FORM UND 1211**

| Location Number | Location Address |
|-----------------|------------------|
|                 |                  |
|                 |                  |

**A. LOSS CONDITIONS**

For the locations scheduled above, the following replaces section **G.14., Valuation LOSS CONDITION.**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, and **d.** below.
  - b.** "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
  - c.** Glass at the cost of replacement with safety-glazing material if required by law.
  - d.** Tenant's Improvements and Betterments at:
    - (1)** Actual cash value of the lost or damaged property if you make repairs promptly.
    - (2)** A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
      - (a)** Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
      - (b)** Divide the amount determined in **(1)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

  - (3)** Nothing if others pay for repairs or replacement.
- e.** In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
  - (1)** The Limit of Insurance applicable to that building or structure, as described in Section **A.2. LIMITS OF INSURANCE** in the Declarations; or
  - (2)** The fair market value of the building or structure.
- f.** In the event of a partial loss to a building or structure, unless required differently by applicable state law, actual cash value is calculated as the lesser of the following:

- (1) The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
  - (2) The Limit of Insurance applicable to the property, as described in Section **A.2. LIMITS OF INSURANCE** in the Declarations.
- g.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
- (1) The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, unless defined differently by applicable state law, based on the condition of the property at the time of loss; or
  - (2) The Limit of Insurance applicable to the property, as described in Section **A.2. LIMITS OF INSURANCE** in the Declarations.

SPECIMEN