

property damage occurring upon, in or about the Premises and Improvements, such insurance (A) to be on the so-called "occurrence" form containing minimum limits per occurrence of \$1,000,000.00 and \$2,000,000.00 in the aggregate; (B) to contain a liquor liability endorsement if any part of the Premises or Improvements are covered by a liquor license; (C) to continue at not less than the aforesaid limit until required to be changed by Beneficiary in writing by reason of changed economic conditions making such protection inadequate; (D) to cover at least the following hazards, (1) premises and operations, (2) products and completed operations on an "if any" basis, (3) independent contractors, (4) blanket contractual liability for all written and oral contracts, (5) contractual liability covering the indemnities contained in Paragraph 36 hereof to the extent the same is available, and (6) all legal liability imposed upon Trustor and all court costs and attorneys' fee incurred in connection with the ownership, operation and maintenance of the Trust Property; and (E) to be without any deductible. If Trustor has a multi-location policy or loan, the coverage must be maintained on a "per-location basis".

(c) **Flood Insurance.** Flood insurance will be required if any portion of the Improvements is situated in a federally designated "special flood hazard area" (for example, Zones A and V) as designated by the Federal Emergency Management Agency, or any successor thereto, as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, The Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, as each may be amended, (the "Flood Insurance Acts"). The minimum amount of flood insurance required is the lesser of one hundred percent (100%) of the Full Replacement Cost (plus business income interruption coverage) for those portions of the Improvements located in such special flood hazard area, the maximum limit of coverage available for the Improvements under the Flood Insurance Acts, or the maximum amount permitted by applicable law. The maximum deductible shall be no more than \$25,000.00.

(d) **Sinkhole, Mine Subsidence and Earthquake.** Sinkhole, mine subsidence and earthquake insurance shall be obtained and maintained if in the opinion of a professional engineer with experience in this professional area there is a foreseeable risk of loss due to this hazard. If necessary, as determined by such engineer, Trustor shall maintain coverage in the full principal amount of the Loan, but in no event more than the maximum amount permitted by applicable law. Notwithstanding this Subparagraph (d), earthquake insurance will not be required as long as the Probable Maximum Loss (PML) assigned to the Premises and Improvements is less than twenty percent (20%) according to the most recent written report obtained by Beneficiary from a person who is regularly in the business of determining PMLs of properties in the State of Arizona similar to the Premises and Improvements; provided that Beneficiary agrees not to obtain a reevaluation of the PML (which reevaluation shall be at Trustor's expense) unless Beneficiary has reasonable grounds for doing so due to events such as the occurrence of an earthquake affecting the Premises or Improvements, a change in seismic zone or changes in applicable law.