

simultaneously herewith, then this Mortgage and the estate and rights granted hereby shall be null and void, but shall otherwise remain in full force and effect.

MORTGAGOR HEREBY WARRANTS, COVENANTS, AND REPRESENTS that it is lawfully seized of good and marketable title to the Mortgaged Property in fee simple absolute, free and clear of any liens, encumbrances, security interests, or adverse claims, except for easements and restrictions of record and except for a lien for taxes not yet due and payable. Mortgagor further warrants, covenants, and represents that it has good and lawful authority to Mortgage, grant, and convey the Mortgaged Property. Mortgagor agrees hereby to warrant and forever defend title to the Mortgaged Property unto Mortgagee, its successors and assigns, against all adverse claims, and demands, subject to easements and restrictions of record and to a lien for taxes not yet due and payable.

MORTGAGOR FURTHER COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:

1. **LAND DEVELOPMENT LOAN AGREEMENT.** The Land Development Loan Agreement executed simultaneously herewith by and between Mortgagor and Mortgagee is by reference hereby incorporated as part of this Mortgage. Mortgagor ratifies and confirms the terms of said Land Development Loan Agreement as covenants binding upon Mortgagor under this Mortgage, and hereby specifically covenants that it will permit no Event of Default as therein defined. Mortgagor covenants and agrees to use all funds advanced hereunder solely for construction of improvements on the Mortgaged Property in accordance with plans and specifications approved by Mortgagee and in accordance with said Land Development Loan Agreement.