

(a) by affirmative act consent to the creation or existence of any security interest in the Collateral except that granted to the Bank in connection with the transaction described in the Loan Agreement; and

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

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 or the Company 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

and any applicable time for notice and/or 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

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