

singular the said Premises unto the County forever from and against the Company and all persons whomsoever lawfully claiming the same or any part thereof. 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 Premises which are or will be claimed by any party through the Company and which are not related to this Mortgage and Security Agreement or the transactions described in the Loan Agreement.

SECTION 3. GRANT OF SECURITY INTEREST.

The Company does hereby convey, warrant, mortgage, pledge, assign and grant to the County, its successors and assigns, and the County does hereby accept, a first security interest in and to all and singular of the Company's right, title and interest in and to the Premises, the equipment described in Schedule II, and the plans and specifications prepared by W. E. Gilbert & Associates, Inc. for construction of a building on the land included within the Premises.

The County, its successors and assigns shall have and hold the Collateral forever; provided, always, however, that this security interest is granted upon the express condition that if the Company shall pay or cause to be paid all amounts payable under the Company Notes, the Loan Agreement and this Mortgage and Security Agreement, then the security interest hereby granted shall cease and be discharged; otherwise this security interest shall remain in full force and effect.

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