

3. That he shall deliver to the Mortgagee a title insurance policy in form and issued by an insurer satisfactory to the Mortgagee. Such policy shall insure Mortgagee as a holder of the indebtedness secured by the first mortgage or deed of trust provided for herein, subject only to exceptions as may be satisfactory to Mortgagee's counsel.

4. That he will keep the improvements upon said premises constantly and satisfactorily insured in an insurance company or companies to be approved by the Mortgagee, until said Note is paid, against loss by fire and the risks covered under extended coverage endorsement (in an amount equal to at least the unpaid principal balance of the Promissory Note which this mortgage secures). Such policy or policies shall be deposited with and made payable to the Mortgagee and the proceeds thereof shall at the option of the Mortgagee be applied in payment of the indebtedness secured by this Mortgage; provided, however, notwithstanding the option of the Mortgagee to apply the proceeds to said indebtedness, if the building is partially or wholly destroyed at such time or under such conditions as to require Mortgagor to restore the building under the terms of any lease which is or may be prior to the lien of this Mortgage and the insurers do not deny liability as to the insured, and provided the said lease is not terminated by either party thereto or by its terms, such proceeds, after deduction therefrom any expenses incurred in the collection thereof shall be held by the Mortgagee and disbursed to Mortgagor for the rebuilding, reconstructing and repairing of the aforesaid premises upon request as the work progresses.

The Mortgagor also agrees, at the request of the Mortgagee to obtain rent insurance (equal to nine (9) months' gross rentals) and public liability insurance coverages in such amounts and from such insurance companies as the Mortgagee reasonably may specify.

Each of the aforementioned insurance policies shall provide for ten (10) days prior written notice of cancellation to the Mortgagee.

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