

SECTION 3. WARRANTY OF TITLE.

The Company warrants that it has all right, power and authority to grant to the County a security interest in the Collateral for the uses and purposes herein set forth; and the Company will warrant and defend title to the Collateral against all claims and demands of all persons claiming by, through or under the Company. The Company also agrees that it will, in its individual capacity and at its own cost and expense, promptly take such action as may be necessary duly to discharge any liens and encumbrances on the Collateral which are claimed by any party through the Company and which are not related to this Security Agreement, the Company Mortgage or the transactions described in the Loan Agreement.

SECTION 4. POSSESSION OF COLLATERAL.

Contemporaneously with the execution of this Security Agreement, the Company will deposit with the Bank for the account of the County the stocks, bonds and certificates of deposit, described in Schedule III. While the Company is not in default hereunder, it shall be suffered and permitted to receive all cash dividends on these stocks, and all interest received on these bonds and these certificates of deposit.

The Company will, at no cost to the County, pay to the Bank all administrative charges imposed by the Bank with respect to this deposit.

While the Company is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and

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