

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

(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 an Event of Default under:

- (a) the Loan Agreement, or
- (b) the Mortgage and Security Agreement.

SECTION 5. RIGHTS OF BONDHOLDER.

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

(a) The Bank or the successor registered owner of the Bond 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

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