

SECTION 4. DEFAULTS AND OTHER PROVISIONS.

An "Event of Default" under this Security Agreement and Conditional Assignment shall occur if and when there shall be a default by the County, the Company, Fred E. Reed or Fred E. Reed Investment Fund under:

- (a) the Loan Agreement, or
- (b) the Bond, or
- (c) the Company Note, or
- (d) the Company Security Agreement, or
- (e) the Company Mortgage, or
- (f) the Personal Guaranty, or
- (g) the Personal Security Agreement, or
- (h) the Partnership Guaranty, or
- (i) the Partnership Security Agreement

and any applicable time for notice and for curing the default has lapsed.

SECTION 5. BANK'S RIGHTS.

The County agrees that when any Event of Default has occurred and is continuing:

(a) The Bank shall have the rights, duties and remedies of a secured party and the County shall have the rights and duties of a debtor under the Uniform Commercial Code of the State of South Carolina, regardless of where action may be taken to enforce those rights and duties; and

(b) The Bank may, by notice in writing to the County, declare the entire unpaid balance of the Bond to be immediately

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