

F. The Loan Agreement and the rights of the Authority thereunder (except the Authority's rights to its administrative fee and certain expense and indemnification payments), the First Secured Note and the other Loan Documents are being assigned, pledged and hypothecated to the Trustee under the Indenture to provide for and secure the payment of the Bonds.

G. The Developer has executed and delivered to the Surety a Second Mortgage, a Second Security Agreement and a Second Collateral Assignment of Leases and Rents, each dated as of October 1, 1984, to secure the obligations of the Developer to the Surety under the Reimbursement Agreement and the Developer's Second Secured Note which evidences the Developer's obligations under the Reimbursement Agreement (the "Second Secured Note") (the Second Mortgage, the Second Security Agreement, the Second Collateral Assignment of Leases and Rents, the Reimbursement Agreement, and Second Secured Note, the Commitment (as hereinafter defined) and the Guaranty Agreement referred to in the Reimbursement Agreement, and all supplements and amendments thereto, being referred to herein collectively as the "Second Mortgage Documents").

H. The Developer and the Authority have entered into a Land Use Restriction and Regulatory Agreement dated as of October 1, 1984 (herein, together with all supplements and amendments thereto called the "Regulatory Agreement"), to effectuate the provisions of Section 103(b)(4)(A) of the Internal Revenue Code of 1954, as amended (the "Code"), so as to assure the exemption of interest on the Bonds from federal income taxation.

I. Pursuant to this Security Agreement, the Developer has agreed to grant to the Secured Parties a security interest in all the property, whether presently owned by Developer or hereafter acquired, described as the "Collateral" in Exhibit A attached hereto.

J. The Collateral is located on certain real property owned by the Developer (the "Premises") described in Exhibit B attached hereto.

With reference to the above recitals, and in reliance thereon and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Creation of Security Interest.** The Developer hereby grants to the Secured Parties a security interest in, and does hereby collaterally assign, pledge, mortgage, convey and set over unto the Secured Parties, the Collateral and all of the Developer's present and hereafter acquired right, title and interest in and to the Collateral, for the purpose of securing payment of all indebtedness, obligations and liabilities of the Developer to the Secured Parties arising under or in connection with the First Secured Note, the Loan Agreement and the other Loan Documents and performance of all agreements, covenants, terms and conditions contained in the foregoing documents and instruments.

2. **Warranties, Representations and Covenants of Debtor.** The Developer hereby warrants, represents and covenants as follows:

(a) The Developer is and will be the sole owner of the Collateral, free from any lien, security interest, encumbrance or adverse claim of any kind except

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