

SECTION 1. SECURITY INTEREST.

The County does hereby convey, warrant, mortgage, pledge, assign and grant to First National and Trust Company as holders of the Series A and Series B Bonds, respectively, and their successors and assigns, and to any subsequent registered owners of the Series A and Series B Bonds, and First National and Trust Company do hereby accept, a first security interest in all and singular of the County's right, title and interest in, to or arising under the following:

(a) Those two Secured Notes, each dated on or about December 16, 1981 and each in the principal face amount of \$2,500,000 executed by the Company and delivered to the County, naming the County as payee (the "Company Notes"), substantially in the forms attached as Exhibit C to the Loan Agreement, dated as of December 16, 1981, among the County, First National, Trust Company and the Company (the "Loan Agreement"); and

(b) That certain Security Agreement, between the County, as secured party, and the Company, as debtor, dated as of December 16, 1981, in substantially the form attached as Exhibit D to the Loan Agreement, and all amendments thereto (the "Company Security Agreement"); and

(c) That certain Mortgage between the County, as mortgagee, and the Company, as mortgagor, dated as of December 16, 1981, in substantially the form attached as Exhibit E to the Loan Agreement, and all amendments thereto (the "Company Mortgage"); and

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