

SECTION 4. POSSESSION OF COLLATERAL.

The Company will deposit with the Lender for the account of and as agent for the County any and all obligations purchased in whole or in part with the proceeds of the County Note and the Company Note during the Construction Period. This deposit shall occur contemporaneously with the purchase of such obligations. All cash dividends, interest or other income received on such obligations shall be deposited in and shall become a part of, and subject to the restrictions applicable to the Construction Fund. As and when the Lender, as custodian of the Construction Fund, shall need to sell, assign or otherwise dispose of such obligations in order to defray costs of the Project, the Lender shall be permitted to do so, so long as the Company satisfies the requirements of the Loan Agreement.

While the Company is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral, other than the Construction Fund, and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided always that the possession, enjoyment, control and use of the Collateral shall at all times be subject to the observance and performance of the terms of this Mortgage and Security Agreement and the provisions of the Loan Agreement.

SECTION 5. ASSURANCES AND RECORDATION.

(a) The Company will, at no expense to the County, perform