

applied instead to the reduction of the unpaid principal balance and not to the payment of principal and lawful interest, the surplus shall be remitted to Trustor by Beneficiary, and Trustor hereby agrees to accept such remittance.

2. **Insurance.** Trustor, at its sole cost and expense, for the mutual benefit of Trustor and Beneficiary, shall obtain and maintain during the entire term of this Deed of Trust (the "Term") the following policies of insurance:

(a) **All Risk or Special Causes of Loss Property Form including Business Interruption.**

(i) "Special" or "Broad Form" (f/k/a/ "all risk") commercial property insurance (including, without limitation, coverage against riot and civil commotion, vandalism, malicious mischief, water, mold (based on a covered peril), fire, burglary, theft, and terrorism and acts of terrorism) on the Improvements and all other insurable portions of the Trust Property and in each case (A) insuring against any peril now or hereafter included within the classification "Special Form Cause of Loss", (B) in an amount equal to 100% of the "Full Replacement Cost," but in no event more than permitted by applicable law, (C) containing an agreed amount endorsement with respect to the Improvements, Equipment and all other insurable portions of the Trust Property waiving all co-insurance provisions, and (D) providing that the deductible shall not exceed the sum of \$25,000.00, unless agreed to in writing by Beneficiary. For the purposes of this Deed of Trust the term "Full Replacement Cost" means the actual replacement cost of the Improvements and Equipment (without taking into account any depreciation, and exclusive of the land value, excavations, footings and foundations, landscaping and paving) determined annually by an insurer, a recognized independent insurance broker or an independent appraiser selected and paid by Trustor and in no event less than the coverage required pursuant to the terms of any Lease.

(ii) Business income and extra expense insurance (A) with loss payable to Beneficiary, (B) covering losses of income and Rents derived from the Premises and Improvements and any non-insured property on or adjacent to the Premises resulting from any risk or casualty required to be covered under Subparagraph (a)(i) of this Paragraph, (C) containing an extended period of indemnity endorsement which provides that after the Repair Work (defined below) is completed, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date the Repair Work is completed and ordinary course of business operations have resumed at the Premises and Improvements, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period, and (D) in an amount equal to one hundred percent (100%) of the projected gross income from the Trust Property for a period of twelve (12)