

less than the total debt service per year due each year during the term of this Mortgage;

(v) flood insurance in the amount of the Indebtedness, if Premises is found to ever be located in a flood zone;

(vi) public liability insurance in an amount of not less than \$2,000,000.00; and

(vii) such other insurance on the Premises or any replacements or substitutions therefor and in such amounts as may from time to time be reasonably required by the Lender against other insurable casualties which at the time are commonly insured against in the case of properties of similar character and location, due regard being given to the height and type of the improvements, their construction, location, use and occupancy, or any replacements or substitutions therefor.

(b) The Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Paragraph 1.03, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Lender, instead of to the Borrower and the Lender jointly. In the event any insurance company fails to disburse directly and solely to the Lender but disburses instead either solely to the Borrower or to the Borrower and the Lender jointly, the Borrower agrees immediately to endorse and transfer such proceeds to the Lender. Upon the failure of the Borrower to endorse and transfer such proceeds as aforesaid, the Lender may execute such endorsements or transfers for and in the name of the Borrower, and the Borrower hereby irrevocably appoints the

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