

10325

(a) by affirmative act consent to the creation or existence of any security interest in the Collateral except that granted to the Bank under this Security Agreement and Conditional Assignment; or

(b) sell, mortgage, transfer, assign or hypothecate its interest in the Collateral except in accordance with the terms of this Security Agreement and Conditional Assignment.

SECTION 5. DEFAULTS AND OTHER PROVISIONS.

An Event of Default shall occur if and when:

(a) The County shall fail to make any payment of principal of, or interest on, the Anticipation Note when and as the same shall become due; or

(b) The Company shall fail to make any payment of principal of, or interest on, the Company Anticipation Note when and as the same shall become due; or

(c) An Event of Default shall occur under the Company Mortgage; or

(d) The County shall fail in the due observance or performance of any covenant or agreement to be observed or performed by the County under or this Security Agreement and Conditional Assignment; or

(c) Any representation or warranty on the part of the County made in this Security Agreement and Conditional Assignment shall prove to have been false or misleading in any material respect when made; or

4328 RV-2