

and all other persons whomsoever lawfully claiming, or to claim the same, or any part thereof. The Mortgagor, Frank Towers Rice, warrants that he is seized of said premises in fee and has the right to convey the same in fee simple and that the same is free and clear of encumbrances.

AND IT IS AGREED that the Mortgagor, his heirs and assigns, shall keep the building and equipment erected or placed upon the said premises insured against loss or damage by fire and such other hazards or risks as may be required by Mortgagee, such insurance to be in such insurance company or companies as said Mortgagee may approve, and to deliver to said Mortgagee, as additional security hereto, the policies of such insurance and of any additional insurance which shall be taken out upon such building and equipment while any part of the indebtedness aforesaid shall remain unpaid, having attached to said policies such mortgage indemnity clause as said Mortgagee shall direct. Renewals of such policies shall be so delivered at least ten (10) days before any such insurance shall expire. Any proceeds for loss or damage which may become payable under any such policies may be applied by said Mortgagee, at its option, either to reduce said debt or to repair or replace the improvements covered by said policies. Said Mortgagee may at any time, at its own discretion, procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in like amount, as it may determine without prejudice to its right to foreclose hereunder by it should mortgagor fail or refuse to keep said premises so insured. In the event of loss the Mortgagor will give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgagor and Mortgagee, jointly.